

**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 ELLEN R. McRAE
LICENSE NO. 0006592010**

**VOLUNTARY SETTLEMENT
AGREEMENT**

NOW COME, Ellen R. McRae (hereinafter "Ms. McRae") 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, Ms. McRae currently holds a producer's license with the Department with authority for Life, Accident Health & Sickness, Property and Casualty lines of insurance; and

WHEREAS, North Carolina Gen. Stat. § 58-33-46(a)(2) authorizes the Commissioner of Insurance to place on probation, suspend, revoke, or refuse to renew any license issued under Article 33 of the North Carolina General Statutes for violating any insurance law of this or any other state; and

WHEREAS, North Carolina Gen. Stat. § 58-33-46(a)(8) authorizes the Commissioner of Insurance to place on probation, suspend, revoke, or refuse to renew any license issued under Article 33 of the North Carolina General Statutes 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, from information received from State Farm Insurance Company and Ms. McRae's employer, the Joe Speight Agency, Ms. McRae incorrectly classified her auto policies as being driven for pleasure use as opposed being driven to work or school in order to obtain lower automobile insurance premiums; and

WHEREAS, from information received from State Farm Insurance Company and Ms. McRae's employer, the Joe Speight Agency, indicated that Ms. McRae represented that her daughter did not reside with her, but with her grandparents, who lived next door and was being added to the

grandparents auto policy when such was not the case, in order to avoid a premium surcharge on her auto policy with State Farm for an inexperienced driver; and

WHEREAS, such actions on Ms. McRae's part constituted violations of North Carolina Gen. Stat. § 58-33-46(a)(8); and

WHEREAS, Ms. McRae has admitted to these violations; and

WHEREAS, Ms. McRae 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 Ms. McRae; and

WHEREAS, the parties to this Agreement mutually wish to resolve these matters by consent before the Department initiates an administrative hearing, and have reached a mutually agreeable resolution of these matters as set out in this Agreement.

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

1. Immediately upon the signing of this Agreement, Ms. McRae shall pay a **civil penalty of \$500.00** 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." Ms. McRae 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 **February 28, 2013**. 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 examinations or investigations of Ms. McRae, or in any other complaints involving Ms. McRae.
3. Ms. McRae enters into this Agreement freely and voluntarily and with the knowledge of her right to have an administrative hearing on this matter. Ms. McRae understands she 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. Ms. McRae understands that North Carolina Gen. Stat. § 58-33-46(a)(2) provides that an agent'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, any and all licenses

issued by the Department to Ms. McRae shall reflect that Regulatory Action has been taken against her. 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.

6. The parties have read and understand this Agreement and agree to abide by the terms and conditions stated herein.

This the 14 day of Feb, 2013.

North Carolina Department of Insurance

[Redacted Signature]

Ellen R. McRae
License No. 0006592010

By [Redacted Signature]

Angela K. Ford
Senior Deputy Commissioner

3-1-13

State of NC
County of Cabarrus
Sworn to and subscribed before me
on the 14 day of Feb, 2013

[Redacted Signature]
Notary Public's Signature
My Commission Expires July 9, 2017

