

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 CHARLES E. GRISSOM

VOLUNTARY SETTLEMENT
AGREEMENT

NOW COME Charles E. Grissom (hereinafter "Grissom") 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 insurance laws of this State, and for regulating and licensing insurance agents; and

WHEREAS, Grissom holds a Life and Health agent license, and a Medicare Supplement/Long Term Care agent license issued by the Department; and

WHEREAS, the Department investigated a complaint from Kenneth and Teresa Inscoe (Hereinafter "the Inscoes") in which they complained that unauthorized policy loans had been taken out by Grissom on two Jefferson Pilot Life Insurance Company policies owned by the Inscoes; and

WHEREAS, there is a family relationship between Grissom and the Inscoes; and Grissom did make premium payments on at least one of the Jefferson Pilot Life Insurance Company policies owned by the Inscoes; and

WHEREAS, Grissom wrongfully obtained the proceeds of policy loans on two Jefferson Pilot Life Insurance Company life insurance policies owned by the Inscoes by signing their names, or causing their names to be signed, on Jefferson Pilot Life Insurance Company documents and proceeds checks without their express authorization; and

WHEREAS, Jefferson Pilot Life Insurance Company has reimbursed the Inscoes for the unauthorized policy loans obtained by Grissom from their policies; and

WHEREAS, Grissom has violated N. C. Gen. Stat. § 58-33-46(a)(10) by forging Kenneth and Teresa Inscoe's names, without authorization, to one or more documents related to insurance policy loans from life insurance policies owned by the Inscoes; and

WHEREAS, Grissom has violated N. C. Gen. Stat. § 58-33-46(a)(8) by using fraudulent practices in the conduct of business in this state by obtaining policy loan proceeds without authorization from life insurance policies owned by the Inscoes; and

WHEREAS, Grissom has violated N. C. Gen. Stat. § 58-33-46(a)(8) by demonstrating incompetence, untrustworthiness, or financial irresponsibility in the conduct of business; and

WHEREAS, Grissom has not previously been reported to the Department for any violations of the insurance laws; and

WHEREAS, Grissom 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 Grissom; and

WHEREAS, the parties to this Agreement mutually wish to resolve this matter by consent before the Department initiates an administrative hearing concerning this matter; and

WHEREAS, the parties to this Agreement have reached a mutually agreeable resolution of this matter as set out in this Agreement;

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

1. Contemporaneously with the execution of this document, Grissom shall pay a civil penalty of \$400.00 to the Department. The form of payment shall be in a certified check, cashiers 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."

2. Grissom shall immediately repay Jefferson Pilot Life Insurance Company all funds paid by said company to the Inscoes by reason of the unauthorized policy loans obtained by Grissom; and no later than 30 days after this Agreement is signed by the Department, Grissom shall provide the Department with a signed receipt or other written documentation from Jefferson Pilot Life Insurance Company proving that this repayment has been made.

3. Grissom shall attend 12 hours of Continuing Education within six months of the date this Agreement is signed by the Department.

4. Grissom enters into this Agreement freely and voluntarily and with knowledge of his right to have an administrative hearing on this matter. Grissom understands that he may consult with an attorney prior to entering into this Agreement.

5. This Agreement does not in any way affect the Department's disciplinary power in any future examinations of Grissom, or in any other complaints involving Grissom.

6. The parties to this Agreement agree that this Agreement shall have the full force and effect of an Order of the Commissioner. Grissom understands that N. C. Gen. Stat. § 58-33-46(a)(2) provides that an agent's license may be revoked for violating an Order of the Commissioner.

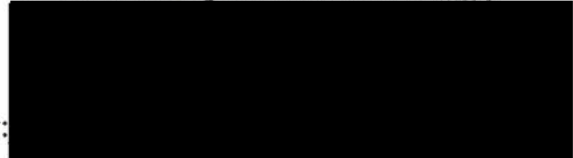
7. The parties have read and understand this Agreement and agree to abide by the terms and conditions stated herein.

This the 9 day of April, 2004.



Charles E. Grissom

North Carolina Department of Insurance



By:

Angela Ford
Senior Deputy Commissioner