

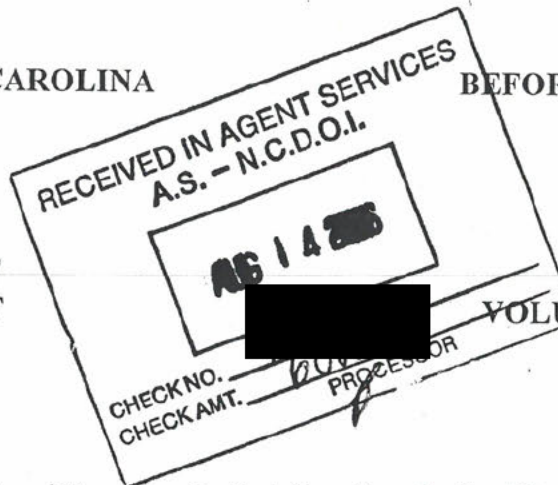
NORTH CAROLINA DEPARTMENT OF INSURANCE
RALEIGH, NORTH CAROLINA

RECEIVED
AGENCY SERVICES
DIVISION
AUG 10 2006
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STATE OF NORTH CAROLINA
COUNTY OF WAKE

BEFORE THE COMMISSIONER
OF INSURANCE

IN THE MATTER OF
THE LICENSURE OF
ROYAL PREMIUM
BUDGET, INC.



VOLUNTARY SETTLEMENT
AGREEMENT

NOW COME Royal Premium Budget, Inc. (hereinafter "Royal") and the North Carolina Department of Insurance (hereinafter "Department"), and hereby enter into the following Voluntary Settlement Agreement (hereinafter "this Agreement"):

WHEREAS, Royal Insurance is a Michigan corporation, registered to do business in North Carolina, and holding a premium finance license issued by the Department; and

WHEREAS, the Department has the authority and responsibility for enforcement of the provisions of Chapter 58 of the North Carolina General Statutes applicable to insurance premium finance companies; and

WHEREAS, North Carolina law requires an insurance premium finance company to obtain and maintain a license issued by the Department pursuant to N.C.G.S. § 58-35-5; and

WHEREAS, Royal Insurance is an insurance premium finance company required to be licensed by the Department pursuant to N.C.G.S. § 58-35-5; and

WHEREAS, the Department offered Royal the opportunity to renew its premium finance license in March 2005, and further informed Royal that its license would expire on June 30, 2005; and

WHEREAS, in June 2005, the Department advised Royal that it had not received Royal's license renewal package and that again informed Royal that its license would expire on June 30, 2005; and

WHEREAS, Royal failed to renew its license on or before June 30, 2005 and was notified of this failure by the Department in August 2005; and

WHEREAS, Royal notified the Department in January 2006 that it had failed to renew its premium finance license and had continued to conduct insurance premium finance business; and

WHEREAS, the Department informed Royal that its continuance to conduct insurance premium finance business after June 30, 2005 without the required license was in violation of North Carolina law; and

WHEREAS, Royal has now made proper application to the Department for a renewal license; and

WHEREAS, in violation of to N.C.G.S. §§ 58-35-5 and 58-35-15(c), Royal Insurance did not renew its license the Department by the expiration date of June 30, 2005; and

WHEREAS, Royal hereby admits that it violated N.C.G.S. §§ 58-35-5 and 58-35-15(c) by failing to timely renew its license as stated herein; and

WHEREAS, pursuant to N.C.G.S. § 58-2-70(g), the Commissioner of Insurance and the Department have the express authority to negotiate “a mutually acceptable agreement with any person as to the status of the person’s license or certificate or as to any civil penalty or restitution”; and

WHEREAS, the Department and Royal hereby enter into this Settlement Agreement for the purposes of resolving all matters raised herein and avoiding an administrative proceeding;

NOW, THEREFORE, it is agreed by and between the Department and Royal as follows:

1. Royal agrees to comply with all statutory and regulatory requirements for insurance premium finance companies doing business in this State.
2. Royal agrees to pay a monetary assessment in the amount of six thousand dollars (\$6,000.00) to the State of North Carolina contemporaneously with the execution of this document. Royal Insurance agrees to satisfy this assessment, no later than **August 11, 2006**, by executing the Settlement Agreement and submitting a check payable to the “North Carolina Department of Insurance” in the agreed-upon amount and submitting this simultaneously with the Settlement Agreement to the Department for the Senior Deputy Commissioner’s signature. The Settlement Agreement must be executed (signed) by an officer of Royal Premium Budget, Inc.
3. This Voluntary Settlement Agreement is entered into in the interest of avoiding an administrative hearing, and the parties consent to be bound by the Settlement Agreement.
4. The parties to this Voluntary Settlement Agreement agree that it shall have full force and effect of a ruling of the Commissioner. The Company understands that N.C.G.S. § 58-

35-20 provides that an insurance premium finance license may be revoked for failing to comply with any ruling of the Commissioner.

5. The Commissioner of Insurance retains jurisdiction over the parties to this Settlement Agreement.

6. This Voluntary Settlement Agreement, when finalized, will be a public record and is not confidential. Any and all licenses issued by the Department to the licensee shall reflect that Regulatory Action has been taken against the licensee following the execution of this Agreement. 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.

7. This Voluntary Settlement Agreement shall become effective when signed and attested to by Royal and the Department.

NORTH CAROLINA DEPARTMENT OF INSURANCE

By: 

Angela K. Ford
Senior Deputy Commissioner
Public Services Group

Date: August 10, 2006

ROYAL PREMIUM BUDGET, INC.

By: 

GREGORY LUDWIG / DIRECTOR

Date: _____