

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

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**STATE OF NORTH CAROLINA
COUNTY OF WAKE**

**BEFORE THE COMMISSIONER
OF INSURANCE**

**IN THE MATTER OF
THE LICENSURE OF
ANNIE L. BURTON
LICENSE NO. 0018753171**

**VOLUNTARY SETTLEMENT
AGREEMENT**

NOW COME, Annie Burton (hereinafter “Ms. Burton”) 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 agencies; and

WHEREAS, Ms. Burton currently holds a Resident Producer’s license with authority for Life, Accident & Health or Sickness, Property and Casualty lines of insurance issued by the Agent Services Division; and

WHEREAS, Agent Services Division investigators conducted a routine audit of the Annie Burton State Farm Agency in Hillsborough, N.C., owned and managed by Ms. Burton, on June 3-4, and 12, 2023; the audit was modified to a target examination due to violations observed; and

WHEREAS, N.C. Gen. Stat. § 58-33-46(a)(4) 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 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, investigators reviewed bank records for the State Farm premium fund account for the period January 2021 through May 2023 and observed twenty-four (24) negative balance days resulting in overdraft fees of \$385.00 and returned check charges of \$315.00 illustrating that premium funds were not always available to the insurer; and

WHEREAS, it appears from the review of the State Farm premium account that Ms. Burton is in violation of the provisions of N.C. Gen. Stat. § 58-33-46(a)(4) and 11 NCAC 04.0429; and

WHEREAS, N.C. Gen. Stat. § 58-2-185 provides: All companies, agents, or brokers doing any kind of insurance business in this State must make and keep a full and correct record of the business done by them, showing the number, date, term, amount insured, premiums, and the persons to whom issued, of every policy or certificate or renewal. Information from these records must be furnished to the

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Commissioner on demand, and the original books of records shall be open to the inspection of the Commissioner when demanded; and

WHEREAS, N.C. Gen. Stat. § 58-2-195(b) provides: Every insurance agency transacting insurance business in this State shall at all times have appointed some person employed or associated with such agency who shall have the responsibility of seeing that such records and reports as are required pursuant to the provisions of this section are kept and maintained; and

WHEREAS, 11 NCAC 19 .0102 MAINTENANCE OF RECORDS provides; (a) Every insurer licensed to do business in this State shall maintain for at least five years all records, books, documents, and other business records that are required by this Section and by Chapter 58 of the North Carolina General Statutes; (b) Every agency, agent, broker, or producer of record shall maintain a file for each policy sold. The file shall contain all work papers and written communications in his or her possession pertaining to that policy. These records shall be retained for at least five years after the final disposition or, for domestic companies, until the Commissioner has adopted a final report of a general examination that contains a review of these records for that calendar year, whichever is later; and

WHEREAS, 11 NCAC 19 .0104 POLICY RECORDS provides: Each insurer or its agents shall maintain or cause to be maintained a record of each policy that specifies the policy period, basis for rating, and if terminated, documentation supporting policy termination by the insurer or policyholder, and accounting records indicating return premium amounts. These records shall be retained for at least five years after the termination of the policy or, for domestic companies until the Commissioner has adopted a final report of a general examination that contains a review of these records for that calendar year, whichever is later; and

WHEREAS, it appears from the investigators' review of the business records of the agency that the agency is not keeping complete records for business transactions in that receipts for payments received could not be traced for a draft that occurred on October 06, 2021 in the amount of \$2,729.01, and for premium funds that were deposited on May 11, 2023, and May 23, 2023 totaling \$917.28, violations of N.C. Gen. Stats. § 58-2-185, 58-2-195(b), 11 NCAC 19 .0102, and 11 NCAC 19 .0104; and

WHEREAS, N.C. Gen. Stats. §§ 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 of any kinds of insurance as to which that person is not then qualified and duly licensed; and

WHEREAS, the investigators noted that the Workers Compensation Policy 93GJZ7419, Binder Number 33-288D, for Heida Trelles, dba "A New Opportunity", was prepared by Stanford Glasco, an employee of the agency, on February 28, 2023, prior to Mr. Glasco being licensed, which licensure occurred thereafter on March 06, 2023, violations of N.C. Gen. Stats. §§ 58-33-26(a) & (b); and

WHEREAS, N.C. Gen. Stat. § 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, among other things, for demonstrating incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in this State or elsewhere; and

WHEREAS, it appears that the agency is in violation of N.C. Gen. Stat. § 58-33-46(a)(8) in that the investigators' review of bank records for the State Farm premium fund account for the period January 2021 through May 2023 revealed twenty-four (24) negative balance days resulting in overdraft fees of

\$385.00 and returned check charges of \$315.00, wherein premium funds were not available to the insurer at all times (financial irresponsibility); 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, Ms. Burton has agreed to settle, compromise, and resolve the matters referenced in this Agreement on behalf of herself, and the Agent Services Division has agreed not to pursue additional civil ramifications, including penalties, sanctions, remedies, or restitution based on these matters against Ms. Burton; and

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

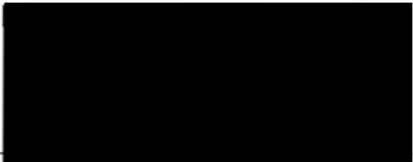
WHEREAS, the parties to this Agreement mutually wish to resolve this matter by consent before the Department initiates an administrative hearing and have reached a mutually agreeable resolution of this matter as set out in this Agreement.

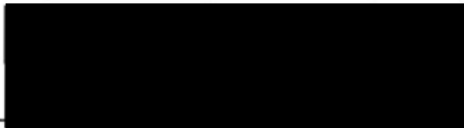
NOW, THEREFORE, in exchange for the consideration and promises and agreements set out herein, Ms. Burton and the Agent Services Division hereby agree to the following:

1. Immediately upon the signing of this Agreement, Ms. Burton 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.**" Ms. Burton 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 **October 11, 2023**. 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 Ms. Burton, or in any complaints involving Ms. Burton.
3. Ms. Burton enters into this Agreement, on behalf of herself, freely and voluntarily and with the knowledge of her right to have an administrative hearing on this matter. Ms. Burton understands she 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. Ms. Burton understands that N.C.G.S. § 58-33-46(a)(2) provides that a producer'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, all licenses issued by the Agent Services Division to Ms. Burton shall reflect that Regulatory Action has been taken against her. 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 Agent Services Division, upon request, routinely provides a copy of the voluntary settlement agreement to all companies that have licensed the producer.
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 regulators.

**N. C. Department of Insurance
Agent Services Division**


By: Annie L. Burton
License No. 0018753171


By: Joe Wall
Deputy Commissioner

Date: 10/5/2023

Date: 10/16/2023