

**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 MARTIN D. HENSLEY
LICENSE NO. 6592582**

**VOLUNTARY SETTLEMENT
AGREEMENT**

NOW COME, the Agent Services Division of the North Carolina Department of Insurance (hereinafter "Agent Services Division") and Martin D. Hensley (hereinafter "Mr. Hensley" or "Licensee") and hereby voluntarily and knowingly enter into the following Voluntary Settlement Agreement (hereinafter "this Agreement").

WHEREAS, the Agent Services Division regulates and licenses insurance agents in North Carolina; and

WHEREAS, Mr. Hensley held an insurance license from September 29, 1990 to June 30, 2017 and currently holds a resident insurance producer's license issued by the North Carolina Department of Insurance on August 6, 2021 with a line of authority in Life insurance; and

WHEREAS, on June 30, 2017, Mr. Hensley's resident insurance producer's license lapsed due to his failure to complete required continuing education, and therefore, between June 30, 2017 and August 5, 2021, Mr. Hensley did not hold an active North Carolina insurance producer's license; and

WHEREAS, N.C. Gen. Stat. § 58-33-130(c) provides that "the license of any person who fails to comply with the continuing education requirements under this section shall lapse except that the Commissioner or administrator may either grant an extension of time for good cause shown or charge an administrative fee of seventy-five dollars (\$75.00), or both, in lieu of having the person's license lapse[;]" and

WHEREAS, among other things, 11 N.C. Admin. Code 6A.0802 requires that licensees obtain 24 insurance continuing education credits (ICECs) during each biennial compliance period and that licensees holding one or more property, personal lines, or adjuster license complete a continuing education course or courses comprising three ICECs on flood insurance and the National Flood Insurance Program every other biennial compliance period; and

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WHEREAS, Mr. Hensley failed to complete the required continuing education course addressing flood insurance and the National Flood Insurance Program during the 2017 biennial compliance period such that his insurance producer license lapsed on June 30, 2017 pursuant to N.C. Gen. Stat. § 58-33-30(c); and

WHEREAS, the Agent Services Division mailed written notice of the 2017 lapse of Mr. Hensley's insurance producer license to Mr. Hensley's address of record, however the notice was returned as undeliverable; and

WHEREAS, the Agent Services Division has no record of any continuing education provider attempting to report any ICECs completed by Mr. Hensley during the following biennial compliance period in 2019; and

WHEREAS, a targeted examination of Capital Financial & Insurance, LLC conducted by the Agent Services Division on July 6, 2021 and October 25-26, 2021 identified that Mr. Hensley solicited and negotiated fixed annuities for individual North Carolina consumers during the 49-month period between June 30, 2017 and August 5, 2021 when Mr. Hensley did not hold an active North Carolina insurance producer's license with a line of authority in Life insurance; and

WHEREAS, N.C. Gen. Stat. § 58-33-5 prohibits a person from selling, soliciting, or negotiating "insurance in this State for any kind of insurance unless the person is licensed for [that] line of authority in accordance with this Article[:]" and

WHEREAS, N.C. Gen. Stat. § 58-33-26(a) likewise prohibits a person from acting or holding himself or herself out to be an insurance producer unless duly licensed; and

WHEREAS, N.C. Gen. Stat. § 58-33-120 also forbids any person acting as an insurance producer without a license from doing any act "in the soliciting, making or executing any contract of insurance of any kind otherwise than the law permits...[:]" and

WHEREAS, due to the lapse of his North Carolina license on June 30, 2017 for failure to complete required continuing education, Mr. Hensley solicited and negotiated fixed annuity insurance contracts to North Carolina consumers without an active insurance producer license with a line of authority in Life insurance in violation of N.C. Gen. Stat. §§ 58-33- 5, 58-33-26(a) and 58-33-120; and

WHEREAS, among other things, N.C. Gen. Stat. § 58-33-46(a)(2) authorizes the North Carolina Insurance Commissioner to suspend, revoke, place on probation, or refuse

to renew a license should a licensee violate “any insurance law of this or any other state[:]” and

WHEREAS, pursuant to N.C. Gen. Stat. § 58-2-70(g), the Agent Services Division, as an authorized designee of the Commissioner of Insurance, has express authority to negotiate a mutually acceptable agreement with any person as to the status of the person’s North Carolina insurance license, or as to any civil penalty or restitution; and

WHEREAS, Mr. Hensley 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 against Mr. Hensley based on the violations identified in the July 6, 2021 and October 25-26, 2021 targeted examination by the Agent Services Division; and

WHEREAS, this Agreement is civil in nature and does not preclude criminal prosecution that may result from investigations, if any, conducted by the North Carolina Department of Insurance’s Criminal Investigation Division for violation of criminal laws; and

WHEREAS, the parties to this Agreement mutually wish to resolve this matter by consent before the Agent Services Division 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, Mr. Hensley and the Agent Services Division hereby agree to the following:

1. Upon signing this Agreement, Mr. Hensley shall pay a civil penalty of two thousand five hundred dollars (**\$2,500.00**) 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.”
2. Together with the civil penalty payment, Mr. Hensley shall return a signed copy of this Agreement by certified mail, return receipt requested, addressed to “NCDOI Agent Services Division (Attention: Sherri Bumgarner), 1204 Mail Service Center, Raleigh, N.C. 27699-1204.” **The civil penalty and signed Agreement must be**

received by the Department no later than Tuesday, April 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.

3. This Agreement does not in any way affect the Department's or the Agent Services Division's disciplinary power in any future examination of Mr. Hensley, or in any other cases or complaints involving Mr. Hensley.
4. Mr. Hensley enters into this Agreement freely and voluntarily and with the knowledge of his right to have an administrative hearing on this matter. Mr. Hensley has consulted with an attorney prior to entering into this Agreement.
5. The parties to this Agreement agree that this Agreement shall have the full force and effect of an Order of the Commissioner. Mr. Hensley understands that N.C.G.S. § 58-33-46(a)(2) provides that an insurance producer 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 North Carolina Department of Insurance or the Agent Services Division. Following the execution of this Agreement, all licenses issued by the North Carolina Department of Insurance to Mr. Hensley shall reflect that Regulatory Action has been taken against him. The North Carolina Department of Insurance 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 North Carolina Department of Insurance routinely provides copies of voluntary settlement agreements 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. This Agreement between Mr. Hensley and the Agent Services Division shall become effective when signed by Mr. Hensley and by Angela Hatchell, Deputy Commissioner of the Agent Services Division.
9. Be aware that if a state or federal regulator other than the North Carolina Department of Insurance has issued an occupational or professional license to you, that regulator may require you to report this administrative action to it. The North Carolina Department of Insurance cannot give you legal advice as to the specific reporting requirements of other state or federal regulators.

[SIGNATURE PAGE FOLLOWS]

[REDACTED]
Martin D. Hensley
N.C. License No. 6592582

Date: APR 4, 2023

**AGENT SERVICES DIVISION OF THE
NORTH CAROLINA DEPARTMENT OF INSURANCE**

By: [REDACTED]
Angela Hatchell
Deputy Commissioner of the Agent Services Division

Date: 4/11/2023

