

NORTH CAROLINA DEPARTMENT OF INSURANCE
RALEIGH, NORTH CAROLINA

FA # 115197

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JAN 21 2020

BEFORE THE COMMISSIONER
OF INSURANCE

CHECK AMT. 500.00
PROCESSOR

STATE OF NORTH CAROLINA
COUNTY OF WAKE

IN THE MATTER OF
THE LICENSURE OF
AARON L. WINSTON
LICENSE NO. 0006593136

VOLUNTARY SETTLEMENT
AGREEMENT

NOW COME, Aaron L. Winston (hereinafter "Mr. Winston") 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. Winston currently holds a resident producer's license with authority for Life, Accident & Health or Sickness, Variable Life, Property and Casualty lines of insurance, and is authorized for Variable Annuities and holds Broker and Medicare Supplement-Long Term Care licenses issued by the Department; and

WHEREAS, a Department target examination was conducted by Department examiners on Team Timeless Enterprises, LLC dba Timeless Insurance Solutions, LLC ("agency") in Raleigh, NC, owned and operated by Mr. Winston, on July 22, 29, 31 and August 01, 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 investigate recent action taken by Erie Insurance Company with respect to Mr. Winston's representation thereof; and

WHEREAS, N.C. Gen. Stat. § 58-33-46 (a) (5) provides that the Commissioner may place on probation, suspend, revoke or refuse to renew any license issued under Article 33 of Chapter 58 of the General Statutes of North Carolina ("the insurance laws") for intentionally misrepresenting the terms of an actual or proposed insurance contract or application for insurance; and

WHEREAS, Mr. Winston submitted applications for Erie Family LifeSense policies, a simplified point-of-sale life product with automated underwriting and no medical exam, by answering "no" to all the underwriting questions, after being informed by the company's underwriting department that such applicants did not qualify for coverage because of past medical history, a violation of N.C. Gen. Stat. § 58-33-46 (a) (5); and

WHEREAS, N.C. Gen. Stat. § 58-33-46 (a) (4) provides that the Commissioner may place on probation, suspend, revoke or refuse to renew any license issued under Article 33 of Chapter 58 of the General Statutes of North Carolina (“the insurance laws”) for improperly withholding, misappropriating, or converting any monies or properties received in the course of doing insurance business; and

WHEREAS, 11 NCAC 4.0429 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 insurers and return premiums due to policyholders are available at all times; and

WHEREAS, the examiners reviewed the Agency Sweep Account #1289 and observed that monies had been transferred in and out from the other accounts; that the account showed three (3) negative balances, and \$140.00 in overdraft fees indicating that monies had been used to pay for non-premium items; the examination also showed that premium monies may have been deposited into other accounts and later transferred in the Sweep Account # 1289 to cover the company sweeps, in violation of N.C. Gen. Stat. § 58-33-46 (a) (4) and 11 NCAC 4.0429; 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; information 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, Mr. Winston was not able to provide the examiners with copies of his deposit records and copies of all receipts from 2015 through the current month and has not reconciled his receipts to deposits, a violation of N.C. Gen. Stat. § 58-2-185, and rules promulgated thereto; and

WHEREAS, as a result of the violations discovered by the audit, Mr. Winston assured the Department that the violations observed during the examination would be resolved:

- (1) With respect to the applications made to Erie, he maintains that the errors were the result of haste and not intentional, and that he will be more careful in the future.
- (2) With respect to completing the certificates incorrectly, he advised the examiners that he has implemented a new computer program (CRM System) that will make sure that the certificates are completed correctly and that he will carefully review and sign each one.
- (3) With respect to the Premium Bank Account receipts, he has opened a dedicated premium account in which he will keep a \$1000 cushion, and has implemented a new software that issues receipts to his clients, and that he will maintain the receipts and deposits and reconcile them

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. Winston 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. Winston; 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.

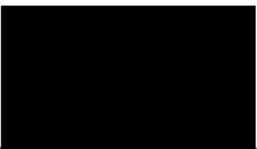
NOW, THEREFORE, in exchange for the consideration and promises and agreements set out herein, Mr. Winston and the Department hereby agree to the following:

1. Immediately upon the signing of this Agreement, Mr. Winston 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. Winston 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 22, 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. Mr. Winston is required and has agreed to resolve the issues observed during the examination; and the Department reserves the right to make any follow up examinations of Mr. Winston's agency without prior notice to assure compliance with his representations and assurances; and any non-adherence to this requirement by Mr. Winston 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 examination of Mr. Winston or in any other complaints involving Mr. Winston.
4. Mr. Winston 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. Winston 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. Winston 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. Winston 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: Aaron L. Winston
License No. 0006593136



By: Angela Hatchell
Deputy Commissioner

Date: 1-15-2020

Date 1/21/20