



**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 PHILIP BUNN LEA  
LICENSE NO. 6559960**

**VOLUNTARY SETTLEMENT  
AGREEMENT**

**NOW COME**, Philip Bunn Lea (hereinafter “Mr. Lea”), Leaco Insurance Services, Inc. (hereinafter “LIS”), and the Agent Services Division of the North Carolina Department of Insurance (hereinafter “Agent Services Division”), 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 and licensed insurance business entities in North Carolina; and

**WHEREAS**, Mr. Lea currently holds a resident insurance producer license with authority for Casualty, Property, Accident & Health or Sickness, and Life lines of insurance, License No. 6559960, that was first issued by the North Carolina Department of Insurance on December 5, 1987; and

**WHEREAS**, Mr. Lea is the president and designated responsible licensed producer for LIS, a North Carolina corporation which holds a business entity insurance producer license, License No. 1000005463, that was first issued by the North Carolina Department of Insurance on September 20, 2010; and

**WHEREAS**, on April 14, 2024, the Agent Services Division received a complaint from a former LIS employee, Brittney Elizabeth Ream, that LIS was changing insurance documentation without approval and that Mr. Lea had instructed Ms. Ream to sign Mr. Lea’s name to insurance policy documents; and

**WHEREAS**, on May 2, 2024, the Agent Services Division received a second, separate complaint from a different former employee that LIS may still be using the former employee’s electronic signature on insurance documents without authorization; and

**WHEREAS**, as a result of the Agent Services Division’s investigation of the complaints, a targeted in-person inspection of LIS was conducted by two investigators of the Agent Services Division on May 7, 8, 10, 13, and 14, 2024 (the “Investigation”); and

**WHEREAS**, among other things, the Investigation identified three (3) 2024 National General Personal Auto & Recreational Vehicle Insurance Applications and one (1) 2023 Dairyland North Carolina Auto Application where the signature line for “Producer’s signature” was signed “Philip B. Lea” but the identical signatures on the four applications were different from Mr. Lea’s signatures on other applications and insurance policy documents and did not appear to be in Mr. Lea’s handwriting; and

**WHEREAS**, during a random file review, the Investigation identified one (1) 2024 Century Mutual Homeowners Policy Application and one (1) 2024 Universal Property and Casualty Company Homeowners Insurance Application where the signature lines for “Producer’s signature” were signed “Philip B. Lea” but the identical signatures on the two applications were different from Mr. Lea’s signatures on other applications and insurance policy documents and did not appear to be in Mr. Lea’s handwriting; and

**WHEREAS**, following the random file review, additional automobile and homeowner insurance applications completed during Ms. Ream’s period of employment with LIS were also examined and one (1) additional 2022 Universal Property and Casualty Company Homeowners Insurance Application, one (1) additional 2023 Universal Property and Casualty Company Homeowners Insurance Application, one (1) additional 2022 National General Personal Auto & Recreational Vehicle Insurance Application, and one (1) additional 2024 National General Personal Auto & Recreational Vehicle Insurance Application were found bearing the signature of “Philip B. Lea” that did not appear to have been made in Mr. Lea’s handwriting, but did appear identical to the suspect signatures identified on the other insurance applications; and

**WHEREAS**, Ms. Ream admitted to Agent Services Division investigators that she completed insurance applications, quoted insurance policies, and signed Mr. Lea’s signature to insurance documents while employed by LIS before she was first issued a North Carolina insurance producer license on March 20, 2024; and

**WHEREAS**, N.C. Gen. Stat. § 58-33-26(j) requires that every employee of a licensed business entity insurance producer that is “personally engaged in this State in selling, soliciting, or negotiating policies of insurance shall qualify as an individual licensee[;]” and

**WHEREAS**, Ms. Ream did not qualify as an individual licensee prior to March 20, 2024 when she completed insurance applications, quoted insurance policies, and signed Mr. Lea’s signature to insurance documents on behalf of LIS; and

**WHEREAS**, all seven certificates of insurance issued by LIS and Mr. Lea that were reviewed during the Investigation contained errors, including incorrect policy numbers (LadLee’s Golf Carts, Inc., Phillips Utility Contractor, Inc. c/o James Phillips), incorrect medical payments coverage limits (Phillips Utility Contractor, Inc. c/o James Phillips, WMO Inc. c/o William Mike Offenhauser), incorrect coverage limits for damages rented to others (WMO Inc. c/o William Mike Offenhauser), and incorrect coverage periods (Solid Rock Enterprises Inc. of NC c/o Dion D. Oliphant, Poe Boys Transportation (3)); and

**WHEREAS**, N.C. Gen. Stat. § 58-3-149(c)(2) is a North Carolina insurance law that prohibits any person from knowingly preparing, issuing, requesting, or requiring a certificate of insurance that “contains any false or misleading information concerning the policy of insurance to which the certificate of insurance makes reference[;]” and

**WHEREAS**, the Investigation found that LIS did not issue receipts to customers for brokered business and that LIS was unable to produce receipts or signed applications for Poe Boys Transportation’s 2023 National General commercial auto policy or 2023 Palomar motor truck cargo policy; and

**WHEREAS**, 11 N.C. Admin. Code 4.0121 is a North Carolina administrative rule requiring that signed and dated premium receipts be issued by the agent or broker and be signed by the person accepting payment; and

**WHEREAS**, 11 N.C. Admin. Code 19.0102(b) is a North Carolina administrative rule requiring that insurance agencies, agents, brokers and producers of record maintain a file for each policy sold containing all work papers and written communications pertaining to the policy and that such records be retained for at least five years after termination of the policy; and

**WHEREAS**, Mr. Lea’s failure to issue premium receipts for brokered business violated 11 N.C. Admin. Code 4.0121 and LIS’s failure to maintain copies of the Poe Boys Transportation insurance policy records violated 11 N.C. Admin. Code 19.0102(b); and

**WHEREAS**, N.C. Gen. Stat. § 58-33-31(b)(2) requires that every licensed business entity designate “a licensed producer, who is a natural person, responsible for the business entity’s compliance with the insurance laws and administrative rules of this State and orders of the Commissioner[;]” and

**WHEREAS**, Mr. Lea is the designated, licensed producer responsible for LIS’s compliance with North Carolina insurance laws and regulations and, under N.C. Gen. Stat. § 58-33-31(b)(2), is responsible for LIS’s violations of North Carolina insurance law and administrative rules, including the violations of N.C. Gen. Stat. §§ 58-33-26(j), 58-3-

149(c)(2), 11 N.C. Admin. Code 4.0121 and 11 N.C. Admin. Code 19.0102(b) found by the Investigation; 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**, Mr. Lea admits that Mr. Lea's and LIS's violations of N.C. Gen. Stat. §§ 58-33-26(j), 58-3-149(c)(2), 11 N.C. Admin. Code 4.0121 and 11 N.C. Admin. Code 19.0102(b) would otherwise justify adverse administrative action against the licenses of Mr. Lea and LIS under N.C. Gen. Stat. § 58-33-46(a)(2); and

**WHEREAS**, Mr. Lea intends to be fully retired from LIS and the insurance business and for LIS to be under new ownership and management by December 31, 2025; and

**WHEREAS**, Mr. Lea and LIS have agreed to take corrective action to address the violations and other problems found by the Investigation including:

- *Careful Review of Certificates of Insurance*: Mr. Lea and LIS will change their procedures to make a more thorough review of certificates of insurance to avoid the errors in coverage periods, coverage limits, and policy numbers found in the certificates of insurance reviewed during the Investigation; and
- *Provide Written Receipts for Premium Received Involving Brokered Business*: Mr. Lea and LIS will bring their current receipting procedures into compliance with North Carolina law by providing signed and dated written receipts meeting the requirements of 11 N.C. Admin. Code 4.0121 to customers evidencing the receipt of premium for all insurance business, including brokered business where premium is payable to the carrier, another broker, or a finance company, when payment is received by Mr. Lea or LIS or placed in their possession for forwarding; and
- *Commingling/Late Deposits of Premium Payments*: Mr. Lea and LIS will improve the timeliness of LIS's deposits of customer premium payments into LIS's premium account to ensure that premium is available before carriers attempt to draft premium from the account for the underlying insurance policies; and
- *Self-Audit of All LIS Customer Files*: To ensure compliance with Mr. Lea's and LIS's recordkeeping obligations and address any as yet

unknown issues relating to Ms. Ream's completion of insurance applications, quoting of insurance policies, and signing of insurance documents as "Philip B. Lea" without Mr. Lea's or LIS's authorization, Mr. Lea and LIS will complete a self-audit of all LIS customer files.

**WHEREAS**, pursuant to N.C. Gen. Stat. § 58-2-70(g), Agent Services Division, as an authorized designee of the Commissioner of Insurance, has the 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. Lea has agreed to settle, compromise, and resolve the matters referenced in this Agreement on behalf of himself and LIS, and the Agent Services Division has agreed not to pursue additional civil ramifications, including penalties, sanctions, remedies, or restitution based on the violations described above in this Agreement or in the September 24, 2024 letter attached hereto as Exhibit A against Mr. Lea or LIS; 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. Lea and the Agent Services Division hereby agree to the following:

1. Upon signing this Agreement, Mr. Lea shall pay a civil penalty of two thousand dollars (**\$2,000.00**) to the Agent Services Division. The form of payment shall be by certified check, cashier's check, law firm trust account 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." 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. Together with the civil penalty payment, Mr. Lea shall deliver a signed copy of this Agreement to:

*North Carolina Department of Insurance  
Agent Services Division  
Attention: Jennifer Collins, Agency Investigations Supervisor  
1204 Mail Service Center  
Raleigh, N.C. 27699-1204*

**The signed Agreement and civil penalty payment must be received by the Department no later than Monday, June 30, 2025.**

3. Mr. Lea and LIS shall comply with all of the provisions of Chapter 58 of the North Carolina General Statutes and of Title 11 of the North Carolina Administrative Code that are applicable to them and shall promptly complete the corrective actions identified in this Agreement.
4. Mr. Lea further agrees to surrender his North Carolina insurance producer license, License No. 6559960, **effective December 31, 2025**, for a period of 10 years, pursuant to N.C. Gen. Stat. § 58-2-65. Mr. Lea acknowledges and understands that after December 31, 2025 he will not be allowed to perform any activities for which a license from the North Carolina Department of Insurance is required and that he will not be eligible for licensure during the 10 year period of license surrender. To avoid prejudicing or unnecessarily disrupting LIS's customers, Agent Services Division has agreed to postpone the effective date of Mr. Lea's voluntary surrender to December 31, 2025 to allow Mr. Lea time to sell, transfer, or wind-down LIS.
5. Mr. Lea agrees that, on or before **December 31, 2025**, he shall either (1) designate a different natural person to be the designated licensed responsible producer for LIS via the Licensing Center at [www.nipr.com](http://www.nipr.com) or (2) voluntarily surrender LIS's North Carolina business entity license by submitting a signed copy of Exhibit B to the Agent Services Division. Mr. Lea acknowledges that LIS will be subject to a routine agency review by Agent Services Division in the third or fourth quarter of 2025 to confirm that LIS is no longer in noncompliance with North Carolina insurance law and that appropriate steps are being taken to unwind or transfer the agency by **December 31, 2025**.
6. This Agreement does not in any way affect the North Carolina Department of Insurance's or the Agent Service Division's disciplinary power in any future inspection of LIS, or in any investigation of other complaints involving Mr. Lea or LIS.
7. Mr. Lea enters into this Agreement, on behalf of himself, freely and voluntarily and with the knowledge of his right to have an administrative hearing on this matter. Mr. Lea acknowledges that he consulted with his attorney prior to entering into this Agreement.

8. The parties to this Agreement agree that this Agreement shall have the full force and effect of an Order of the Commissioner. Mr. Lea understands that N.C. Gen. Stat. § 58-33-46(a)(2) provides that an insurance producer's or broker's license may be revoked for violating an Order of the Commissioner.
9. This Agreement, when finalized, will be a public record and is **not** confidential. Following the execution of this Agreement, all licenses issued by the North Carolina Department of Insurance to Mr. Lea and LIS shall reflect that Regulatory Action has been taken against them. The North Carolina Department of Insurance and the Agent Services Division routinely provide copies of voluntary settlement agreements to all companies that have appointed the licensee.
10. The parties have read and understand this Agreement and agree to abide by the terms and conditions stated herein.
11. 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.
12. This Agreement shall become effective when signed by Mr. Lea, LIS, and Deputy Commissioner Joe Wall on behalf of the Agent Services Division.

[Redacted signature area]

Philip Bunn Lea  
N.C. License No. 6559960

Date: June 16, 2025

**LEACO INSURANCE SERVICES, INC**

By: [Redacted signature area]

Philip Bunn Lea, President  
N.C. License No. 1000005463

Date: June 16, 2025

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

By:

  
Joe Wall

Deputy Commissioner of the Agent Services Division

Date:

6/24/2025