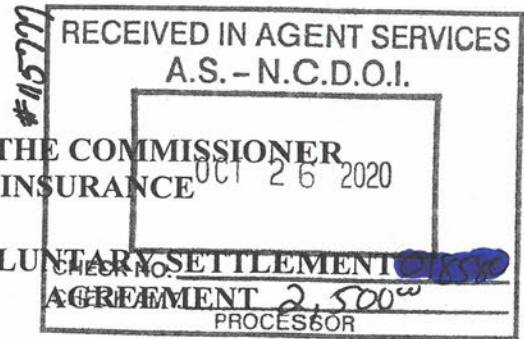


STATE OF NORTH CAROLINA
COUNTY OF WAKE

IN THE MATTER OF
THE LICENSURE OF
ANNE ROSE
LICENSE NO. 0002479572

BEFORE THE COMMISSIONER
OF INSURANCE

VOLUNTARY SETTLEMENT
AGREEMENT 2,500⁰⁰
PROCESSOR



NOW COME, Anne Rose (hereinafter “Ms. Rose”) 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. Rose currently holds a resident producer’s license with authority for Life, Accident & Health or Sickness, Property and Casualty lines of insurance and Broker and Medicare Supplement and Long-Term Care insurance licenses issued by the Department; and

WHEREAS, a Department routine examination was conducted by Department examiners on the Anne Rose Insurance Agency of Murphy, NC(the “Agency”), owned and operated by Ms. Rose, on June 13, 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; and

WHEREAS, there has been no finding by the Department that Ms. Rose or the Agency violated any North Carolina laws or insurance regulations related to the Life, Accident & Health or Sickness, Medicare Supplement and Long-Term Care lines of authority; and

WHEREAS, it was determined that with respect to lines of insurance Ms. Rose primarily handled health insurance and Medicare supplements and her daughter, Alicia Lewis, primarily handled personal lines; and

WHEREAS, N.C. Gen. Stat. § 58-36-30(a) Deviations provides- Except as permitted by G.S. 58-36-100 for workers' compensation loss costs filings, no insurer and no officer, agent, or representative of an insurer shall knowingly issue or deliver or knowingly permit the issuance or delivery of any policy of insurance in this State that does not conform to the rates, rating plans, classifications, schedules, rules and standards made and filed by the Bureau. An insurer may deviate from the rates promulgated by the Bureau if the insurer has filed the proposed deviation with the Bureau and the Commissioner, if the proposed deviation is based on sound actuarial principles, and if the proposed deviation is approved by the Commissioner. Amendments to deviations are subject to the same requirements as initial filings. An insurer may terminate a deviation only if the deviation has been in effect for a period of six months before the effective date of the termination and the insurer notifies the Commissioner of the termination no later than 15 days before the effective date of the termination.

WHEREAS, the examiners reviewed thirty-two (32) automobile policies and noted that a policy that insured a van was rated as "farm use" and observed that a business policy for the same insured was for a nail salon; and

WHEREAS, Farm Bureau was contacted by the examiners and was informed that Farm Bureau followed the N.C. Rate Bureau's rules regarding farm use and that there should be some supporting policy such as a farm liability policy in place; and

WHEREAS, the North Carolina Rate Bureau's definition of "farm auto" is an auto principally garaged on a farm or ranch and,

- a. It is not customarily used in going to and from work other than farming or ranching, or driving to or from work,
- b. It is not customarily used in any occupation other than farming or ranching, and
- c. That the auto is not used in TNC ACTIVITY (Transportation Network Companies - shared driving).

WHEREAS, N.C. Gen. Stat. § 58-36-30(a) requires insurers and agents to conform to the rates, rating plans, classifications, schedules, rules and standards made and filed by the Bureau; and

WHEREAS, inquiries were made to Progressive Insurance, National General and Peak Property and Casualty regarding automobile policies written and rated as farm use; and

WHEREAS, Progressive indicated that there were 441 vehicles rated as farm use, and that its criteria for rating a policy as farm use was vehicles used primarily on a farm; and

WHEREAS, National General indicated that 31 policies were rated as farm use, and subsequently reviewed their files and changed the rating on 13 of the policies; and

WHEREAS, National General's criteria for rating an auto for farm use is consistent with that of the North Carolina Rate Bureau; and

WHEREAS, Peak Property and Casualty indicated that of the 12 policies written by the Rose agency, none were rated as farm use; and

WHEREAS, it appears that with respect to some of the policies rated as "farm use", Ms. Rose and/or her agency violated the provisions of N.C. Gen. Stat. § 58-36-30(a) by not adhering to the requirements of the North Carolina Rate Bureau; and

WHEREAS, Ms. Rose is required to submit a corrective action plan to assure the non-reoccurrence of the violations and problems found during the audit; 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. Rose 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. Rose, the Agency or any other agent of the Agency; 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. Rose and the Department hereby agree to the following:

1. Immediately upon the signing of this Agreement, Ms. Rose shall pay a civil penalty of **\$2500.00** 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. Rose 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 **October 25, 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. This Agreement does not in any way affect the Department's disciplinary power in any future examination of Ms. Rose or in any other complaints involving Ms. Rose unrelated to the matters addressed in this Agreement.
4. Ms. Rose is required and agrees to maintain the procedures she has represented by preparation of her written plan of action that she has implemented to prevent the reoccurrence of the violations set forth in this Agreement, and is required and agrees to obtain Department approval for any changes thereto; the Department reserves the right to make any follow up examinations of Ms. Rose's agency without prior to notice to assure compliance; and any non-adherence to this requirement by Ms. Carter shall constitute a violation of an Order of the Commissioner pursuant to Paragraph No. 6 below; and
5. Ms. Rose enters into this Agreement, on behalf of herself, freely and voluntarily and with the knowledge of her right to have an administrative hearing on this matter. Ms. Rose 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. Rose 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.

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. Rose 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, upon request, routinely provides a copy of the 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

[Redacted Signature]

By: Anne Rose
License No. 0002479572

[Redacted Signature]

By: Angela Hatchell
Deputy Commissioner

Date: 10-20-20

Date: 10/20/20