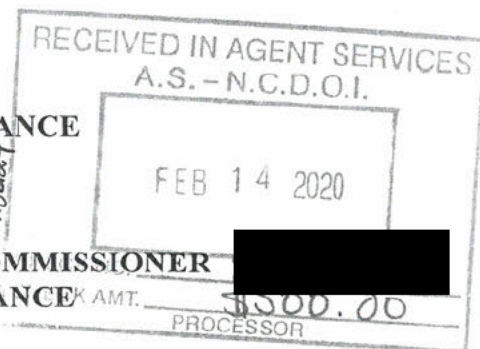


NORTH CAROLINA DEPARTMENT OF INSURANCE
RALEIGH, NORTH CAROLINA

STATE OF NORTH CAROLINA
COUNTY OF WAKE

BEFORE THE COMMISSIONER
OF INSURANCE



IN THE MATTER OF
THE LICENSURE OF
STEPHEN M. PARKER
LICENSE NO. 0006573006

VOLUNTARY SETTLEMENT
AGREEMENT

NOW COME, Stephen M. Parker (hereinafter "Mr. Parker") 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. Parker currently holds a resident producer's license with authority for Property and Casualty lines of insurance issued by the Department; and

WHEREAS, a Department routine review was conducted by Department examiners on Parker Insurance Group ("agency") in Greensboro, NC, owned and operated by Mr. Parker, on April 30, 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 review; 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, 11 NCAC 19.0102 provides (a) Every insurer licensed to do business in this State shall maintain for at least five years all records, books, documents, and other business records that are required by this Section and by Chapter 58 of the North Carolina General Statutes. (b) 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 review that contains a review of these records for that calendar year, whichever is later.

WHEREAS, N.C. Gen. Stat. § 58-33-46(a)(4) 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 improperly withholding, misappropriating, or converting any monies or properties received in the course of doing insurance business; and

WHEREAS, 11 NCAC 04.0429 provides that the accounting records maintained by agents, brokers, and limited representatives shall be separate and apart from any other business records and demonstrate at all times that collected funds due to insurers and return premiums due to policyholders are available at all times; 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 found that the agency did not maintain copies of customer receipts as required by N.C. Gen. Stat. § 58-2-185, 11 NCAC 19.0102, and 11 NCAC 04.0121; and

WHEREAS, the review revealed that the auto/personal lines premium bank accounts contained four (4) negative balances and \$144.00 in overdraft item fees, a violation of N.C. Gen. Stat. § 58-33-46(a)(4) and 11 NCAC 04.0429; and

WHEREAS, Mr. Parker was requested to submit, and submitted, a corrective action plan to avoid future occurrences of the violations found by the examiners; 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. Parker 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. Parker; 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. Parker and the Department hereby agree to the following:

1. Immediately upon the signing of this Agreement, Mr. Parker 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." Mr. Parker 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 **December 20, 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. Parker is required and agrees to resolve the issues observed during the review by obtaining signed consent forms when fees are charged, retaining copies of customer receipts, and reconciling weekly receipts and deposits ; and the Department reserves the right to make any follow up reviews of Mr. Parker's agency without prior notice to assure compliance; and any non-adherence to this requirement by Mr. Parker shall constitute a violation of an Order of the Commissioner pursuant to Paragraph No. 5. below; and
3. This Agreement does not in any way affect the Department's disciplinary power in any future review of Mr. Parker or in any other complaints involving Mr. Parker.
4. Mr. Parker 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. Parker 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. Parker 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. Parker 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: Stephen Parker
License No. 0006573006



By: Angela Hatchell
Deputy Commissioner

Date: 2-7-2020

Date: 2/14/20