

NORTH CAROLINA DEPARTMENT OF INSURANCE
RALEIGH, NORTH CAROLINA

RECEIVED IN AGENT SERVICES
A.S. - N.C.D.O.I.
MAR 10 2014
CHECKNO [REDACTED]
CHECKAL [REDACTED]
PROCESSOR [REDACTED]

STATE OF NORTH CAROLINA
COUNTY OF WAKE

BEFORE THE COMMISSIONER
OF INSURANCE

102112

IN THE MATTER OF THE LICENSURE
OF WATSON D. HORNE, JR.
LICENSE NO. 0005626711

VOLUNTARY SETTLEMENT
AGREEMENT

NOW COME, Watson D. Horne, Jr. (hereinafter "Mr. Horne") 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. Horne currently holds a producer's license with the Department with authority for Life, and Accident Health or Sickness lines of insurance; and

WHEREAS, North Carolina Gen. Stat. § 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, North Carolina Gen. Stat. § 58-33-26(a) provides that no person shall act or hold himself out to be an agent, broker, limited representative, adjuster, or motor vehicle damage appraiser unless duly licensed; and

WHEREAS, North Carolina Gen. Stat. § 58-33-130(c) provides that the license of any person who fails to comply with the continuing education requirements shall lapse except that the Commissioner or administrator may either grant an extension of time for good cause shown or charge an administrative fee of seventy-five dollars (\$75.00), or both, in lieu of having the person's license lapse; and

WHEREAS, Mr. Horne's producer's license lapsed as of December 31, 2010 for non-compliance with the continuing education requirements, and he did not request or was granted an extension of time to complete the continuing education requirements; and

WHEREAS Mr. Horne's license was not reactivated until April 24, 2010 upon completion of his continuing education requirements; and

WHEREAS, Mr. Horne's producer's license lapsed as of December 31, 2010 for non-compliance with the continuing education requirements, and he did not request or was granted an extension of time to complete the continuing education requirements; and

WHEREAS Mr. Horne's license was not reactivated until April 24, 2010 upon completion of his continuing education requirements; and

WHEREAS, Mr. Horne solicited and negotiated twenty-one (21) contracts of insurance for Guarantee Trust & Life Insurance Company in his capacity as a producer during the period wherein his producer's license had lapsed as a result of his non-compliance with continuing education requirements, constituting a violation of North Carolina Gen. Stat. § 58-33-26(a); and

WHEREAS, North Carolina Gen. Stat. § 58-33-40 provides that no individual who holds a valid insurance agent's license issued by the Commissioner shall either directly or for an insurance agency, solicit, negotiate, or otherwise act as an agent for any insurer by which the individual has not been appointed; and

WHEREAS, Mr. Horne completed applications for annuities for Mr. Paul Yountz, Jr. and Mr. Paul Yontz, III with Allianz Life Insurance Company, a company for which Mr. Horne was not appointed to represent, a violation of North Carolina Gen. Stat. § 58-33-40; and

WHEREAS, North Carolina Gen. Stat. § 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 incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in this State or elsewhere; and

WHEREAS, Mr. Horne in taking the applications for annuities from Mr. Paul Yontz, Jr. and Mr. Paul Yontz, III, being fully aware that he was not appointed by or authorized to represent Allianz Life Insurance Company, had his wife, who was appointed by Allianz Life Insurance Company, to sign the applications although she was not present at the time of the taking of the applications, which constituted violations of North Carolina Gen. Stat. § 58-33-46(a)(8); and

WHEREAS, on or about January 20, 2009, a default judgment was entered against Mr. Horne in the United States District Court for the Southern District of Ohio in case C.A. No. 1:08-CV-696 for \$109,947.68 plus plaintiff's costs for unreimbursed Chargebacks for commissions paid by Union Central Life Insurance Company ("Union Life"); and

WHEREAS, Mr. Horne has failed to satisfy this judgment, which constitutes financial irresponsibility in the course of business in violation of North Carolina Gen. Stat. § 58-33-46(a)(8); and

WHEREAS, Mr. Horne has previously filed for bankruptcy in 2009 and 2011, but failed to report these filings to the Department in violation of North Carolina Gen. Stat. § 58-33-46(c); and

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

WHEREAS, Mr. Horne 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 this matter against Mr. Horne; and

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

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

1. Immediately upon the signing of this Agreement, Mr. Horne shall pay a **civil penalty of \$1,500.00** 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. Horne 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 **March 7, 2014**. 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. Horne, or in any other complaints involving Mr. Horne.
3. Mr. Horne enters into this Agreement freely and voluntarily and with the knowledge of his right to have an administrative hearing on this matter. Mr. Horne 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. Horne understands that North Carolina Gen. Stat. § 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. Horne 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 12th day of March, 2014.

North Carolina Department of Insurance



Watson D. Horne, Jr.
License No. 0005626711



By: Angela K. Ford
Senior Deputy Commissioner

