

RALEIGH, NORTH CAROLINA

COUNTY OF WAKE

BEFORE THE COMMISSIONER
OF INSURANCE

**THE LICENSURE OF
LORI CRISP
(NPN #0002451635)**

and

ALLIED INS AGENCY, INC
(NPN #7733622)

VOLUNTARY SETTLEMENT AGREEMENT

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

WHEREAS, Ms. Crisp held an Insurance Producer license with lines of authority in Property and Casualty issued by the Department; and

WHEREAS, Ms. Crisp owned and operated an unlicensed insurance agency under the name Allied Insurance. On July 1, 2020, Ms. Crisp obtained a business entity license issued by the Department under the name Allied Ins Agency, Inc. Ms. Crisp and David Crisp are the Designated Responsible Licensed Producers for Allied Ins. Agency, Inc.; and

WHEREAS, 11 NCAC 4.0429, entitled “Commingling”, states “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, N.C. Gen. Stat. § 58-2-185 provides: "Record of business kept by companies and agents; Commissioner may inspect. – 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 Commissioner on demand, and the original books of records shall be open to the inspection of the Commission when demanded"; and

WHEREAS, N.C. Gen. Stat. § 58-2-195(a) provides: "The Commissioner is empowered to make and promulgate reasonable rules and regulations governing the recording and reporting of insurance business transactions by insurance agencies, insurance producers, and producers of record, any of which agencies, insurance producers, or producers of record are licensed in this State or are transacting insurance business in this State to the end that such records and reports will accurately and separately reflect the insurance business transactions of such agency, insurance producer, or producer of record in this State. Information from records required to be kept pursuant to the provisions of this section must be furnished the Commissioner on demand and the original records required to be kept pursuant to the provisions of this section shall be open to the inspection for the Commissioner or any other authorized employee described in G.S. 58-2-25 when demanded"; and

WHEREAS, 11 NCAC 19.0102(b) requires that: "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 6A.0402(d)(2) states that: "Every licensee shall, upon demand from [Agent Services] Division, furnish in writing any information relating to the licensee's insurance business within 10 business days after the demand in accordance with G.S. § 58-2-195(a)"; and

WHEREAS, N.C. Gen. Stat. § 58-33-46(a)(2) states: "The Commissioner may place on probation, suspend, revoke, or refuse to renew any license issued under this Article . . . [for][v]iolating 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"; and

WHEREAS, N.C. Gen. Stat. § 58-33-46(a)(4) states: "The Commissioner may place on probation, suspend, revoke, or refuse to renew any license issued under this Article . . . [for] [i]mproperly withholding, misappropriating, or converting any monies or properties received in the course of doing insurance business"; and

WHEREAS, N.C. Gen. Stat. § 58-33-46(a)(8) provides that: “[t]he Commissioner may place on probation, suspend, revoke, or refuse to renew any license issued under this Article . . . [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, in 2016 and 2017, investigators working for the Department’s Agent Services Division conducted compliance checks of Ms. Crisp’s agency. During those compliance checks, the investigators observed violations of 11 NCAC 4.0429 which provide grounds to take disciplinary action against Ms. Crisp pursuant to N.C. Gen. Stat. § 58-33-46(a)(2),(4), & (8); and

WHEREAS, in 2020 and 2022, Agent Services Division’s investigators conducted additional compliance checks of Ms. Crisp and Allied Ins Agency, Inc. and observed continuing violations of 11 NCAC 4.0429 which provide grounds to take disciplinary action against Ms. Crisp and Allied Ins Agency, Inc. under N.C. Gen. Stat. § 58-33-46(a)(2),(4), & (8); and

WHEREAS, during the 2022 compliance check, Agent Services Division Investigator Sherri Bumgarner repeatedly requested Ms. Crisp and Allied Ins Agency, Inc. to produce receipts for premium payments collected. Ms. Crisp and Allied Ins Agency, Inc. failed to maintain copies of their premium receipts and to produce those receipts upon Agent Service Division’s requests in violation of 11 NCAC 6A.0402(d)(2), 11 NCAC 19.0102(b), N.C. Gen. Stat. § 58-2-185, and N.C. Gen. Stat. § 58-2-195(a). These violations provide additional grounds to take disciplinary action against Ms. Crisp and Allied Ins Agency, Inc. under N.C. Gen. Stat. § 58-33-46(a)(2); and

WHEREAS, in order to resolve this matter without an administrative hearing, Ms. Crisp has agreed to voluntarily surrender her resident producer’s license for a period of 20 years and Agent Services Division has agreed to accept such surrender. A copy of the executed Surrender Form is attached to this Agreement as Exhibit A; and

WHEREAS, In order to resolve this matter without an administrative hearing, Agent Services Division has agreed to allow Allied Ins Agency, Inc. to retain its business entity license on condition that upon execution of this Voluntary Settlement Agreement Ms. Crisp: (a) withdraws as designated responsible licensed producer of Allied Ins Agency, Inc. and (b) stops working for Allied Ins Agency and otherwise having any involvement with the business and affairs of Allied Ins Agency, Inc. or any other insurance agency during the 20 year period of her license surrender; and

WHEREAS, Ms. Crisp and Allied Ins Agency, Inc. violated 11 NCAC 4.0429, 11 NCAC 6A.0402(d)(2), 11 NCAC 19.0102(b), N.C.G.S. § 58-2-185, and N.C.G.S. § 58-2-195(a). Grounds exist under N.C. Gen. Stat. § 58-33-46(a)(2),(4), & (8) to take disciplinary action against Ms. Crisp and Allied Ins Agency, Inc.; 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 as to any civil penalty; and

WHEREAS, this Agreement is civil in nature and does not preclude criminal prosecution that may result from ongoing investigations by the Department's Criminal Investigation Division for violations of criminal laws; 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; and

NOW, THEREFORE, in exchange for, and in consideration of the promises and agreements set out herein, Agent Services, Ms. Crisp, and Allied Ins Agency, Inc. hereby agree to the following:

1. Upon execution of this Voluntary Settlement Agreement, Ms. Crisp shall resign her role as a designated responsible licensed producer. Ms. Crisp shall not work for Allied Ins Agency, Inc. and shall not have any involvement with the business and affairs of Allied Ins Agency, Inc., or any other insurance agency during the 20-year period of her license surrender.
2. Allied Ins Agency, Inc. shall comply with all provisions of Chapter 58 of the North Carolina General Statutes and Title 11 of the North Carolina Administrative Code that are applicable to Allied Ins Agency, Inc.
3. This Voluntary Settlement Agreement will take care of all violations alleged in the January 2024 informal conference letter.
4. This signed Voluntary Settlement Agreement must be received by the Department no later than **May 31, 2024**.
5. The parties to this Agreement agree that this Agreement shall have the full force and effect of an Order of the Commissioner. Mr. Crisp and Allied Ins Agency, Inc. understand 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.
6. This Agreement, when finalized, will be a public record and will **not** be held confidential by the Department. Following the execution of this Agreement, any and all licenses issued by the Department to Allied Ins Agency, Inc. shall reflect that Regulatory Action has been taken against it. 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 Department routinely provides copies of voluntary settlement agreement to all companies that have appointed the licensee.

7. The parties have read and understand this Agreement and agree to abide by the terms and conditions stated herein.

8. Ms. Crisp and Allied Ins Agency, Inc. voluntarily waive any right to an administrative hearing on the violations and disciplinary action referenced in this Agreement. Ms. Crisp and Allied Ins Agency, Inc. also waive any right to appeal and agree not to challenge the validity of this Agreement in any way.

9. The promises, Agreements, representations, and consideration contained herein are not mere recitals but are contractual in nature.

10. This written document contains the entire Agreements between the parties. There are no other oral or written Agreements of any kind that alter or add to this Agreement.


11. This Agreement shall become effective when signed by Ms. Crisp, Allied Ins Agency, Inc., and the Agent Services Division.

12. Be aware that if a state or federal regulator other than the N.C. Department of Insurance has issued an occupational or professional license to you and the Agency, that regulator may require you and the Agency to report this administrative action to it. The N.C. Department of Insurance cannot give you legal advice as to the specific reporting requirements of other state or federal regulators. This Agreement does not in any way affect the Department's disciplinary power in any future examination of Allied Ins Agency, Inc. or in any other complaints involving Allied Ins Agency, Inc. and the Agency.

N. C. Department of Insurance


By: Lori Crisp

Date: 5-30-24


By: Joe Wall
Deputy Commissioner

Date: 5/31/2024

Allied Ins Agency, Inc.


By: David Crisp
Designated Licensed Responsible Producer