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NORTH CAROLINA DEPARTMENT OF INSURANCE
RALEIGH, NORTH CAROLINA

STATE OF NORTH CAROLINA
COUNTY OF WAKE
IN THE MATTER OF
RYAN KENNELLY
(NPN# 8478911)

BEFORE THE
COMMISSIONER OF
INSURANCE

VOLUNTARY SETTLEMENT
AGREEMENT

WHEREAS, the North Carolina Department of Insurance (hereinafter "Department" or "NCDOI") is charged with the authority and responsibility for the enforcement of the insurance laws of the State of North Carolina;

WHEREAS, RYAN KENNELLY (hereinafter, "Mr. Kennelly") is a licensed agent who has resided at all times relevant to this agreement in Illinois. Mr. Kennelly holds a non-resident insurance producer license from the Department which first became effective on October 17, 2013. Mr. Kennelly has lines of authority in accident and health or sickness, life, and Med. Supp./Long-term care;

WHEREAS, Illinois Health Agents, Inc. (hereinafter, "IHA") is an insurance agency which holds a non-resident business entity license. IHA is a full-service agency and web broker for individual health plans across the United States. Mr. Kennelly is listed as the designated responsible licensed producer ("DRLP") for IHA;

WHEREAS, Dorothy McGinty (hereinafter, "Ms. McGinty") is a licensed resident insurance producer who entered into a business associate agreement with IHA and Mr. Kennelly;

WHEREAS, the Department contends that IHA and Mr. Kennelly assisted Ms. McGinty with getting an appointment with North Carolina Blue Cross and Blue Shield of North Carolina (BCBS) for accident and health or sickness policies. In exchange, Mr. Kennelly and IHA allowed agents unappointed with BCBS to enroll consumers in policies under the Affordable Care Act using Ms. McGinty's NPN, a process known as an "NPN override";

WHEREAS, the Department contends that Mr. Kennelly offered and signed a written contract proposal to Ms. McGinty offering to compensate her in exchange for the continued usage of her NPN by unappointed agents submitting ACA policies;

WHEREAS, the Department contends that Commissions for these policies written using Ms. McGinty's NPN were paid to the agency and then passed along by IHA and Mr. Kennelly to the unappointed agents utilizing Ms. McGinty's NPN;

WHEREAS, the Department contends that Mr. Kennelly's and IHA's use of these "NPN overrides" violates several North Carolina and federal insurance regulations, including: 45 CFR 155.220; N.C.G.S. §§ 58-33-5; 58-33-26; 58-33-40; 58-33-82; and 58-33-120;

WHEREAS, the Department contends that the violation of any insurance law of this state authorizes the Commissioner to take administrative action against a licensee pursuant to N.C. G.S. § 58-33-46(a)(2);

WHEREAS, the Department contends that Mr. Kennelly's and IHA's use of these "NPN Overrides" could be grounds for administrative action against a licensee pursuant to N.C.G.S. § 58-33-46(a)(8);

WHEREAS, in entering into this Voluntary Settlement Agreement, Mr. Kennelly and IHA do not admit to any alleged misconduct under the aforementioned state or federal insurance regulations or administrative rules;

WHEREAS, pursuant to N.C.G.S. § 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 issued by the Department, or as to any civil penalty or restitution;

WHEREAS, the parties to this Agreement have reached a mutually agreeable resolution of this matter as set out in this Agreement.

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

1. Mr. Kennelly agrees to comply with all provisions of Chapter 58 of the North Carolina General Statutes and Title II of the North Carolina Administrative Code that are applicable to them.

2. By entering into this Voluntary Settlement Agreement, Mr. Kennelly does not admit to any alleged misconduct under N.C.G.S. §§ 58-33-46(a)(2), 58-33-46(a)(8) or to any violations of the North Carolina insurance statutes or administrative rules. It is understood and agreed that this Agreement is a compromise of the Department's allegations of wrongdoing and misconduct by Mr. Kennelly in this matter, that Mr. Kennelly disputes those allegations, and that Mr. Kennelly specifically denies the allegations of wrongdoing and misconduct in this matter.

3. This Voluntary Settlement Agreement constitutes a complete settlement of all allegations and administrative penalties against Mr. Kennelly for the acts, policies or practices expressly addressed in this Voluntary Settlement Agreement. Except as to the acts, policies, or practices expressly addressed herein, this Voluntary Settlement Agreement does not affect the Department's disciplinary power in any future investigations of Mr. Kennelly, or in any other complaints involving Mr. Kennelly. In the event Mr. Kennelly fails to comply with this Voluntary Settlement Agreement or otherwise fails to comply with the laws and regulations applicable to them, the Department may take any administrative or legal action it is authorized to take.

4. Mr. Kennelly agrees to pay a civil penalty in the amount of one thousand dollars (\$1,000.00) to the State of North Carolina contemporaneously with the execution of this Agreement. Mr. Kennelly agrees to satisfy this assessment, by no later than November 10, 2025, by submitting a certified check, cashier's check or money order payable to the "North Carolina Department of Insurance" in the agreed-upon amount, after Mr. Kennelly has signed this Agreement and simultaneously with forwarding this Agreement to the Department for the Deputy Commissioner's signature. Mr. Kennelly agrees to mail the certified check, cashier's check or money order to the NC Department of Insurance, Agent Services Division, located 1204 Mail Service Center, Raleigh, NC 27699-1204, and this payment is to be received no later than November 10, 2025.

5. Said civil penalty shall be subject to disbursement in accordance with the provisions of Article IX, Section 7 of the North Carolina Constitution, and thus shall inure to the benefit of the public schools.

6. The parties to this Voluntary Settlement Agreement agree that it shall have the full force and effect of an order of the Commissioner of Insurance.

7. The Commissioner of Insurance retains jurisdiction over the parties to enforce the terms of this Voluntary Settlement Agreement. Mr. Kennelly understands that N.C.G.S. 58-33-46(a)(2) authorizes the Commissioner to revoke an entity or agent's license for violating an Order of the Commissioner.

8. This Voluntary Settlement Agreement shall become effective when signed and attested to by Mr. Kennelly and the Department.

9. This Voluntary Settlement Agreement, when finalized will be a public record and will not be treated as confidential pursuant to N.C.G.S. § 132-1.3. Any and all licenses issued by the Department to Mr. Kennelly shall reflect that Regulatory Action has been taken against the licensee following the execution of this Agreement. The Department may disclose the contents of this Agreement to third parties upon request or pursuant to any law or policy providing for such disclosure.

This the 7 day of ~~October~~^{November}, 2025.

NORTH CAROLINA DEPARTMENT OF INSURANCE

By: 

Deputy Commissioner

Date: 11/7/2025

By: 

Ryan Kennelly

10/27/2025

Date: _____