



**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 KELLAR COVINGTON, JR.
LICENSE NO. 2062518**

**VOLUNTARY SETTLEMENT
AGREEMENT**

NOW COMES, Kellar Covington, Jr. (hereinafter “Mr. Covington”) 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

WHEREAS, Mr. Covington currently holds a Non-Resident Producer’s license with authority for Life, Accident & Health or Sickness lines of insurance issued by the Agent Services Division; and

WHEREAS, North Carolina General Statute § 58-33-32(k) requires producers to report to the Commissioner any administrative action taken against the producer in another state or by another governmental agency in this State, including enforcement actions taken against the producer by the Financial Industry Regulatory Authority (FINRA), within 30 days after the final disposition of the matter; and

WHEREAS, the Virginia Bureau of Insurance denied Mr. Covington’s application for a Non-Resident Producer’s license, on or about December 14, 2022, stating that Mr. Covington did not meet the requirements for licensure in the State of Virginia due to a 2014 felony conviction in New Jersey even though Mr. Covington was granted consent to be employed in the business of insurance from the State of New Jersey, pursuant to Federal Law, 18 U.S.C. § 1033 on or about July 20, 2022. Mr. Covington was taken aback at the denial of his application from the Virginia Bureau of Insurance due to being granted a 1033 waiver by the State of New Jersey and holding licenses in other states and claimed that he was not aware that a denial of an application was an administrative action; and

WHEREAS, Mr. Covington failed to report the administrative action taken by the Virginia Bureau of Insurance within 30 days after the final disposition of that matter as required by North Carolina General Statute § 58-33-32(k), and therefore, was in violation thereof; and

WHEREAS, North Carolina General Statute § 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, Mr. Covington has agreed to settle, compromise, and resolve the matters referenced in this Agreement on behalf of himself, and the Agent Services Division has agreed not to pursue additional civil ramifications, including penalties, sanctions, remedies, or restitution based on these matters against Mr. Covington; and

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

NOW, THEREFORE, in exchange for the consideration and promises and agreements set out herein, Mr. Covington and the Department hereby agree to the following:

1. Immediately upon the signing of this Agreement, Mr. Covington shall pay a civil penalty of **\$250.00** 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." Mr. Covington 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 **July 7, 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 Mr. Covington or in any other complaints involving Mr. Covington.
3. Mr. Covington enters into this Agreement, on behalf of himself, freely and voluntarily and with the knowledge of his right to have an administrative hearing on this matter. Mr. Covington understands he 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. Mr. Covington 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 Agents Services Division to Mr. Covington shall reflect that Regulatory Action has been taken against him. 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 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 regulators.

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



By: Kellar Covington, Jr.
License No. 2062518



By: Angela Hatchell
Deputy Commissioner

Date: June 24, 2023

Date: 6/29/2023