

**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  
ERVIN J. McQUEEN  
LICENSE NO. 0006555820**

**VOLUNTARY SETTLEMENT  
AGREEMENT**

**NOW COME**, Ervin J. McQueen (hereinafter "Mr. McQueen") and the Agents Services Division of the N.C. Department of Insurance (hereinafter "Agents Services Division"), and hereby voluntarily and knowingly enter into the following Voluntary Settlement Agreement (hereinafter "this Agreement").

**WHEREAS**, the Agents Services Division has the authority and responsibility for enforcement of the insurance laws of this State, and for regulating and licensing insurance agents; and

**WHEREAS**, Mr. McQueen currently holds a resident producer's license with authority for Life, Accident & Health or Sickness and Personal Lines insurance issued by the Department; and

**WHEREAS**, North Carolina General Statute § 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**, 11 NCAC 19.0104 POLICY RECORDS provides: Each insurer or its agents shall maintain or cause to be maintained a record of each policy that specifies the policy period, basis for rating, and if terminated, documentation supporting policy termination by the insurer or policyholder, and accounting records indicating return premium amounts. These records shall be retained for at least five years after the termination of the policy or, for domestic companies until the Commissioner has adopted a final report of a general examination that contains a review of these records for that calendar year, whichever is later.

**WHEREAS**, 11 NCAC 19.0102 (b) MAINTENANCE OF RECORDS provides: Every agency, agent, broker, or producer of record shall maintain a file for each policy sold. The file shall contain all work papers and written communications in his or her possession pertaining to that policy. These records shall be retained for at least five years after the final disposition or, for domestic companies, until the Commissioner has adopted a final report of a general examination that contains a review of these records for that calendar year, whichever is later; and

**WHEREAS**, the Agent Services Division received a complaint from Ms. Cheryl Massey concerning the surrender of a life insurance policy, of which she was a co-owner, without her knowledge,

by her ex-husband, Mr. Steven R. Keaton, Sr. The policy was written on their son, Stephen R. Keaton, Jr. who was disabled and resided with his mother, who paid the premiums on the policy; and

**WHEREAS**, Mr. McQueen, who did not write the policy, was requested by Mr. Keaton, Sr. to cash in the policy and provide the proceeds to Mr. Keaton. Mr. McQueen allegedly asked Mr. Keaton if he was the owner and payor of the policy to which Mr. Keaton responded that he was. No additional investigation was made by Mr. McQueen to verify the veracity of Mr. Keaton's responses and representations. The insurer complied with the request and paid the proceeds to Mr. Keaton, apparently without verifying that he was the sole owner; and

**WHEREAS**, such activity on the part of Mr. McQueen was reflective and in violation of the provisions of North Carolina General Statutes § 58-33-46(a)(8) and in violation of the provisions of 11 NCAC 19 .0104 and 11 NCAC 19 .0102 (b) ; and

**WHEREAS**, North Carolina General Statute § 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. McQueen has agreed to settle, compromise, and resolve the matters referenced in this Agreement on behalf of himself, and the Agent Services Division has agreed not to pursue additional civil ramifications, including penalties, sanctions, remedies, or restitution based on these matters against Mr. McQueen; 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. McQueen and the Department hereby agree to the following:

1. Immediately upon the signing of this Agreement, Mr. McQueen shall pay a civil penalty of **\$750.00** to the Agents Services Division. 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. McQueen shall remit the civil penalty by certified mail, return receipt requested, to the Agents Services Division along with a copy of this signed Agreement. The civil penalty and the signed Agreement must be received by the Agents Services Division no later than **March 25, 2022**. 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 Agents Services Division's disciplinary power in any future examination of Mr. McQueen or in any other complaints involving Mr. McQueen.
3. Mr. McQueen 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. McQueen 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. McQueen understands that N.C.G.S. § 58-33-46(a)(2) provides 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 Agent Services Division. Following the execution of this Agreement, all licenses issued by the Agents Services Division to Mr. McQueen shall reflect that Regulatory Action has been taken against him. The Agents Services Division 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 Agents Services Division routinely provides, upon request, 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 Agents Services Division has issued an occupational or professional license to you, that regulator may require you to report this administrative action to it. The Agents Services Division cannot give you legal advice as to the specific reporting requirements of other state or federal regulators.

**N. C. Department of Insurance  
Agents Services Division**

  
By: **Ervin J. McQueen**  
License No 0006555820

  
By: **Angela Hatchell**  
Deputy Commissioner

Date: 3/21/2022

Date: 3/24/2022