

NORTH CAROLINA DEPARTMENT OF INSURANCE
RALEIGH, NORTH CAROLINA

STATE OF NORTH CAROLINA
COUNTY OF WAKE

BEFORE THE COMMISSIONER
OF INSURANCE

IN THE MATTER OF THE LICENSURE
OF JOSEPH CARUANA
LICENSE NO. 00106555648

VOLUNTARY SETTLEMENT
AGREEMENT

NOW COME, Joseph Caruana (hereinafter "Mr. Caruana") and the North Carolina Department of Insurance (hereinafter "Department"), and hereby voluntarily and knowingly enter into the following Voluntary Settlement Agreement (hereinafter "this Agreement").

WHEREAS, the Department has the authority and responsibility for enforcement of the insurance laws of this State, and for regulating and licensing insurance agents; and

WHEREAS, Mr. Caruana currently holds a producer's license with the Department with authority for Life and Accident & Health or Sickness and Medicare Supplement Long-Term Care lines of insurance; and

WHEREAS, N.C.G.S. § 58-33-46(a)(2) authorizes the Commissioner of Insurance to place on probation, suspend, revoke, or refuse to renew any license issued under Article 33 of the North Carolina General Statutes for violating any insurance law of this or any other state; and

WHEREAS, N.C.G.S. § 58-33-46(a)(10) authorizes the Commissioner of Insurance to place on probation, suspend, revoke, or refuse to renew any license issued under Article 33 of the North Carolina General Statutes for forging another's name to an application for insurance or to any document related to an insurance transaction; and

WHEREAS, a complaint from Ms. Argin Laney to the Department alleged that Mr. Caruana forged the name of her sister, Ms. Frances W. Kennedy, who was suffering from End Stage Renal Disease (ESRD), on all documents related to the replacement of her life insurance policy with Unity Insurance Company; and

WHEREAS, N.C.G.S. § 58-33-46(a)(8) authorizes the Commissioner of Insurance to place on probation, suspend, revoke, or refuse to renew any license issued under Article 33 of the North Carolina General Statutes for using fraudulent, coercive, or dishonest practices, or demonstrating

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incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in this State or elsewhere; and

WHEREAS, Ms. Laney and her sister, Ms. Frances W. Kennedy, did not authorize Mr. Caruana to terminate Ms. Kennedy's life insurance policy with Unity Insurance Company or apply for a replacement policy with American Continental Insurance Company (ACIC), with such actions constituting violations of N.C.G.S. § 58-33-46(a)(8); and

WHEREAS, Mr. Caruana requested termination of Ms. Martha Combs' life insurance policy with ACIC without her consent and applied for a new life insurance policy with ACIC for Ms. Combs without indicating that such policy would not be replacing existing life insurance coverage; and wrote a new life insurance policy on Ms. Mamie Morrison replacing existing life insurance coverage without complying with life insurance replacement rules, with both actions constituting violations of N.C.G.S. § 58-33-46(a)(8); and

WHEREAS, N.C.G.S. § 58-2-69(c) requires a licensee who is convicted in any court of competent jurisdiction for any crime or offense other than a motor vehicle infraction to notify the Commissioner in writing within 10 days after the date of conviction; and

WHEREAS, Mr. Caruana was convicted on June 2, 2010 in Wake County of two (2) counts of Communicating Threats, a Class 2 misdemeanor, and such was not reported to the Department within ten (10) days after the entering of such convictions, a violation of N.C.G.S. § 58-2-69(c); and

WHEREAS, Mr. Caruana has admitted to these violations; and

WHEREAS, Mr. Caruana has agreed to settle, compromise, and resolve the matters referenced in this Agreement, and the Department has agreed not to pursue additional penalties, sanctions, remedies, or restitution based on these matters against Mr. Caruana; and

WHEREAS, the parties to this Agreement mutually wish to resolve these matters by consent before the Department initiates an administrative hearing, and have reached a mutually agreeable resolution of these matters as set out in this Agreement.

NOW, THEREFORE, in exchange for the consideration and promises and agreements set out herein, Mr. Caruana and the Department hereby agree to the following:


1. Immediately upon the signing of this Agreement, Mr. Caruana shall pay a **civil penalty of \$3000.00** to the Department. The form of payment shall be by certified check, cashier's check or money order. The check or money order for the payment of this civil penalty shall be payable to the "North Carolina Department of Insurance." Mr. Caruana shall remit the civil penalty by certified mail, return receipt requested, to the Department along with a copy of this signed Agreement. The civil penalty and the signed Agreement must be received by the Department no later than **April 30, 2012**. The civil penalty shall


be subject to disbursement in accordance with the provisions of Article IX, Section 7 of the North Carolina Constitution for the benefit of public schools.


2. This Agreement does not in any way affect the Department's disciplinary power in any future examinations or investigations of Mr. Caruana, or in any other complaints involving Mr. Caruana.
3. Mr. Caruana enters into this Agreement freely and voluntarily and with the knowledge of his right to have an administrative hearing on this matter. Mr. Caruana understands he may consult with an attorney prior to entering into this Agreement.
4. The parties to this Agreement agree that this Agreement shall have the full force and effect of an Order of the Commissioner. Mr. Caruana understands that N.C.G.S. §58-33-46(a)(2) provides that an agent's license may be revoked for violating an Order of the Commissioner.
5. This Agreement, when finalized, will be a public record and will not be held confidential by the Department. Following the execution of this Agreement, any and all licenses issued by the Department to Mr. Caruana shall reflect that Regulatory Action has been taken against him. The Department is free to disclose the contents of this Agreement with third parties upon request or pursuant to any law or policy providing for such disclosure. The Department routinely provides copies of voluntary settlement agreement to all companies that have appointed the licensee.
6. The parties have read and understand this Agreement and agree to abide by the terms and conditions stated herein.

This the 27 day of April, 2012.

North Carolina Department of Insurance

By:  57-12
Angela K. Ford
Senior Deputy Commissioner


Joseph Caruana
License No. 0010655648


Notary Public.

Donald R Steichen
Notary Public
Wake County, NC
My Commission Expires December 22, 2015