

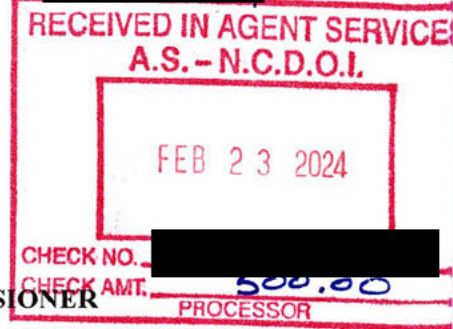
**NORTH CAROLINA DEPARTMENT OF INSURANCE
RALEIGH, NORTH CAROLINA**

**STATE OF NORTH CAROLINA
COUNTY OF WAKE**

**BEFORE THE COMMISSIONER
OF INSURANCE**

**IN THE MATTER OF
THE LICENSURE OF
BLUE RIDGE SPECIALTY, LLC
LICENSE NO. 100517947
NPN 0018314028**

**VOLUNTARY SETTLEMENT
AGREEMENT**



NOW COME, BLUE RIDGE SPECIALTY, LLC (hereinafter "BLUE RIDGE") and the North Carolina Department of Insurance Agents Services Division (hereinafter "Agent services Division"), and hereby voluntarily and knowingly enter into the following Voluntary Settlement Agreement (hereinafter "this Agreement").

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

WHEREAS, BLUE RIDGE currently holds non-resident Corporate Business Entity and Surplus Lines Business Entity licenses issued by the Department; and

WHEREAS, the Agent Services Division conducted a review of BLUE RIDGE in July 2023 to verify that all agency employees are appropriately licensed, to analyze the agency's financials and to randomly review files to verify proper underwriting; due to violations observed during the compliance check the review was modified to a target examination; and

WHEREAS, Department investigators earlier had conducted a routine review in 2022 for the period September 15, 2021 through May 20, 2022 which was modified to target status due to the finding of employees procuring coverage without being duly licensed and/or appointed. BLUE RIDGE signed a voluntary settlement agreement and was assessed a civil penalty in the amount of \$5,300.00 for statutory violations discovered during the examination; and

WHEREAS, Department investigators conducted a review of ninety-nine (99) policies of which fifty-six (56) were written through admitted insurers and forty-three (43) were written through non-admitted insurers. With respect to the policies written through admitted insurers, 46 of the 56 policies were written by agents not properly appointed, and five of which were written by an unlicensed employee. With respect to policies written through non-admitted insurers, an unlicensed employee procured coverage for 3 policies; and

WHEREAS, Department investigators determined that with respect to 56 policies written through admitted insurers, 46 of the policies were written by agents not properly appointed by the insurers of those policies. With respect to the 43 policies written through non-admitted insurers, 3 were written by an unlicensed employee; and

WHEREAS, N.C. Gen. Stat. § 58-33-26(a) & (b) provide:

(a) 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.

(b) No agent, broker, or limited representative shall make application for, procure, negotiate for, or place for others, any policies for any kinds of insurance as to which that person is not then qualified and duly licensed; and

WHEREAS, N.C. Gen. Stat. § 58-33-40(a) provides that no person shall solicit, negotiate, or otherwise act as an agent for an insurer unless appointed by such insurer; and

WHEREAS, N.C. Gen. Stat. § 58-21-65(a) provides:

(a) For insureds whose home state is this State, no insurance producer licensed by the Commissioner shall directly procure any contract of surplus lines insurance or nonadmitted domestic surplus lines insurance unless he possesses a current surplus lines license issued by the Commissioner; and

WHEREAS, procuring insurance through admitted and non-admitted insurers without being properly licensed or appointed, or performing actions with respect to policies of insurance requiring proper licensure, constitute violations of the provisions of N.C. Gen. Stats. §§ 58-33-26(a) & (b), 58-21-65(a) and 58-33-40(a); and

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, N. C. Gen. Stat. § 58-2-70 provides that whenever the Commissioner has reason to believe that any person has violated any law that would subject the license or certification of that person to suspension or revocation, the Commissioner is authorized, in lieu of a hearing, to negotiate a mutually acceptable agreement as to the status of the person's license or certificate or to any civil penalty or restitution; and

WHEREAS, BLUE RIDGE has agreed to settle, compromise, and resolve the matters referenced in this Agreement on behalf of itself and makes no admissions with respect to such matters, and the Department has agreed not to pursue additional penalties, sanctions, remedies, or restitution based on these matters against BLUE RIDGE; 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, BLUE RIDGE and the Department hereby agree to the following:

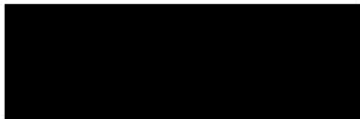
1. Immediately upon the signing of this Agreement, BLUE RIDGE shall pay a civil penalty of **\$500.00** to the Department. The form of payment shall be by certified check, cashier's check, or money order. The check or money order for the payment of this civil penalty shall be payable to the "North Carolina Department of Insurance." BLUE RIDGE 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 Agent

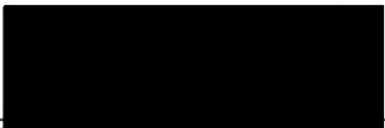
Services Division no later than **March 04, 2024**. The civil penalty shall be subject to disbursement in accordance with the provisions of Article IX, Section 7 of the North Carolina Constitution for the benefit of public schools.

2. This Agreement does not in any way affect the Agent Services Division's disciplinary power in any future examination of BLUE RIDGE or in any complaints involving BLUE RIDGE unrelated to the specific matters addressed in this Agreement.
3. BLUE RIDGE 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. BLUE RIDGE 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. BLUE RIDGE understands that N.C.G.S. § 58-33-46(a)(2) provides that corporate business licenses 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, all licenses issued by the Agent Services Division to BLUE RIDGE 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 Department, upon request, will routinely provide a copy of the voluntary settlement agreement to all companies that have licensed the business entity.
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 your business entity, 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 regulators.

BLUE RIDGE SPECIALTY, LLC
LICENSE NO. 100517947
NPN 0018314028

N.C. DEPARTMENT OF INSURANCE
AGENT SERVICES DIVISION

By: 
Shane Martin Dennie
Agent Co-Owner
License No. 0011876648

By: 
Joe Wall
Deputy Commissioner

Date: 02/09/2024

Date: 2/23/2024