

NORTH CAROLINA DEPARTMENT OF INSURANCE
RALEIGH, NORTH CAROLINA

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BEFORE THE COMMISSIONER OF INSURANCE 102214

STATE OF NORTH CAROLINA
COUNTY OF WAKE

IN THE MATTER OF THE LICENSURE
OF GERALD A. KERNAN

VOLUNTARY SETTLEMENT
AGREEMENT

NPN No. 518254

NOW COME Gerald A. Kernan (hereinafter "Kernan") and the North Carolina Department of Insurance (hereinafter the 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 business entities; and

WHEREAS, Kernan is resident of Ohio and holds a non-resident producer license issued by the Department; and

WHEREAS, Kernan was subject to an administrative action by the Kentucky Department of Insurance in February 2010 relating to a failure to file a required annual report regarding premium collections, which resulted in Kernan being subject to a fine of \$4,250.00; and

WHEREAS, Kernan failed to report the Kentucky administrative action to the Department within thirty (30) days of the disposition of that matter as is required by N.C.G.S. § 58-33-32(k); and

WHEREAS, Kernan's violation of N.C.G.S. § 58-33-32(k) as stated above constitutes a violation of the insurance laws pursuant to N.C.G.S. § 58-33-46(a)(2) for which his license could be revoked; and

WHEREAS, Kernan 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 Kernan; and

WHEREAS, pursuant to N.C.G.S. § 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; and

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, the parties to this Agreement have reached a mutually agreeable resolution of this matter as set out in this Agreement;

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

1. Immediately upon its signing of this document, Kernan shall pay a civil penalty of **Two Hundred and Fifty Dollars (\$250.00)** to the Department. The form of payment shall be in a certified check, 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". Kernan shall send the civil penalty by certified mail, return receipt requested, to the Department simultaneously with the return of this Agreement, signed by Kernan. **The civil penalty and the signed Agreement must be received by the Department no later than March 15, 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. Kernan enters into this Agreement freely and voluntarily and with knowledge of his right to have an administrative hearing on this matter. Kernan understands that he may consult with an attorney prior to entering into this Agreement.
3. This Agreement does not in any way affect the Department's disciplinary power in any future examinations of Kernan or in any other complaints involving Kernan.
4. The parties to this Agreement agree that this Agreement shall have the full force and effect of an Order of the Commissioner. Kernan understands that N.C.G.S. 58-33-46(a)(2) provides that his license may be revoked for violating an Order of the Commissioner.
5. The parties have read and understand this Agreement and agree to abide by the terms and conditions stated herein.
6. 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 licensees 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. The Department routinely provides copies of voluntary settlement agreements to the NAIC and all companies that have appointed the licensee.

7. This Voluntary Settlement Agreement shall become effective when signed by Kernan and the Department.

This the ^{19th} day of March, 2014.

NORTH CAROLINA DEPARTMENT OF
INSURANCE

[Redacted Signature]

Gérald A. Kernan

[Redacted Signature]

By: Angela Ford
Senior Deputy Commissioner

3-19-14

