

**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
KELLY MURPHY
LICENSE NO. 6562456**

ID # 115243

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**VOLUNTARY SETTLEMENT
AGREEMENT**

NOW COME, Kelly Murphy (hereinafter "Ms. Murphy") 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. Murphy currently holds a resident broker's license and a producer's license with authority for Property and Casualty, Accident and Health or Sickness, Life, and Medicare Supplement/Long Term Care issued by the Department; and

WHEREAS, during the time period of the events described herein, "The Brady Agency" exclusively sold policies for Nationwide Mutual Insurance Company ("Nationwide"), and Ms. Murphy was a captive agent for Nationwide and owner and manager of "The Brady Agency"; and

WHEREAS, a Department target examination was conducted by Department examiners on August 22, 2019, of "The Brady Agency" ("agency") in Sparta, NC, owned and operated by Ms. Murphy, in response to a consumer complaint; and

WHEREAS, Ms. Murphy admitted during the target examination by the Department that she had improperly linked five (5) customers' auto policies to unrelated persons' auto policies in order to give them multi-car household discounts for which they did not qualify; and

WHEREAS, Ms. Murphy's actions in improperly linking customers' auto policies to unrelated persons' auto policies constitute rebating in violation of N.C. Gen. Stat. §§ 58-33-85(a) and 58-63-1(8c); and

WHEREAS, Ms. Murphy's actions in improperly linking customers' auto policies to unrelated persons' auto policies constitute discrimination by giving those customers receiving the discounts for which they were not qualified pursuant to N.C. Gen. Stat. §§ 58-63-80; and

WHEREAS, Ms. Murphy's actions in improperly linking customers' auto policies to unrelated persons' auto policies constitute business practices in violation of N.C. Gen. Stat. §§ 58-33-46(a)(8) and 58-63-15; and

WHEREAS, Ms. Murphy has expressed remorse for her actions and has stated that she did not understand at the time that her actions constituted rebating, unfair and deceptive trade practices, or discrimination; and

WHEREAS, Ms. Murphy has cooperated with the Department's target examination, which found no additional violations of the insurance laws; and

WHEREAS, Ms. Murphy stated that she promptly reported her actions to Nationwide Insurance Company, for whom she is still an appointed agent, and has corrected the improperly linked policies; 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, Ms. Murphy has agreed to settle, compromise, and resolve the matters referenced in this Agreement on behalf of herself, and the Department has agreed not to pursue additional penalties, sanctions, remedies, or restitution based on these matters against Ms. Murphy; and

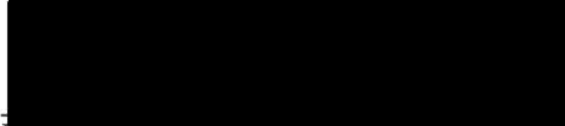
WHEREAS, the parties to this Agreement mutually wish to resolve this matter by consent before the Department initiates an administrative hearing and have reached a mutually agreeable resolution of this matter as set out in this Agreement.

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

1. Immediately upon the signing of this Agreement, Ms. Murphy shall pay a civil penalty of **\$1,500.00** 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. Murphy 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 21, 2020**. 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. Ms. Murphy agrees to comply with the Corrective Action Plan dated December 11, 2019 submitted to the Department and attached hereto as Exhibit 1.
3. The Department reserves the right to make any follow up examinations of Ms. Murphy's agency without prior notice to assure compliance; and any non-adherence to this requirement by Ms. Murphy shall constitute a violation of an Order of the Commissioner pursuant to Paragraph No. 6. below; and
4. This Agreement does not in any way affect the Department's disciplinary power in any future examination of Ms. Murphy or in any other complaints involving Ms. Murphy.
5. Ms. Murphy enters into this Agreement, on behalf of herself, freely and voluntarily and with the knowledge of his right to have an administrative hearing on this matter. Ms. Murphy understands she may consult with an attorney prior to entering into this Agreement.
6. The parties to this Agreement agree that this Agreement shall have the full force and effect of an Order of the Commissioner. Ms. Murphy understands that N.C.G.S. § 58-33-46(a)(2) and 58-71-80(a)(7) provide respectively that a broker's and producer's license may be revoked for violating an Order of the Commissioner.
7. 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 Ms. Murphy 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.
8. The parties have read and understand this Agreement and agree to abide by the terms and conditions stated herein.
9. 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: Kelly Murphy
License No. 6562456



By: Angela Hatchell
Deputy Commissioner

Date: 2/14/20

Date: 2/20/20