

NORTH CAROLINA DEPARTMENT OF INSURANCE  
RALEIGH, NORTH CAROLINA

RECEIVED IN AGENT SERVICES  
A.S. - N.C.D.O.I.

AUG 12 2011

STATE OF NORTH CAROLINA  
COUNTY OF WAKE

BEFORE THE  
OF INSU

IN THE MATTER OF THE LICENSURE  
OF CHEE N. YANG  
LICENSE NO. 0008224957

VOLUNTARY SETTLEMENT  
AGREEMENT

**NOW COME** Chee N. Yang (hereinafter "Mr. Yang") 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. Yang currently holds a producer's license with the Department with authority for Life, Accident and Health or Sickness insurance; and

**WHEREAS**, North Carolina Gen. Stat. § 58-33-46(a)(2) authorizes the Commissioner of Insurance to place on probation, suspend, revoke, or refuse to renew any license issued under Article 33 of the North Carolina General Statutes for violating any insurance law of this or any other state; and

**WHEREAS**, Mr. Yang wrote an application on Michael Xiong, who resides in Georgia, and went down to Georgia to sign the application after his license to act as an insurance agent had lapsed in violation of North Carolina Gen. Stat. § 58-33-46(a)(2); and

**WHEREAS**, North Carolina General Statute §58-33-46(a)(8) authorizes the Commissioner of Insurance to place on probation, suspend, revoke or refuse to renew the license of any licensee for using fraudulent, coercive, or dishonest practices, or demonstrating incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in this State or elsewhere; and

**WHEREAS**, information reported to the Department by Western & Southern Life Insurance Company (W&SLIC) and reviewed by the Department indicated that in writing policies for W&SLIC revealed that thirteen insureds had incorrect social security numbers in their applications, a number of other policies had incorrect addresses and dates of birth, other incorrect

information, and incorrect states were entered on three applications showing where such policies were signed; and

**WHEREAS**, information received from W&SLIC showed that:

- (a) Twenty-seven (27) of twenty-eight (28) applications submitted by Mr. Yang were withdrawn within two (2) months of issue;
- (b) Twenty (20) applications for nine (9) insureds appeared to be bogus in that W&SLIC was not able to contact any of the proposed insureds due to invalid telephone numbers, incorrect addresses or invalid social security numbers;
- (c) Three (3) applications on three (3) insureds indicated that they were signed at Hickory, NC, although the addresses for the applicants indicated that two (2) lived in Minnesota and one (1) lived in Georgia; and
- (d) With respect to seven (7) applications for two proposed insureds (husband and wife), the social security numbers used on the applications were registered to other persons; and

**WHEREAS**, such inaccuracies indicate that Mr. Yang demonstrated incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in this State or elsewhere on the part of Mr. Yang in violation of North Carolina General Statute §58-33-46(a)(8); and

**WHEREAS**, Mr. Yang has admitted to these violations; and

**WHEREAS**, Mr. Yang has agreed to settle, compromise, and resolve the matters referenced in this Agreement, and the Department has agreed not to pursue additional penalties, sanctions, remedies, or restitution based on these matters against Mr. Yang; and


**WHEREAS**, the parties to this Agreement mutually wish to resolve these matters by consent before the Department initiates an administrative hearing, and have reached a mutually agreeable resolution of these matters as set out in this Agreement.

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


1. Immediately upon the signing of this Agreement, Mr. Yang shall pay a **civil penalty of \$3,750.00** to the Department. The form of payment shall be by certified check, cashiers 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. Yang 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 **August 15, 2011**. 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 examinations or investigations of Mr. Yang, or in any other complaints involving Mr. Yang.
3. Mr. Yang enters into this Agreement freely and voluntarily and with the knowledge of his right to have an administrative hearing on this matter. Mr. Yang understands he may consult with an attorney prior to entering into this Agreement.
4. The parties to this Agreement agree that this Agreement shall have the full force and effect of an Order of the Commissioner. Mr. Yang understands that North Carolina Gen. Stat. § 58-33-46(a)(2) provides that an agent's license may be revoked for violating an Order of the Commissioner.
5. This Agreement, when finalized, will be a public record and will not be held confidential by the Department. Following the execution of this Agreement, any and all licenses issued by the Department to Mr. Yang 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.
6. The parties have read and understand this Agreement and agree to abide by the terms and conditions stated herein.

This the 10<sup>TH</sup> day of AUGUST, 2011.

  
Chee N. Yang  
License No. 0008324957

North Carolina Department of Insurance

By:   
Angela K. Ford  
Senior Deputy Commissioner

8-15-11