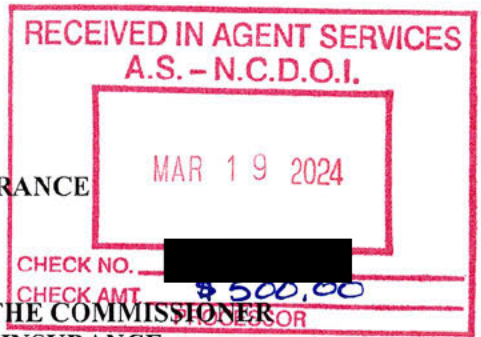


**NORTH CAROLINA DEPARTMENT OF INSURANCE  
RALEIGH, NORTH CAROLINA**

**STATE OF NORTH CAROLINA  
COUNTY OF WAKE**

**BEFORE THE COMMISSIONER  
OF INSURANCE**



**IN THE MATTER OF  
THE LICENSURE OF  
THE BEMBRIDGE INSURANCE AGENCIES, INC.  
NPN: 16222909  
LICENSE NO. 1000120571**

**VOLUNTARY SETTLEMENT  
AGREEMENT**

**NOW COME**, The Bembridge Insurance Agencies, Inc. (hereinafter "Bembridge") and the Agent Services Division of the N.C. Department of Insurance (hereinafter "Agent Services Division"), and hereby voluntarily and knowingly enter into the following Voluntary Settlement Agreement (hereinafter "this Agreement").

**WHEREAS**, the Agent Services Division has the authority and responsibility for enforcement of the insurance laws of this State, and for regulating and licensing insurance agents and insurance agencies; and

**WHEREAS**, Bembridge currently holds a resident business entity license issued by the Agent Services Division; and

**WHEREAS**, North Carolina General Statute § 58-33-31(b)(2) requires business entities to designate a licensed producer (DRLP), who is a natural person, responsible for the business entity's compliance with the insurance laws and administrative rules of this State and orders of the Commissioner; and

**WHEREAS**, the Criminal Investigation Division (CID) of the Department of Insurance received an anonymous complaint regarding alleged fraud being committed at the Bembridge Insurance Agencies Inc. Gatesville, N.C. office. Alleged violations included no agent being at the location where insurance was being written, agency staff writing business under other person's names, forging signatures, funds being mingled and moved from account to account, and employees not being paid on time. CID referred the matter to the Agent Services Division; and

**WHEREAS**, a target examination of Bembridge was initiated on May 17, 2023 by Department investigators at the Gatesville, N.C. office and continued on May 23, 27 and June 05, 2023; and

**WHEREAS**, Department investigators on May 17<sup>th</sup> interviewed Lynett Jones, who was the only employee working at the Gatesville office. Bembridge Insurance Agencies, Inc. has multiple offices within and out of the State. Ms. Lynett Jones was hired on August 30, 2021 to work at that office. Ms. Virginia Bembridge, mother of the owner of the agency, and a licensed agent, purportedly was often in the agency with Ms. Jones while she was unlicensed. Ms. Jones obtained her producer's license on April 04, 2022; and

**WHEREAS**, an Agent Services Division investigator observed 3 statements of no loss for Cody Weber dated November 19, 2021, December 20, 2021, and March 14, 2022. The producer signatures appear to be that of Ms. Jones; and

**WHEREAS**, an Agent Services Division investigator observed 3 statements of no loss for Crystal Riddick dated November 5, 2021 and December 23, 2021 and November 1, 2022. The producer signatures appear to be that of Ms. Jones; and

**WHEREAS**, N.C. Gen. Stat. § 58-33-26(a) provides that: No person shall act as or hold himself or herself out to be an agent, broker, limited representative, adjuster, or motor vehicle damage appraiser unless duly licensed; and

**WHEREAS**, N.C. Gen. Stat. § 58-33-26(b) provides that: No agent, broker, or limited representative shall make application for, procure, negotiate for, or place for others, any policies for any kind of insurance as to which that person is not then qualified and duly licensed; and

**WHEREAS**, by acting in the capacity of a licensed agent while she was not properly licensed Ms. Jones was allowed to be in violation of the provisions of N.C. Gen. Stat. § 58-33-26(a) and (b) by Bembridge; and

**WHEREAS**, N.C. Gen. Stat. § 58-3-150(f) provides that it is unlawful for any person to knowingly prepare, issue, request, or require a certificate of insurance that meets any of the following criteria:

(2) Contains any false or misleading information concerning the policy of insurance to which the certificate makes reference.

(3) Purports to alter, amend, or extend the coverage provided by the policy of insurance to which the certificate of insurance makes reference.

**WHEREAS**, it appears the agency issued a false certificate of insurance dated August 2, 2021 on behalf of themselves showing that the Bembridge Virginia Beach location and additional insureds were added to their Accredited Surety & Casualty Insurance Company general liability policy 1ABPNC05127380200 but were never added, violations of N.C. Gen. Stat. § 58-3-150(f)(2) and (3); and

**WHEREAS**, N.C. Gen. Stat. § 58-33-46(a)(10) provides that the Commissioner may place on probations, suspend, revoke, or refuse to renew any license under this Article in accordance with the provisions of Chapter 150B for forging another's name to an application for insurance or to any document related to an insurance transaction; and

**WHEREAS**, it appears someone other than applicant Curtis Chamblee signed the National General "Statement of No Loss" dated October 21, 2021 after comparison with other signatures of Curtis Chamblee that were reviewed by Department investigators in the agency's files, a violation of N.C. Gen. Stat. § 58-33-46(a)(10); and

**WHEREAS**, N.C. Gen. Stat. § 58-33-46(a)(4) provides that the Commissioner may place on probations, suspend, revoke, or refuse to renew any license under this Article in accordance with the provisions of Chapter 150B for improperly withholding, misappropriating, or converting any monies or properties received in the course of doing insurance business; and

**WHEREAS**, 11 NCAC 04.0429 (Commingling) provides: 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 the collected funds due to insurers and return premiums due to policyholders are available at all times; and

**WHEREAS**, it appears the agency is in violation of commingling, misappropriation of premium and financial irresponsibility. Department investigators reviewed the Nationwide premium account ending in 2824 from April 2019 through April 2023 and observed 2 negative balances that occurred in January 2021. The 2 negative balances resulted in a \$35 overdraft fee and \$70.00 in insufficient fund fees illustrating that premium funds were not available to the carrier at all times, violations of N.C. Gen. Stat. § 58-33-46(a)(4) and 11 NCAC 04.0429; and

**WHEREAS**, North Carolina General Statute § 58-33-46(a) (8) 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 NC, 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**, 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**, Bembridge has agreed to settle, compromise, and resolve the matters referenced in this Agreement on behalf of itself and the Agent Services Division has agreed not to pursue additional civil ramifications, including penalties, sanctions, remedies, or restitution based on these matters against Bembridge; and

**WHEREAS**, Bembridge has filed a corrective action plan with the Agent Services Division which sets forth the actions already taken and/or to be taken to prevent future occurrences of the violations set forth herein; and

**WHEREAS**, the parties to this Agreement mutually wish to resolve this matter by consent 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, Bembridge and the Agent Services Division hereby agree to the following:

1. Immediately upon the signing of this Agreement, Bembridge shall pay a civil penalty of **\$500.00** to the Agent Services Division. 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." Bembridge shall remit the civil penalty by certified mail, return receipt requested, to the Agent Services Division along with a copy of this signed Agreement. The civil penalty and the signed Agreement must be received by the Department no later than **March 27, 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. This Agreement does not in any way affect the Agent Services Division's disciplinary power in any future examination of Bembridge or in any other complaints involving Bembridge.

3. Bembridge enters into this Agreement, on behalf of itself, freely and voluntarily and with the knowledge of its right to have an administrative hearing on this matter. Bembridge understands it 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. Bembridge understands that N.C.G.S. § 58-33-46(a)(2) provides that an agency'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 Agent Services Division. Following the execution of this Agreement, any and all licenses issued by the Department to Bembridge shall reflect that Regulatory Action has been taken against it. The Agent Services Division 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 Agent Services Division, upon request, will routinely provide a copy of the 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.
7. Be aware that if a state or federal regulator other than the Agent Services Division has issued an occupational or professional license to you, that regulator may require you to report this administrative action to it. The Agent Services Division cannot give you legal advice as to the specific reporting requirements of other state or federal regulator.

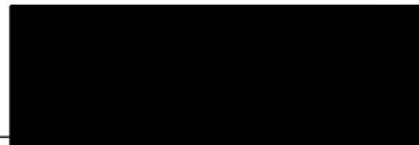
The Bembridge Insurance Agency, Inc.  
NPN: 16222909  
License No. 1000120571



By: Steven L. Bembridge  
DRLP  
NPN: 658794

Date: 3/8/2024

N. C. Department of Insurance  
Agent Services Division



By: Joe Wall  
Deputy Commissioner

Date: 3/19/2024