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STATE OF NORTH CAROLINA
COUNTY OF WAKE

BEFORE THE COMMISSIONER
OF INSURANCE

IN THE MATTER OF
THE LICENSURE OF
SAMUEL JOHNSON IV
LICENSE NO. 0006614080

VOLUNTARY SETTLEMENT
AGREEMENT

NOW COME, Samuel Johnson IV (hereinafter "Mr. Johnson") 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. Johnson currently holds a resident producer's license with authority for Life, Accident & Health or Sickness, Property and Casualty lines of insurance and Broker and Limited Representative licenses issued by the Department; and

WHEREAS, a Department routine examination was conducted by Department examiners on All Save Auto Insurance ("agency") in Asheboro, NC, owned and operated by Mr. Johnson, on April 16 and 23, 2019, to verify that all agency employees are appropriately licensed, to audit the agency's financials, and to randomly review files to verify proper underwriting; because of the violations discovered therein it was modified into a target examination; and

WHEREAS, N.C. Gen. Stat. § 58-33-85 (b) provides that no insurer, agent, broker or limited representative shall knowingly charge to or demand or receive from an applicant for insurance any money or other consideration in return for the processing of applications or other forms or for the rendering of services associated with a contract of insurance, which money is in addition to the premium for such contract, unless the applicant consents in writing before any services are rendered; and

WHEREAS, 11 NCAC 04.0120 provides that an agent, broker or limited representative who deals directly with an applicant and who intends to charge a policy or service fee in accordance with N.C. Gen. Stat. § 58-33-85(b), among other things must obtain the applicant's consent in writing on a separate form each time a policy or service fee is charged; such form shall be entitled, "Policy or Service Fee Consent" and shall include the date and amount of each fee charged; and

WHEREAS, 11 NCAC 04.0121 provides that all premium receipts and copies issued by an agent, broker, or limited representative, shall be dated and contain the printed or stamped name of the agency or agent, broker, or limited representative, and the name of the insurer; and receipts shall be signed by the person accepting payment; and

WHEREAS, N.C. Gen. Stat. § 58-2-185 provides that all companies, agents, or brokers doing any kind of insurance business in this State must make and keep a full and correct record of the business done by them, showing the number, date, term, amount insured, premiums, and the persons to whom issued, of every policy or certificate or renewal, and that information obtained from these records must be furnished to the Commissioner on demand, and the original books of records shall be open to the inspection of the Commissioner when demanded; and

WHEREAS, the examiners observed that the agency was charging policy or service fees, but did not obtain signed consent forms as required by, and in violation of, the provisions of N.C. Gen. Stat. § 58-33-85 (b); and

WHEREAS, the examiners observed that the agency uses manual receipts and that each customer receipt is stamped with the name and address of the agency, but the receipts do not contain the name of the insurer in violation of the provisions of 11 NCAC 4.0121; and

WHEREAS, Mr. Johnson informed the examiners that the agency has not kept copies of the deposit tickets and it appears that the agency has not been reconciling their receipts to deposits for the past five years, a violation of the provisions of N. C. Gen. Stat. § 58-2-185 and 11 NCAC 04.0120; and

WHEREAS, Mr. Johnson was required to submit, and submitted, a corrective action plan dated September 09, 2019 to assure the non-reoccurrence of the violations and problems found during the audit; 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, Mr. Johnson 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. Johnson; 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. Johnson and the Department hereby agree to the following:


1. Immediately upon the signing of this Agreement, Mr. Johnson shall pay a civil penalty of **\$250.00** 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. Johnson 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 **November 13, 2019**. 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. Mr. Johnson, in his corrective action plan, agreed: (1) to keep a daily record of transactions and attach deposit tickets to such records after each trip to the bank, and organize such records by date to make the information more easily accessible; (2) all agents will be required to write the insurer's name on all receipts; and (3) if any policy fee is assessed, a signature will be obtained from the customer acknowledging the charge and consenting to the payment of such fee. Mr. Johnson understands that any non-adherence to these requirements shall constitute a violation of

an Order of the Commissioner pursuant to Paragraph No. 5 set forth below. The Department reserves the right to make any follow up examinations of Mr. Johnson's agency without prior notice to assure compliance

3. This Agreement does not in any way affect the Department's disciplinary power in any future examination of Mr. Johnson or in any other complaints involving Mr. Johnson.
4. Mr. Johnson 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. Johnson understands he may consult with an attorney prior to entering into this Agreement.
5. The parties to this Agreement agree that this Agreement shall have the full force and effect of an Order of the Commissioner. Mr. Johnson 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.
6. 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. Johnson 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.
7. The parties have read and understand this Agreement and agree to abide by the terms and conditions stated herein.
8. 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: Samuel Johnson, IV
License No. 0006614080


By: Angela Hatchell
Deputy Commissioner

Date: 11-6-19

Date: 11/20/19