

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

**STATE OF NORTH CAROLINA
COUNTY OF WAKE**

**BEFORE THE COMMISSIONER
OF INSURANCE**

CHECK NO. [REDACTED]
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PROCESSOR

RECEIVED IN AGENT SERVICES
A.S. – N.C.D.O.I.

JUL 2 2024

**IN THE MATTER OF THE LICENSURE
OF KENNY INSURANCE
LICENSE NO. 18130595**

**VOLUNTARY SETTLEMENT
AGREEMENT**

NOW COMES Kenny Hernandez (hereinafter “Mr. Hernandez”), Kenny Insurance (hereinafter “Insurance”) and the Agent Services Division (hereinafter “Agent Services Division”) of the North Carolina Department of Insurance (hereinafter “Department”), hereby voluntarily and knowingly enter into this Voluntary Settlement Agreement (hereinafter “Agreement”).

WHEREAS, the Department has the authority and responsibility for the enforcement of the insurance laws of the State of North Carolina and for regulating and licensing insurance agents; and

WHEREAS, Insurance currently holds a nonresident corporate insurance producer license with no lines of authority and no appointments in the State of North Carolina; and

WHEREAS, Mr. Hernandez is the President of Insurance and the designated responsible licensed producer of Insurance; and

WHEREAS, on or about September 12, 2022, the State of Washington revoked the insurance producer license of Insurance; and

WHEREAS, on or about December 21, 2022, the State of Washington imposed a monetary penalty against Insurance; and

WHEREAS, on or about March 11, 2024, Insurance submitted a renewal application for a North Carolina business entity insurance producer license with no lines of authority; and

WHEREAS, on the aforementioned March 11, 2024 renewal application, Insurance was asked the question, “has the business entity or any owner, partner, officer or director of the business entity, or manager or member of a limited liability company, been named or involved as a party in an administrative proceeding, including a FINRA sanction or arbitration proceeding regarding any professional or occupational license or registration, which has not been previously reported?” Respondent answered “no” to the aforementioned question; and

WHEREAS, on or about March 11, 2024, Insurance certified and attested to the following statement on the North Carolina renewal application, “all of the information submitted in this application and attachments is true and complete and I am aware that submitting false information or omitting pertinent or material information in connection with this application is grounds for license or registration revocation and may subject me and the business entity or limited liability company to civil or criminal penalties”; and

WHEREAS, N.C. Gen. Stat. § 58-33-46(a)(1) provides that the Commissioner may place on probation, suspend, revoke or refuse to issue or renew any license provided under Article 58 of the General Statutes of North Carolina for a licensee providing materially incorrect, misleading, incomplete, or materially untrue information in the license application; 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 provided under Article 58 of the General Statutes of North Carolina for a licensee 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 insurance regulator, or violating any rule of the FINRA; and

WHEREAS, N.C. Gen. Stat. § 58-33-46(a)(9) provides that the North Carolina Department of Insurance may place on probation, suspend, revoke, or refuse to renew a license if a licensee has an insurance producer license or its equivalent, denied, suspended or revoked in any other jurisdiction for reasons substantially similar to those listed in this subsection; and

WHEREAS, N.C. Gen. Stat. § 58-33-32(k) requires that an insurance producer report to the North Carolina Department of Insurance any administrative action taken against the producer in another state or by another governmental agency in the state within 30 days after the final disposition of the matter. The report of adverse action should include a copy of the order or consent order and other information or documents filed in the proceeding necessary to describe the action; and

WHEREAS, Insurance certified and attested to the accuracy of the information in the March 11, 2024 North Carolina insurance producer application and did not disclose the adverse actions from the State of Washington in potential violation of North Carolina General Statutes § 58-33-46(a)(1); and

WHEREAS, Insurance failed to notify the North Carolina Department of Insurance within 30 days of the State of Washington adverse actions in potential violation of North Carolina General Statutes §§ 58-33-32(k), § 58-33-46(a)(2) and § 58-33-46(a)(9); and

WHEREAS, Insurance 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 the aforementioned matters against Insurance; and

WHEREAS, the parties to this Agreement mutually wish to resolve this matter before the Department concludes an administrative hearing and the parties have reached a mutually agreeable resolution of this matter as set out in this Agreement; and

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

1. Immediately upon the signing of this Agreement, Insurance shall pay a civil penalty of one-thousand US dollars (**\$1,000.00**) 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". Insurance shall remit the civil penalty by certified mail, return receipt requested, to the Agent Services Division, 1204 Mail Service Center, Raleigh, NC 27699-1204, along with a copy of this signed Agreement. The civil penalty and the signed Agreement must be received by the North Carolina Department of Insurance no later than **July 4, 2024**. 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 Insurance or in any other complaints involving Insurance.
3. Insurance enters into this Agreement freely and voluntarily and with the knowledge of its right to have an administrative hearing on this matter. Insurance understands they 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. Insurance 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 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 Insurance shall reflect this Regulatory Action taken against the company. The Agent Services Division 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 will provide a copy of the voluntary settlement agreement to companies that have appointed Insurance.
6. 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.
7. The parties have read and understand this Agreement and agree to abide by the terms and conditions stated herein.

(SIGNATURE PAGE FOLLOWS)

N.C. Department of Insurance
Agents Services Division

Kenny Hernandez



By: Kenny Insurance
President: Kenny Hernandez
Kenny Insurance License No. 18130595

Date: 6/26/24



By: Joe Wall
Deputy Commissioner

Date: 7/2/2024