

**NORTH CAROLINA DEPARTMENT OF INSURANCE  
RALEIGH, NORTH CAROLINA**

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**STATE OF NORTH CAROLINA  
COUNTY OF WAKE**

**BEFORE THE COMMISSIONER  
OF INSURANCE**

**IN THE MATTER OF THE LICENSURE  
OF JOSEPH R. HUME  
LICENSE NO. 0008518081**

**VOLUNTARY SETTLEMENT  
AGREEMENT**

**NOW COME** Joseph R. Hume (hereinafter "Mr. Hume") 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. Hume currently holds a producer's license with the Department with authority for Medicare Supplement and Long Term Care insurance; and

**WHEREAS**, North Carolina General Statute §58-33-46(a)(10) authorizes the Commissioner of Insurance to place on probation, suspend, revoke, or refuse to renew the license of any licensee for forging another's name to an application for insurance or to any document related to an insurance transaction; and

**WHEREAS**, Mr. Hume in October 2009 met with Dr. Prabhakar G. Vaidya at Dr. Vaidya's home in Carrboro, NC and sold him a Medicare Supplement, Plan F, policy with United of Omaha, and discussed in general what other policies Dr. Vaidya might need, including Medicare Part D prescription drug coverage; and

**WHEREAS**, Mr. Hume attempted to reach Dr. Vaidya on several occasions subsequent to the October 2009 meeting, without success, to discuss whether or not Dr. Vaidya wanted to apply for Medicare Supplement Prescription Drug (Part D) coverage; and

**WHEREAS**, Mr. Hume on December 28, 2009 signed an application for Medicare Prescription Drug Plan (Part D) with CIGNA for Dr. Prabhakar G. Vaidya which Dr. Vaidya later contended was without his knowledge or consent constituting a violation of North Carolina General Statute §58-33-46(a)(10); and

**WHEREAS**, when Dr. Vaidya in January 2010 received from CIGNA RX Plan 2 a welcome packet thanking him for enrolling in the Prescription Drug (Medicare Part D) plan, he learned that Mr. Hume had enrolled him without his consent, and requested and received a refund of the monies deducted from his Social Security benefits; and

**WHEREAS**, Mr. Hume admits to the violation of North Carolina General Statute §58-33-46(a)(10), with an explanation that he made application for the coverage without Dr. Vaidya's consent or permission so that Dr. Vaidya would not miss the deadline for applying for such coverage but that Mr. Hume believed that Dr. Vaidya had contracted with Mr. Hume to obtain the coverage; and

**WHEREAS**, Mr. Hume 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. Hume; 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. Hume and the Department hereby agree to the following:

1. Immediately upon the signing of this Agreement, Mr. Hume shall pay a civil penalty of **\$500.00** to the Department. The form of payment shall be by certified 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." Mr. Hume 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 **May 27, 2011**. 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 examination of Mr. Hume, or in any other complaints involving Mr. Hume.
3. Mr. Hume enters into this Agreement freely and voluntarily and with the knowledge of his right to have an administrative hearing on this matter. Mr. Hume understands he may and has consulted 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. Hume 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. Hume 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 19<sup>th</sup> day of May, 2011.

[Redacted Signature]

Joseph R. Hume  
License No. 0008518081

North Carolina Department of Insurance

[Redacted Signature]

By: Angela Ford  
Senior Deputy Commissioner