

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  
THOMAS M. HUNTER  
LICENSE NO. 0002420016

VOLUNTARY SETTLEMENT  
AGREEMENT

**NOW COME.** Thomas M. Hunter (hereinafter "Mr. Hunter") 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 agencies; and

**WHEREAS,** Mr. Hunter currently holds a resident producer's license with authority for Life, Accident & Health or Sickness, Property and Casualty lines of insurance and a broker's license issued by the Department; and

**WHEREAS,** N.C. Gen. Stat. § 58-33-46(a)(4) provides that the Commissioner may place on probation, suspend, revoke, or refuse to renew any license issued under Article 33 of Chapter 58 of the General Statutes of NC for improperly withholding, misappropriating, or converting any monies or properties received in the course of doing insurance business; and

**WHEREAS,** 11 NCAC 04.0429 provides that the accounting records maintained by agent, brokers, and limited representatives shall be separate and apart from any other business records and demonstrate at all times that the collected funds due to insurers and return premiums due to policyholders are available at all times; and

**WHEREAS,** N. C. Gen. Stat. § 58-33-46(a)(8) provides that the Commissioner may place on probation, suspend, revoke, or refuse to renew any license issued under Article 33 of Chapter 58 of the General Statutes of NC, 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,** the Department conducted a review of the Stowe Insurance Agency, owned by Mr. Hunter on October 29-30, November 03 and December 22, 2020 and January 07 and 08, 2021; the review was elevated to target status based on overdrafts and negative balances observed in the premium account. And

**WHEREAS,** Department investigator reviewed premium account bank statements for the period March 2015 through February 2020 and observed eight (8) overdrafts resulting in \$315.00 in overdraft fees for which during such times premium funds would not have been available for remission or drafting by insurers, violations of N.C. Gen. Stat. § 58-33-46(a)(4) and 11 NCAC 04.0429; and

**WHEREAS**, the violations found in the examination of the Stowe Insurance Agency and Mr. Hunter, who is responsible for the agency's operations, tend to demonstrate incompetence and financial irresponsibility on the part of Mr. Hunter sufficient to support suspension, probation revocation or non-renewal of Mr. Hunter's license as provided in N. C. Gen. Stat. § 58-33-46(a)(8); and

**WHEREAS**, as a result of the violations, the investigators recommended increasing the amount of cushion in the premium account or linking it to the operating account; the office manager indicated that the agency would monitor the account closer to ensure that premiums are deposited into the correct account and contact the bank to find out if the operating and premium accounts could be linked so as to avoid future negative and overdraft balances; and

**WHEREAS**, N. C. Gen. Stat. § 58-33-46(a)(2) provides that the Commissioner may place on probation, suspend, revoke, or refuse to issue or renew any license issued under Article 58 of the General Statutes of North Carolina for violating any insurance law of this or any other state, violating any administrative rule, subpoena, or order of the Commissioner or of another state's regulator; and

**WHEREAS**, N. C. Gen. Stat. § 58-2-70 provides that whenever the Commissioner has reason to believe that any person has violated any law that would subject the license or certification of that person to suspension or revocation, the Commissioner is authorized, in lieu of a hearing, to negotiate a mutually acceptable agreement as to the status of the person's license or certificate or to any civil penalty or restitution; and

**WHEREAS**, Mr. Hunter has agreed to settle, compromise, and resolve the matters referenced in this Agreement on behalf of himself, and the Department has agreed not to pursue additional penalties, sanctions, remedies, or restitution based on these matters against Mr. Hunter; 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. Hunter and the Department hereby agree to the following:

1. Immediately upon the signing of this Agreement, Mr. Hunter shall pay a civil penalty of **\$2,000.00** 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. Hunter 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 19, 2021**. 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. Hunter or in any other complaints involving Mr. Hunter.

3. Mr. Hunter enters into this Agreement, on behalf of himself, freely and voluntarily and with the knowledge of his right to have an administrative hearing on this matter. Mr. Hunter 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. Hunter understands that N.C.G.S. § 58-33-46(a)(2) and 58-71-80(a)(7) provide respectively that a producer'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, all licenses issued by the Department to Mr. Hunter 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, upon request, routinely provides a copy of the 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.
7. Be aware that if a state or federal regulator other than the N. C. Department of Insurance has issued an occupational or professional license to you, that regulator may require you to report this administrative action to it. The N.C. Department of Insurance cannot give you legal advice as to the specific reporting requirements of other state or federal regulators.

**N. C. Department of Insurance**



By: Thomas M. Hunter  
License No. 0002420016



By: Angela Hatchell  
Deputy Commissioner

Date: 4-12-21

Date: 4/15/2021