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CHECK AMT. STATE OF NORTH CAROLINA
COUNTY OF WAKE

NORTH CAROLINA DEPARTMENT OF INSURANCE
RALEIGH, NORTH CAROLINA

BEFORE THE COMMISSIONER
OF INSURANCE

IN THE MATTER OF THE LICENSURE
OF KEVIN PERRY
LICENSE NO. 8450391

VOLUNTARY SETTLEMENT
AGREEMENT

NOW COME, Kevin Perry (hereinafter "Mr. Perry") 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. Perry currently holds a resident producer's license with authority for Property, Casualty, Life, Accident & Health or Sickness, Variable Life & Variable Annuity, and Medicare Supplement/Long Term Care lines of insurance issued by the Department; and

WHEREAS, Mr. Perry is the sole owner and employee of Kap Insurance Agency, LLC, located in Raleigh, North Carolina; and

WHEREAS, between December 4, 2019 and August 20, 2020, the Agent Services Division of the North Carolina Department of Insurance conducted an agency review of Kap Insurance Agency, LLC and Mr. Perry in response to an insufficient funds notice from Discovery Insurance Company ("Discovery Insurance"). This review examined business operations during the years 2017-2019, and revealed several actions constituting statutory or rule violations, and included several additional findings as documentation was received from Mr. Perry; and

WHEREAS, in violation of N.C. Gen. Stat. § 58-33-46(a)(8), Mr. Perry issued a false Certificate of Insurance for Trawick Enterprise, LLC ("Trawick Enterprise") as the worker's compensation insurance application for Trawick had never been submitted and thus coverage had not been issued to Trawick Enterprise; and

WHEREAS, in violation of N.C. Gen. Stat. §§ 58-33-46(a)(1) and (8) and N.C. Gen. Stat. § 58-2-161, Mr. Perry failed to adequately ensure that the applications submitted for general liability and workers compensation insurance for Trawick Enterprise were correct, as these

applications were intended to cover its business "Star Bar" and should have included liquor liability coverage; and

WHEREAS, in violation of N.C. Gen. Stat. § 58-2-185 and NCAC 19.0102, Mr. Perry failed to properly maintain receipts, cancelled checks, and deposit tickets and failed to timely provide bank statements when requested by the Department and failed to provide a receipt for a \$186.25 premium payment to Discovery Insurance Company; and

WHEREAS, Mr. Perry explained that part of his failure to properly maintain records was the result of a malfunctioning computer and provided documentary evidence of computer repair; and

WHEREAS, in violation of N.C. Gen. Stat. §§ 58-33-26(a) and (b) and N.C. Gen. Stat. § 58-33-40(a), Mr. Perry brokered an insurance policy for Trawick Enterprises without a valid brokers license; and

WHEREAS, Mr. Perry appears to have violated NCAC 4.0429 in that Discovery Insurance drafted Mr. Perry's bank account and the draft came back as insufficient funds. Mr. Perry stated this was bank error and provided documentation to show that the overdraft fees were refunded to him, however, this documentation was not on bank letterhead and has not been verified; 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, Mr. Perry has agreed to settle, compromise, and resolve the matter 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. Perry; 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. Perry and the Department hereby agree to the following:


1. Immediately upon the signing of this Agreement, Mr. Perry shall pay a civil penalty of **\$1,000.00** 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. Perry 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 **January 11, 2021**. 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. Perry agrees to complete three (3) hours of continuing education on general liability insurance, and three (3) hours of continuing education on workers compensation insurance. Mr. Perry must provide documentation that he has completed this continuing education, and such documentation must be received by the Department by **April 1, 2021**. This documentation may be sent by electronic mail or attachment to electronic mail.
3. Mr. Perry must submit a corrective action plan to the Department by **January 11, 2021** which describes what actions Mr. Perry will take to ensure the statutory and rule violations outlined in this Voluntary Settlement Agreement. If the Department is not satisfied with the corrective action plan submitted by Mr. Perry, it may require him to make revisions.
4. This Agreement does not in any way affect the Department's disciplinary power in any future examination of Mr. Perry or Kap Insurance Agency, LLC or in any other complaints involving Mr. Perry or Kap Insurance Agency, LLC.
5. Mr. Perry 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. Perry understands he 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. Mr. Perry 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.
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 Mr. Perry 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.
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: Kevin Perry
License No. 8450391


By: Angela Hatchell
Deputy Commissioner

Date: 1/8/2021

Date: 1/12/2021