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NORTH CAROLINA DEPARTMENT OF INSURANCE  
RALEIGH, NORTH CAROLINA

STATE OF NORTH CAROLINA	)	BEFORE THE COMMISSIONER
COUNTY OF WAKE	)	OF INSURANCE
	)	
IN THE MATTER OF THE LICENSURE	)	
OF ROBERT L. HUNEYCUTT	)	VOLUNTARY SETTLEMENT
	)	
	)	AGREEMENT
	)	

NOW COME Robert L. Huneycutt [hereinafter, "Mr. Huneycutt"] and the North Carolina Department of Insurance [hereinafter "the Department"], by and through Senior Deputy Commissioner Angela Ford, and hereby voluntarily and knowingly enter into the following Voluntary Settlement Agreement, hereinafter "this document":

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

WHEREAS, Mr. Huneycutt holds resident Medicare Supplement Long-Term Care and Producer's licenses issued by the Department on July 31, 2010 ;

WHEREAS, Mr. Huneycutt is appointed with Nationwide Insurance and works for The Michael Glick Agency;

WHEREAS, the Department received a complaint from Nancy J. Smith which alleged that Nationwide drafted funds for a fixed life/long term care policy on December 3, 2013 without her knowledge or consent. Ms. Smith further alleged, in pertinent part, that when Mr. Huneycutt met with her to complete the insurance application for this policy she specifically informed him that she would be paying the premium monthly by check. When she later confronted Mr. Huneycutt about this discrepancy, Mr. Huneycutt informed her that he checked a draft box on the insurance application and that he wrote in the account numbers which appeared on the check she wrote for a previous insurance premium payment in order for her monthly payment to be drafted;

WHEREAS, Ms. Smith subsequently informed Mr. Huneycutt that she did not want the fixed life/long-term care policy, requested a full refund of the premiums drafted from her account for that policy, and requested that the bank draft be stopped. Mr. Huneycutt communicated these instructions to Nationwide, which reportedly refunded all premiums drafted for that policy to Ms. Smith and stopped further billing on this policy. Nationwide also stopped drafting premiums for the term insurance policy;

WHEREAS, on March 11, 2014, Mr. Huneycutt provided a written response to the Department's inquiry regarding Ms. Smith's complaint. In his response, Mr. Huneycutt

explained that he first met with Ms. Smith in February 2013 and that he took an application for a Nationwide term life insurance policy from Ms. Smith during that meeting. At that time, Mr. Huneycutt collected a check for 2 months premium from Ms. Smith since she selected monthly billing as the payment method for that policy;

**WHEREAS**, Mr. Huneycutt further explained in his response that in August 2013, he met again with Ms. Smith at her mother's home to discuss a new fixed life insurance policy with a long-term care rider. Mr. Huneycutt alleged that at that time, based upon his conversation with Ms. Smith about payment methods, he mistakenly believed that she wanted her monthly premium to be drafted from her bank account on the 25<sup>th</sup> of each month. Thus, he indicated on the application that Ms. Smith wanted the premium to be drafted from her bank account on the 25<sup>th</sup> of each month. After he returned to his office, Mr. Huneycutt voided a copy of the check which Ms. Smith submitted with her previous application and electronically submitted the application with the billing option of bank draft due on the 25<sup>th</sup> of each month. Mr. Huneycutt then submitted the application through Nationwide's online system for application submission and faxed "wet signatures" (including the signature he had previously obtained from Ms. Smith) to Nationwide;

**WHEREAS**, Mr. Huneycutt submitted a copy of the paper application for Ms. Smith's long-term care policy which he took on August 23, 2013 with his response to the Department. Mr. Huneycutt did not obtain and record answers to all of the application questions, including the questions under Section 12 for Future Billing and Payment Options which require the applicant to select Monthly EFT, Quarterly, Semi-Annual, or Annual billing. Although Mr. Huneycutt did write down the 25<sup>th</sup> beside the date for Monthly draft before obtaining Ms. Smith's signature on the application, he did not obtain a check from Ms. Smith or obtain and write down her banking information on the application as required by the application form;

**WHEREAS**, Nationwide's Financial General Agency Conduct ["NFGA"] Committee reviewed the actions of Mr. Huneycutt and found that Mr. Huneycutt had violated Section 16(b) of NFGA's policies and procedures regarding altered documents. In particular, Section 16(b) prohibits agents from "Making any corrections or alterations to a document after a client has signed it, without having the client acknowledging the change." Accordingly, the Committee issued a Written Warning Letter to Mr. Huneycutt for these violations on March 11, 2014. The Written Warning Letter required that Mr. Huneycutt to take certain actions to prevent reoccurrence of the issue, including payment of a \$250.00 fine. Nationwide has confirmed to the Department that Mr. Huneycutt has since complied with the terms of the Written Warning Letter;

**WHEREAS**, the Department held an informal conference with Mr. Huneycutt on May 7, 2014 to discuss the issues raised by Ms. Smith's complaint. During that conference, Mr. Huneycutt explained that he completed a paper application when he met with Ms. Smith in August 2013 even though Nationwide requires submission of an online application. Thus, when he returned to the office after his meeting with Ms. Smith on August 23, 2013, Mr. Huneycutt completed and submitted a separate online application in Ms. Smith's absence and then faxed the signatures he obtained from the paper application to Nationwide. Mr. Huneycutt further admitted that although he never obtained the information and authorization required to complete the portion of the application regarding Future Billing and Payment Options and Electronic Draft

Authorization, he completed these portions of the online application using information from the check which Ms. Smith previously wrote for the term life policy;

**WHEREAS**, the foregoing conduct by Mr. Huneycutt constitutes grounds for disciplinary action against Mr. Huneycutt's agent's licenses pursuant to N.C. Gen. Stat. § 58-33-46(a)(8), which authorizes the Department to take disciplinary action against an agent for "using fraudulent or dishonest practices, or demonstrating incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in this State or elsewhere;"

**WHEREAS**, pursuant to N.C. Gen. Stat. § 58-2-70(g), the Commissioner of Insurance and the Department have the express authority to negotiate a mutually acceptable agreement with any person as to the status of the person's license or certificate or as to any civil penalty or restitution;

**WHEREAS**, Mr. Huneycutt 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 Ms. Smith's complaint;

**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**, Mr. Huneycutt has agreed to pay a total administrative fine of \$250.00 (two hundred fifty dollars) in lieu of other administrative action against his licenses for these violations of Chapter 58;

**WHEREAS**, Mr. Huneycutt has further agreed to take the following corrective action in order prevent reoccurrence of the issues in this matter: (a) always ask and accurately record all answers to all required application questions and (b) if and when Mr. Huneycutt uses a paper application in lieu of a laptop computer to complete applications outside of his office, he will always accurately transmit all answers from the paper application to the online application;

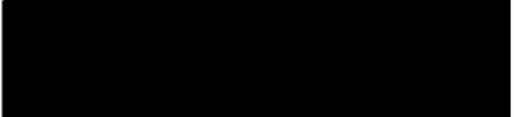
**WHEREAS**, the parties to this document have reached a mutually agreeable resolution of this matter as set out in this Voluntary Settlement Agreement.

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

1. Contemporaneously with the execution of this document, Mr. Huneycutt shall pay a civil penalty of two hundred and fifty dollars (\$250.00) to the Department. The check for the payment of this civil penalty shall be payable to the "North Carolina Department of Insurance." This 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 the public schools. The Department must receive both the civil penalty and this signed document from Mr. Huneycutt no later than **June 30, 2014**.

2. Mr. Huneycutt agrees to take the corrective action set forth in this Voluntary Settlement Agreement and to comply with all statutory and regulatory requirements applicable to insurance agents in this State.
3. This Agreement does not in any way affect the Department's disciplinary power in any future actions, cases or complaints involving Mr. Huneycutt.
4. The parties to this document agree that the Superior Court of Wake County shall be the venue for any actions seeking to enforce this document.
5. If, for any reason, any part or provision of this document is found to be void or unenforceable, the other parts and provisions shall remain in full force and effect.
6. The parties to this document have read and understand this document and agree to abide by the terms and conditions contained herein.
7. This Agreement, when finalized, will be a public record and is not confidential. Any and all licenses issued by the Department to the licensee shall reflect that Regulatory Action has been taken against the licensee following the execution of this Agreement. 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.
8. The parties to this Agreement agree that this Agreement shall have the full force and effect of an Order of the Commissioner. Mr. Huneycutt understands that N.C. Gen. Stat. § 58-33- 46(a)(2) provides that his licenses may be revoked for violating an Order of the Commissioner.
9. Mr. Huneycutt voluntarily waives any right to notice of an administrative hearing and any right to a hearing on the violation and disciplinary action referenced in this Settlement Agreement. Mr. Huneycutt also waives any right to appeal and agrees not to challenge the validity of this Settlement Agreement in any way.
10. The promises, agreements, representations and consideration contained herein are not mere recitals but are contractual in nature.
11. This written document contains the entire agreement between the Parties. There are no other oral or written agreements of any kind that alter or add to this

  
Robert L. Huneycutt

  
North Carolina Department of Insurance  
By Angela K. Ford  
Senior Deputy Commissioner

Date: May 29, 2014

Date: June 12, 2014