



**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
EASTERN UNDERWRITING MANAGERS, LLC
NPN: 17545168
CORPORATION LICENSE: 1000460748**

**VOLUNTARY SETTLEMENT
AGREEMENT**

NOW COME, EASTERN UNDERWRITING MANAGERS, LLC (hereinafter "EASTERN") and the N.C. Department of Insurance Agent Services Division (hereinafter "ASD"), and hereby voluntarily and knowingly enter into the following Voluntary Settlement Agreement (hereinafter "this Agreement"); and

WHEREAS, the Department 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, EASTERN currently holds non-resident Corporate Business Entity (Partnership) and Surplus Lines Business Entity licenses issued by the Department; and

WHEREAS, the Agent Services Division conducted a review of EASTERN, which was initiated on November 15, 2023 and concluded on April 01, 2024, 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, EASTERN was formed in 2015 as a multi-line MGA wholesaler located in Knoxville, Tennessee and operates in twelve (12) states. Currently the agency has two-hundred and one (201) North Carolina policies in force, one-hundred and sixty-one (161) written through admitted insurers and forty-one (41) written through non-admitted insurers. Agent Services Division investigators requested policy listings for policies written September 01, 2020 through September 01, 2023, as well as an employee listing and background information regarding agency procedures. Of those policies, one hundred (100) were selected for review; and

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

(a) For insureds whose home state is this State, no agent or broker licensed by the Commissioner shall directly procure any contract of surplus lines insurance with any non-admitted domestic surplus lines insurer or non-admitted insurer, unless he possesses a current surplus lines insurance license issued by the Commissioner; 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, Agent Services Division investigators reviewed all one-hundred policy files and observed that every file had issues involving unlicensed employees, or employees that did not have company appointments; and

WHEREAS, EASTERN, by allowing the procuring and negotiating of insurance coverages through admitted and non-admitted insurers by employees who were not properly licensed or appointed, was in violation 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, EASTERN 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, EASTERN has agreed to settle, compromise, and resolve the matters referenced in this Agreement and the Agent Services Division has agreed not to pursue additional civil ramifications, including penalties, sanctions, remedies, or restitution based on these matters against EASTERN; and

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

1. Immediately upon the signing of this Agreement, EASTERN shall pay a civil penalty of **\$2,800.00** 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.” EASTERN 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 April 7, 2025. 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 EASTERN or in any complaints involving EASTERN.
3. EASTERN enters into this Agreement freely and voluntarily and with the knowledge of its right to have an administrative hearing on this matter and 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. EASTERN understands that N.C.G.S. § 58-33-46(a)(2) provides that a corporate 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 Department. Following the execution of this Agreement, all licenses issued by the Department to EASTERN 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.
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 N. C. Department of Insurance has issued an occupational or professional license to your business entity, that regulator may require you 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.

Eastern Underwriting Managers, LLC
NPN: 17545168
CORP. LICENSE: 1000460748

N.C. Department of Insurance
Agent Services Division

By: **D. Garland Byrd**
President & DRLP
NPN: 218240

By: **Joe Wall**
Deputy Commissioner

Date: 3/28/25

Date: 4/1/2025