

NORTH CAROLINA DEPARTMENT OF INSURANCE  
RALEIGH, NORTH CAROLINA

STATE OF NORTH CAROLINA  
COUNTY OF WAKE

BEFORE THE COMMISSIONER  
OF INSURANCE

RECEIVED ASD

IN THE MATTER OF THE LICENSURE  
OF JAY BALLARD

APR 10 2007  
Agent Services  
Division  
VOLUNTARY SETTLEMENT  
AGREEMENT

NOW COME Jay Ballard (hereinafter, "Mr. Ballard ") 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 business entities and licensees; and

WHEREAS, Mr. Ballard holds licenses issued by the Department in the areas of Life and Health, Property and Liability, and Medicare Supplement/Long Term Care; and

WHEREAS, the Department conducted an investigation in 2006-2007 related to two companies named Student Plans, Inc. ("Student Plans") and Security Insurance Company, Ltd. (Security, Ltd.); and

WHEREAS, the Department's investigation revealed that Security, Ltd. was an unlicensed insurer, and that Security, Ltd. was unrelated to a licensed insurer with a very similar name, "Security Insurance Company of Hartford"; and

WHEREAS, the Department conducted an investigation which revealed that Mr. Ballard, who did not have a broker's license and was not appointed with a licensed insurance company connected to the plans at issue, solicited a Security Ltd. policy through Student Health Plans for a company named "Playhouse Nursery"; and

WHEREAS, the Department's investigation revealed that Mr. Ballard had reason to believe, based on representations by Student Plans, that the invalid Security Insurance Company plans were in fact valid Security Insurance Company of Hartford plans; and

WHEREAS, Mr. Ballard's solicitation of the Security Ltd. policy through Student Health Plans was a violation of N.C. Gen. Stat. § 58-33-26(a), which states that no person shall act as a broker unless duly licensed; and

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WHEREAS, the Mr. Ballard 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. Ballard ; and

WHEREAS, pursuant to N.C. Gen. Stat. § 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 parties to this Agreement mutually wish to resolve this matter by consent before the Department initiates an administrative hearing concerning this matter; and

WHEREAS, the parties to this Agreement have reached a mutually agreeable resolution of this matter as set out in this Agreement;

NOW, THEREFORE, in exchange for, and in consideration of the promises and agreements set out herein, the Department and Jay Ballard hereby agree to the following:

1. Immediately upon his signing of this document, Mr. Ballard shall pay a civil penalty of **\$250.00** to the Department. The form of payment shall be in a 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. Ballard shall send the civil penalty by certified mail, return receipt requested, to the Department, and Mr. Ballard shall retain the return receipt for his records. The Department must receive both the civil penalty and this signed document from Mr. Ballard no later than **April 20, 2007**.
2. Mr. Ballard agrees to comply with all statutory and regulatory requirements applicable to insurance agents in this State.
3. This Agreement does not in any way affect the Department's disciplinary power in any future actions, cases or complaints involving Mr. Ballard.
4. This agreement shall not affect the rights of any third party, including but not limited to the right of affected insureds to hold the undersigned agent accountable for unpaid valid claims of Security, Ltd. policies.
5. Mr. Ballard enters into this Agreement freely and voluntarily and with knowledge of his rights to have an administrative hearing on this matter. Mr. Ballard understands that he may consult with an attorney prior to entering into this Agreement.
6. This 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 licensees 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. The Department routinely provides copies of voluntary settlement agreements to all companies that have appointed the licensee.


7. The parties to this Agreement agree that this Agreement shall have the full force and effect of an Order of the Commissioner. Mr. Ballard understands that N.C. Gen. Stat. § 58-33-46(a)(2) provides that his license may be revoked for violating an Order of the Commissioner.

8. This Settlement Agreement shall become effective when signed by Mr. Ballard and the Department.

This the 4<sup>th</sup> day of April, 2007.

NORTH CAROLINA DEPARTMENT OF  
INSURANCE

By   
Jay Ballard  
Agent

By:  4-9-07  
Angela Ford  
Senior Deputy Commissioner