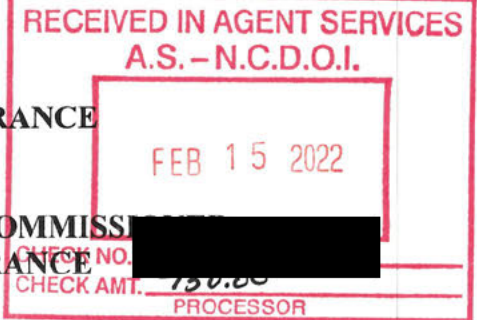


**NORTH CAROLINA DEPARTMENT OF INSURANCE  
RALEIGH, NORTH CAROLINA**

**STATE OF NORTH CAROLINA  
COUNTY OF WAKE**

**BEFORE THE COMMISSIONER  
OF INSURANCE**



**IN THE MATTER OF  
THE LICENSURE OF  
DANA K. JOHNSON  
LICENSE NO. 0006607076**

**VOLUNTARY SETTLEMENT  
AGREEMENT**

**NOW COME**, Dana K. Johnson (hereinafter "Ms. Johnson") 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 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**, Ms. Johnson currently holds a resident producer's license with authority for Property and Casualty lines of insurance and a broker's license issued by the Department; and

**WHEREAS**, the Agent Services Division investigators conducted a target review of the Klass Insurance Agency, dba Insurance Concepts, located in Dunn, NC, owned by Ms. Johnson and responsible for the operations of the agency, on October 08 and 13, 2021; the review was initiated because of information made available to the Agent Services Division indicated that Mr. Stanley Johnson, husband of Ms. Johnson, who is a licensed agent employed in the agency, plead guilty to a felony charge involving fraudulent collection of Social Security disability benefits; and

**WHEREAS**, 18 U.S. CODE § 1033 (e) (2) provides that any person who has been convicted of any criminal felony involving dishonesty or a breach of trust may only engage in the business of insurance or participate in such business if such person has the written consent of any insurance regulatory official authorized to regulate the insurer; and

**WHEREAS**, the investigators informed Mr. Johnson that he could no longer work in the agency in any capacity unless he obtained a Section 1033 waiver issued by the Agent Services Division; Mr. Johnson was presented with a 1033 waiver application, voluntary surrender form and regulatory action procedures; Mr. Johnson voluntarily surrendered his license to the Agent Services Division; and

**WHEREAS**, investigators advised Ms. Johnson that Mr. Johnson could not have any role in the agency and that his name be removed from the agency's records in the Agent Services Division as the designated responsible licensed producer; Ms. Johnson agreed to take whatever

steps were necessary to remove Mr. Johnson's name and contact all insurers to remove Mr. Johnson as a producer; and

**WHEREAS**, N. C. Gen. Stat. § 58-2-69(c) provides that if a licensee is convicted in any court of competent jurisdiction for any crime or offense other than a motor vehicle infraction, the licensee shall notify the Commissioner in writing of the conviction within 10 days after the date of the conviction ("conviction" includes an adjudication of guilt, a plea of guilty, or a plea of "nolo contendere");

**WHEREAS**, Mr. Johnson did not report his criminal conviction as required by N. C. Gen. Stat. § 58-2-69(c), and therefore was in violation thereof; 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**, the investigator reviewed 17 homeowners' policies; Mr. Johnson accessed Homeowners of America, an admitted insurer, through another agent, to provide a quote to Mr. Cary Fann; Mr. Johnson was not licensed as a broker as required by N.C. Gen. Stat. § 58-33-26(a) & (b), and therefore was in violation thereof; and

**WHEREAS**, the investigator reviewed 12 commercial policies; a Workers Compensation policy was written through Travelers Insurance for Mr. Jesse Lee, DDS; and

**WHEREAS**, a general liability insurance policy was for High Performance Transport, LLC was written with United States Liability Insurance, an admitted carrier, by Mr. Johnson through an intermediary agency; and

**WHEREAS**, general liability and workers compensation insurance certificates were prepared for Aguillon Roofing and Power Roofing, LLC by Ms. Hobson with Atlantic Casualty containing inaccurate policy numbers; and

**WHEREAS**, because neither Mr. Johnson or Ms. Sara Hobson, the only other agent employed by the agency, were appointed by Travelers, United States Liability Insurance and Atlantic Casualty or held brokers' licenses, both were in violation of N.C. Gen. Stats. §§ 58-33-26(a) & (b) and/or 58-33-40(a) ; and

**WHEREAS**, N. C. Gen. Stat. 58-3-150 (2) makes it unlawful to any person to knowingly prepare a certificate containing any false or misleading information concerning the policy of insurance to which the certificate of insurance refers; and



**WHEREAS**, investigators determined that the agency was not receipting all funds collected in that the Agency Management System (Jenesis) report reflected premium payments and agency fees totaling \$3,021 for the week of July 12, 2021 and agency deposits totaling \$7,463.07 were made; the agency alleges the difference were additional premium payments dropped off at the agency; 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 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**, by not receipting all funds collected as evidenced by the Jenesis report, i.e., the differential in premium payments and agency fees totaling \$3,201 for the week of July 12, 2021 and agency deposits in the amount of \$7,463.07 made during the same period reflect violations of N.C. Gen. Stats. §§ 58-2-185 and 58-2-195 and 11 NCAC 19 .0102 on the part of Ms. Johnson, the owner and responsible party for the operations of the agency; 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**, 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, 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**, it appears that the agency withheld premium funds in that two (2) premium payments were not timely uploaded to the premium account, a July 06, 2021 National General

premium payment of \$152.00 and a June 08, 2021 Universal premium payment of \$93.00 were not uploaded until July 12, 2021, for which period of time monies were not available to the insurers, and resulted in late fees paid by the agency and in violation of the provisions of N.C. Gen. Stat. § 58-33-46(a)(4), and in addition to other statutory violations set forth herein are reflective of prohibited and unlawful practices in the conduct of insurance business in this State as set forth in N. C. Gen. Stat. § 58-33-46(a)(8); 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. Johnson 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. Johnson; 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. Johnson and the Agent Services Division hereby agree to the following:

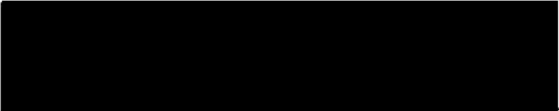
1. Immediately upon the signing of this Agreement, Ms. Johnson shall pay a civil penalty of **\$750.00** to the Agent Services Division. The form of payment shall be by certified check, cashier's check or money order. The check or money order for the payment of this civil penalty shall be payable to the "**North Carolina Department of Insurance.**" Ms. Johnson 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 **February 16, 2022**. 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.

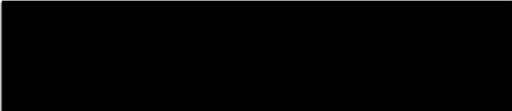


2. This Agreement does not in any way affect the Agent Services Division's disciplinary power in any future examination of Ms. Johnson.
3. Ms. Johnson enters into this Agreement, on behalf of herself, freely and voluntarily and with the knowledge of her right to have an administrative hearing on this matter. Ms. Johnson 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. Johnson 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. Johnson 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.

**Klass Insurance Agency  
dba Insurance Concepts**

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

  
**By: Dana K. Johnson, Owner  
License No. 0006607076**

  
**By: Angela Hatchell  
Deputy Commissioner**

Date: 2-9-22

Date: 2/15/2022