

**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  
WILLIAM J. TURNER**

**IN THE MATTER OF  
THE LICENSURE OF  
PATRICIA TURNER**

76306

<b>CONSENT ORDER</b>	
<b>RECEIVED IN AGENT SERVICES</b>	
A.S. - N.C.D.O.I.	
	Docket Number: 1670
	Docket Number: 1669
MAR - 7 2011	
PROCESSOR	

**THIS CAUSE** coming on to be heard before the undersigned Hearing officer duly appointed by the Commissioner of Insurance to hear this matter pursuant to N.C. Gen. Stat. § 58-2-55; and

The parties representing the Hearing Officer that they have reached a resolution of this dispute, as set out herein; and

The parties having made certain factual stipulations which they agree may be found as facts by the undersigned; and

The undersigned finds the following:

**FINDINGS OF FACT:**

1. This administrative proceeding was instituted by the Agent Services Division of the North Carolina Department of Insurance (hereinafter "Agent Services") pursuant to consumer complaints referred to Agent Services.
2. Respondent William J. Turner currently holds Life, Accident & Health or Sickness, and Medicare Supplement/Long-Term Care agent licenses issued by Agent Services.
3. Respondent Patricia Turner currently holds Life, Accident & Health or Sickness, and Medicare Supplement/Long-Term Care agent licenses issued by Agent Services.
4. Respondents are married and operate an insurance agency together in Raleigh, North Carolina.

5. Respondent William J. Turner was previously appointed with Coventry Health Care to sell its Well Path Select insurance product from April 1, 2008 to October 14, 2008.
6. Respondent William J. Turner's appointment with Coventry Health Insurance was terminated on October 14, 2008.
7. Respondent Patricia Turner was formerly appointed with Coventry Health Insurance on or about July 1, 2008 with her appointment being terminated on or about March 22, 2010.
8. In November 2008, Respondent William J. Turner presented WellPath health insurance coverage to Philip Riley of Chapel Hill, North Carolina. Mr. Riley was seeking health insurance coverage for his family, including his wife Sharon Heath-Riley.
9. Respondent William J. Turner went to the workplace of Philip Riley to solicit business on behalf of WellPath at the direction of his wife, Respondent Patricia Turner.
10. Respondent William J. Turner was not appointed by Coventry Health at the time he contacted Mr. Riley to solicit on behalf of WellPath insurance.
11. Respondent Patricia Turner later signed the Riley's insurance application as the agent of record. At no time did Respondent Patricia Turner meet with the Rileys to discuss WellPath insurance coverage or assist the Rileys with the completion of the WellPath insurance application.
12. Mr. and Mrs. Riley have never had any interaction or communication with Respondent Patricia Turner.
13. Sharon Heath-Riley submitted a complaint to the North Carolina Department of Insurance (hereinafter "Department") stating that Respondent William J. Turner advised Mrs. Heath-Riley not to disclose specific medical history information on their application for coverage with WellPath.
14. Mrs. Heath-Riley's insurance coverage was later terminated by WellPath based on her failure to disclose her complete medical history.
15. Mrs. Heath-Riley has suffered financial losses due to the termination of her health insurance policy by WellPath.
16. Respondent William J. Turner contends that the Riley application submitted to WellPath was completed by Mr. and Mrs. Riley in his absence. Respondent William J. Turner does admit that he went to the workplace of Mr. Riley to deliver and later pick up the application.
17. On the dates that Respondent William J. Turner solicited, negotiated, delivered and



picked up the Riley's WellPath insurance application, he was not appointed with Coventry Health Care and therefore was not authorized to present or sell WellPath health insurance.

18. On or about February 13, 2009, Respondent William J. Turner sold Sylvia Lloyd of Chapel Hill, North Carolina, WellPath health insurance.

19. On the date in question, Respondent William J. Turner completed the insurance application of Mrs. Lloyd which contained specific medical questions.

20. Several of Mrs. Lloyd's medical claims were denied on that basis that her application failed to disclose her complete medical history. As a result, Mrs. Lloyd filed a complaint with WellPath which was provided to the Department. Mrs. Lloyd has stated that she advised Respondent William J. Turner of her complete medical history and that he failed to disclose that information on the application he completed.

21. On the date that Respondent William J. Turner completed Mrs. Lloyd's insurance application, he was not appointed with Coventry Health Care and therefore was not authorized to present or sell WellPath health insurance.

22. Respondent Patricia Turner signed her name to Mrs. Lloyd's application, indicating that she was the insurance agent responsible for completing the insurance application of Mrs. Lloyd.

23. Respondent Patricia Turner was not present at the time Mrs. Lloyd's application was completed.

24. Tracey Raper of Wendell, North Carolina, submitted a complaint to the Department stating that on or about October 22, 2009, Respondent William J. Turner contacted her and her husband John Raper to present information regarding WellPath health insurance. Respondent William J. Turner completed the health insurance application for the Rapers. Mrs. Raper stated that in completing the health insurance application, Respondent William J. Turner failed to disclose an accurate depiction of her health history.

25. On the date that Respondent William J. Turner completed the Raper's insurance application, he was not appointed with Coventry Health Care and therefore was not authorized to present or sell WellPath health insurance.

26. Respondent Patricia Turner was not present at the time that the Raper's WellPath insurance application was completed.

27. Respondent Patricia Turner listed her name as "Broker" on the completed insurance applications of Sylvia Lloyd, Philip and Sharon Riley and John and Tracey Raper. Respondent Turner also signed the "producer certification" portion of the application which attested that the answers on the above-referenced insurance applications were correct and complete to the best of her knowledge.

28. Respondent Patricia Turner acknowledged to Agent Services that she knew that Respondent William J. Turner was not appointed with Coventry Health Care at the time he met with the Mr. and Mrs. Riley, Mr. and Mrs. Raper, and Mrs. Sylvia Lloyd.

29. Respondent William J. Turner admits that on more than one occasion he has solicited and completed insurance applications for consumers seeking WellPath insurance products after the termination of his appointment with Coventry Health Care.

30. Respondent Patricia Turner admits that on more than one occasion she has knowingly allowed her husband, Respondent William J. Turner, to assist her by conducting appointments to promote and sell insurance products that require an appointment by Coventry Health Care when he no longer held an appointment to solicit or sell WellPath insurance products.

Based on the foregoing findings of fact, the Hearing Officer makes the following:

#### CONCLUSIONS OF LAW:

1. This matter is properly before the Commissioner, and the Commissioner has Jurisdiction over the parties and the subject matter pursuant to N. C. Gen. Stat. §§58-2-55, 58-33-46, as well as 11 N.C.A.C. 1.0401 et seq. and other applicable statutes and regulations.
2. N. C. Gen. Stat. §58-33-26(a) provides that, “No agent, broker , or limited representative shall make application for, procure, negotiate for, or place for others, any policies for any kinds of insurance as to which that person not then qualified and duly licensed.”
3. N.C. Gen. Stat. §58-33-40(a) provides that, “ No individual who holds a valid insurance agent’s license issued by the Commissioner shall, either directly or indirectly for an insurance, solicit, negotiate, or otherwise act as an agent for an insurer by which the individual has not been appointed.”
4. N.C. Gen. Stat. §58-33-46(a)(5) states that the Commissioner may place on probation, suspend, revoke, or refuse to renew any insurance license for “intentionally misrepresenting the terms of an actual or proposed insurance contract or application for insurance.”
5. N.C. Gen. Stat. §58-33-46(a)(8) states that the Commissioner may place on probation, suspend, revoke, or refuse to renew any insurance license for “using fraudulent, coercive, or dishonest practices, or demonstrating incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in this State or elsewhere.”
6. N.C. Gen. Stat. §58-33-46(a)(12) states that the Commissioner may place on probation, suspend, revoke, or refuse to renew any insurance license for “knowingly accepting brokered insurance business from an individual who is not licensed to broker that kind of insurance.”
7. Respondent William Turner has violated N. C. Gen. Stat. §§58-33-26(b), 58-33-40 (a),




58-33-46(a) (5) and (8).

8. Respondent Patricia Turner has violated N. C. Gen. Stat. §§58-33-46(a) (5), (8) and (12).
9. The actions of Respondents provide sufficient grounds for the revocation of their insurance licenses.

**IT IS, THEREFORE BY CONSENT, ORDERED:**

1. Respondent William J. Turner shall pay a civil penalty of two thousand two hundred fifty dollars (\$2,250.00), due immediately upon execution of this agreement. The check for the payment of this civil penalty shall be payable to the "North Carolina Department of Insurance." This 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 the public schools.
2. Respondent Patricia Turner shall pay a civil penalty of two thousand two hundred fifty dollars (\$2,250.00), due immediately upon execution of this agreement. The check for the payment of this civil penalty shall be payable to the "North Carolina Department of Insurance." This 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 the public schools.
3. Respondents shall obey all laws and regulations applicable to a licensed insurance agent.
4. The Department agrees that it will not initiate any additional administrative actions based on the violations referenced herein, provided that Respondents do not violate the terms and conditions of this order and provided that the Department does not discover any additional grounds for discipline.
5. This Consent Order does not in any way affect the Department's disciplinary power in any way affect the Department's disciplinary power in any other cases or complaints involving Respondents. Any further complaints received by the Department involving Respondents will be processed in accordance with its policies and procedures and pursuant to applicable North Carolina law. Respondents' due process rights will not be affected by the existence of this Consent Order.
6. This Consent Order, 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. The Department's consent to the provisions of this Consent Order in no way release Respondents from any civil liability to third parties that may result from the conduct referenced herein. This Consent Order does not in any way bar any third party or entity from making any claims or filing any proceedings against Respondents.


This the 7<sup>th</sup> day of March, 2011.

  
Stewart L. Johnson  
Hearing Officer  
N.C. Department of Insurance

CONSENTED TO BY:

  
Patricia Turner, Agent

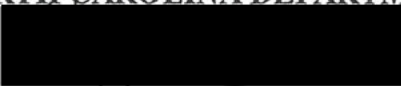
3-4-2011  
DATE

  
William Turner, Agent

3-4-2011  
DATE

**NORTH CAROLINA DEPARTMENT OF INSURANCE**

BY:

 3-7-11  
Angela Ford  
Senior Deputy Commissioner