

**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 RAY BEAIRD,
(NPN 7813780)**

**VOLUNTARY SETTLEMENT
AGREEMENT**

NOW COME William Ray Beaird (“Insurance Producer”) and the North Carolina Department of Insurance (“Department”) and voluntarily and knowingly enter into the following Voluntary Settlement Agreement (“Agreement”):

WHEREAS, the Department has the authority and responsibility for enforcement of the insurance laws of this State and for regulating and licensing resident insurance producers; and

WHEREAS, Insurance Producer holds a license as a resident insurance producer (“License”) with Property, Casualty, Accident and Health or Sickness, Life, and Medical Supplement/Long Term Care lines of authority issued by the Department; and

WHEREAS, on August 30 and September 12, 2023, Department performed a routine audit of Carolina Insurance Group. Insurance Producer serves as the designated responsible licensed producer (“DRLP”) for Carolina Insurance Group. As DRLP, Insurance Producer is responsible for Carolina Insurance Group’s compliance with all insurance laws and administrative rules; and

WHEREAS, 11 NCAC 4.0121 states that “All premium payment receipts and copies issued by an agent, broker, or limited representative, shall be dated and contain the printed or stamped name and address of the agency or agent, broker, or limited representative, and the name of the insurer. Receipts shall be signed by the person accepting the payment;” and

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

WHEREAS, Investigators Rosalind Redd (“Redd”) and Sherri Bumgarner (“Bumgarner”) observed violations of 11 NCAC 4.0429 and 11 NCAC 4.0121 during the 2023 routine audit of Carolina Insurance Group. The investigators were unable to accurately trace premium funds as Insurance Producer did not carry receipts for all premium funds. The investigators reviewed the agency’s United Community Bank combined premium account from July 2018 through August 2023 and observed 2 negative balance days resulting in overdraft fees of \$144, which illustrated that premium funds were not available to the carriers at all times; and

WHEREAS, Investigators Redd and Bumgarner returned to Carolina Insurance Group on August 30, 2024, to perform a compliance to targeted audit. During this audit, Investigator Redd reviewed five cash premium receipts. These cash premium receipts did not contain the agency name and address or the insurer in violation of 11 NCAC 4.0121. Additionally, Investigator Redd attempted to follow the five cash receipted transactions and only one of the cash transactions appeared to have been deposited timely and it did not match the cash amount receipted as the deposit amount was \$14.92 short. This illustrated to the investigators that premium funds were not available to the carriers at all times in violation of 11 NCAC 4.0429; and

WHEREAS, during the transactions reviewed by the investigators, they did not observe any missed client payments or premium deadlines, nor does it appear that the observed violations negatively impact the agency's clients; and

WHEREAS, Carolina Insurance Group has submitted an action plan to the Department to correct the aforementioned violations; and

WHEREAS, pursuant to N.C. Gen. Stat. § 58-33-46(a)(2), the North Carolina Commissioner of Insurance and the Department may place on probation, suspend, revoke, or refuse to renew Insurance Producer's license 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 insurance regulator, or violating any rule of the FINRA. This statute applies to the violations of 11 NCAC 4.0121 and 11 NCAC 4.0429 observed at the 2023 and 2024 audits of Carolina Insurance Group; and

WHEREAS, pursuant to N.C. Gen. Stat. § 58-2-70(g), the North Carolina 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 issued by the Department, or as to any civil penalty or restitution; and

WHEREAS, the Parties mutually wish to resolve this matter by consent before the Department initiates an administrative hearing concerning this matter; and

WHEREAS, the Parties 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 Insurance Producer hereby agree to the following:

1. Immediately upon signing this Agreement, Insurance Producer shall pay a civil penalty of **Two Hundred and Fifty Dollars and No Cents (\$250.00)** 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." Insurance Producer shall remit the civil penalty by certified mail, return receipt requested (attention: Jennifer Collins, ASD), to the Department along with the original of this Agreement bearing Insurance Producer's signature. The civil penalty and the signed Agreement must be received by the

Department no later than December 23, 2024. 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. Insurance Producer shall comply with all points of the December 10, 2024, agency action plan addressing agency changes in practice to ensure compliance with 11 NCAC 4.0121 and 11 NCAC 4.0429. Insurance Producer understands that his agency remains subject to Department audits to ensure compliance with the agency action plan.
3. Insurance Producer shall comply with all of the provisions of Chapter 58 of the North Carolina General Statutes and of Title 11 of the North Carolina Administrative Code that are applicable to Insurance Producer.
4. The Parties agree that this Agreement shall have the full force and effect of an Order of the Commissioner. Insurance Producer understands that N.C. Gen. Stat. § 58-33-46(a)(2) provides that Insurance Producer's license may be revoked for violating an Order of the Commissioner.
5. Insurance Producer enters into this Agreement freely and voluntarily and with knowledge of Insurance Producer's right to have an administrative hearing regarding this matter. Insurance Producer understands that Insurance Producer may consult with an attorney prior to entering into this Agreement.
6. This Agreement constitutes a complete settlement of all administrative penalties against Insurance Producer for the acts, policies or practices expressly addressed in this Agreement. Except as to the acts, policies or practices expressly addressed herein, this Agreement does not in any way affect the Department's disciplinary power in any future examination of Insurance Producer or in any other complaints involving Insurance Producer. In the event that Insurance Producer fails to comply with this Agreement or otherwise fails to comply with the laws and rules applicable to Insurance Producer, the Department may take any administrative or legal action it is authorized to take.
7. This Agreement, when finalized, will be a public record and is not confidential. 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. Following the execution of this Agreement, any and all licenses issued by the Department to Insurance Producer shall reflect that Regulatory Action has been taken against Insurance Producer. The Department routinely provides copies of voluntary settlement agreements to all companies that have appointed the licensee.
8. Insurance Producer understands and agrees that, if a state or federal regulator other than the Department has issued a permit or license to Insurance Producer, that regulator may require Insurance Producer to report this administrative action to it. Insurance Producer understands and agrees that the Department cannot give Insurance Producer legal advice as to the specific reporting requirements of other state or federal regulators.

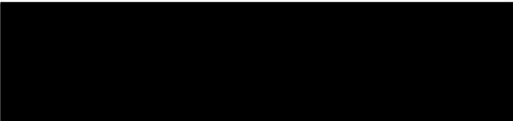
9. This Agreement shall become effective when signed by Insurance Producer and the Department.




William Ray Beard

Date: 12/12/24

NORTH CAROLINA DEPARTMENT OF INSURANCE

By: 

Joe Wall
Senior Deputy Commissioner


Date: 12/18/2024