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RECEIVED IN AGENT SERVICES
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OCT 30 2025

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PROCESSOR

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
MARINE UNDERWRITERS OF AMERICA, INC.
LICENSE NO. 16123285

VOLUNTARY SETTLEMENT AGREEMENT

NOW COME, MARINE UNDERWRITERS OF AMERICA, INC. and the N.C. Department of Insurance Agent Services Division (hereinafter "Agent Services"), and hereby voluntarily and knowingly enter into the following Voluntary Settlement Agreement (hereinafter "this Agreement").

WHEREAS, Agent Services has the authority and responsibility for enforcement of North Carolina insurance laws and regulations relating to licensed insurance agents and surplus lines licensees; and

WHEREAS, Marine Underwriters of America, Inc. currently holds nonresident Corporate and Surplus Lines business entity licenses. Marine Underwriters of America, Inc. is located at 2040 N. Loop 336 W, Suite 225, Conroe, Texas 77304; and

WHEREAS, Marine Underwriters of America, Inc. is a wholesaler, and licensed managing general agency, based in Conroe, Texas that specializes in ocean marine, inland marine, and related property for marine customers. The agency was established in 2010. Marine Underwriters of America, Inc. sells policies with both admitted and nonadmitted insurers in all fifty (50) states. At the time of the agency review, Marine Underwriters of America, Inc. had 95 admitted North Carolina policies, and 1 active nonadmitted North Carolina policy; and

WHEREAS, during the period January 3, 2024 through April 19, 2024, Agent Services investigators conducted an agency review of Marine Underwriters of America, Inc. in order to verify that all employees were appropriately licensed and appointed, to audit the agency's financials, and to randomly review files to verify proper underwriting. Due to Agent Services' observation of violations of laws regarding agent licensing and appointments and surplus lines licensing during the routine agency review, Agent Services modified its investigation to a target examination; and

WHEREAS, N.C. Gen. Stat. § 58-33-5 provides that: "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"; and

WHEREAS, N.C. Gen. Stat. § 58-33-10(1) states that the term "[a]gent means a person licensed to solicit applications for, or to negotiate and a policy of insurance on behalf of an insurance . . .."; and

WHEREAS, N.C. Gen. Stat. § 58-33-26(a) provides that: "No person shall act as or hold himself or herself out to be an insurance producer, limited representative, adjuster, or motor vehicle damage appraiser unless duly licensed"; and

WHEREAS, N.C. Gen. Stat. § 58-33-26(b) provides that: "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, N.C. Gen. Stat. § 58-21-65(a) provides that: "For insureds whose home state is this State, no agent or broker licensed by the Commissioner shall directly procure any contract of surplus lines insurance with any nonadmitted domestic surplus lines insurer or nonadmitted insurer, unless he possesses a current surplus lines insurance license [hereinafter referred to as "surplus lines license"] issued by the Commissioner"; and

WHEREAS, as part of the target examination, and upon request from Agent Services, Marine Underwriters of America, Inc. provided Agent Services with a policy list of all North Carolina policies written from December 1, 2020 to December 1, 2023. Agent Services reviewed the 95 admitted North Carolina policies and the 1 non-admitted North Carolina policy provided; and

WHEREAS, at the time of the target examination, Kevin Belk (NPN 16249953) was the only producer at Marine Underwriters of America, Inc. with a North Carolina producer's license and lines of authority in surplus lines, as well as property and casualty. Michael Hartley (NPN 7697841) was the only other producer with licenses in North Carolina, with a sole line of authority in property and casualty. The other persons employed by Marine Underwriters of America, Inc., were not licensed in North Carolina at the time of the examination. The other employees included three employees who were not licensed in North Carolina, and two non-licensed employees; and

WHEREAS, of the ninety-five (95) admitted policies reviewed by Agent Services, the majority of the policies indicated that unlicensed or improperly licensed employees were selling, soliciting, or negotiating said policies, and in some cases the employees did not have company appointments, in violation of N.C. Gen. Stat. §§ 58-33-26(a) & (b) and § 58-33-40(a). Agent Services observed that there were only four (4) policies that did not have issues with unlicensed or improperly licensed employees selling, soliciting, or negotiating coverage. On nine (9) policies it appeared that the employees were not licensed in North Carolina in violation of N.C. Gen. Stat. §§ 58-33-5 and 58-33-26(a) & (b); and

WHEREAS, the nonadmitted policy reviewed appeared to have been handled by a producer who is unlicensed in North Carolina, in violation of N.C. Gen. Stat. §§ 58-33-26(a) & (b), 58-33-40(a), and 58-21-65(a); 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 33 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. § 58-21-95 authorizes the Commissioner to "suspend, revoke, or refuse to renew the license of a surplus lines licensee after notice and hearing as provided under G.S. 58-2-70 upon [finding] any one or more of the 8 grounds listed in subsections (1)-(8), including subsection (7), which states that the Department may suspend, revoke, or deny a surplus lines license for having violated "any provisions of this Article"; 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, Marine Underwriters of America, Inc. while taking issue with a portion of the findings of the Department's investigation, cooperated with the Department and began to take corrective actions to address the issues noted by the Department, including licensing of employees assisting with a placement of coverage that may be considered licensable activities following the Department's review; and

WHEREAS, Marine Underwriters of America, Inc. has agreed to settle, compromise, and resolve the matters referenced in this Agreement and Agent Services has agreed not to pursue additional civil ramifications, including penalties, sanctions, remedies, or restitution based on these matters against Marine Underwriters of America, Inc.; and

WHEREAS, in order to resolve this matter without an administrative hearing, Agent Services agrees to allow Marine Underwriters of America, Inc. to retain its Corporate and Surplus Lines business entity license and Marine Underwriters of America, Inc. agrees to: (a) pay a civil monetary penalty of two-thousand five hundred dollars ($2,500.00), upon execution of this Voluntary Settlement Agreement and (b) fully implement and comply with the written Corrective Action Plan (attached to and incorporated with this Agreement as **Exhibit A**) which it submitted to Agent Services in order to ensure that all employees who are involved in the solicitation and negotiation of admitted policies and/or assist in the direct procurement of surplus lines policies in North Carolina are properly licensed and appointed and that Marine Underwriters of America, Inc.'s record-keeping practices are in compliance with North Carolina insurance law; and

WHEREAS, this Agreement is civil in nature and does not preclude criminal prosecution that may result from investigations by the Department's Criminal Investigation Division for violations of criminal laws; and

WHEREAS, the parties to this Agreement mutually wish to resolve this matter by consent before Agent Services 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, Marine Underwriters of America, Inc. and Agent Services hereby agree to the following:

1. Immediately upon the signing of this Agreement, Marine Underwriters of America, Inc. shall pay a civil penalty of **$2,500.00** to the Department. 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." Marine Underwriters of America, Inc. 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 Department no later than **November 1, 2025**. 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 Agent Services' disciplinary power in any future examination of Marine Underwriters of America, Inc. or in any complaints against Marine Underwriters of America, Inc.

3. Marine Underwriters of America, Inc. enters into this Agreement freely and voluntarily and with the knowledge of its right to have an administrative hearing on this matter. Marine Underwriters of America, Inc. has consulted with its corporate counsel 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. Marine Underwriters of America, Inc. understands that N.C.G.S. § 58-33-46(a)(2) authorizes the Department to suspend, revoke, or non-renew a corporate license violating the insurance laws and regulations or

an Order of the Commissioner and that N.C.G.S. § 58-21-95(7) provides that a surplus lines license may be suspended or revoked for violating any provision of Article 21.

5. This Agreement, when finalized, will be a public record and will **not** be held confidential by the Department. Following the execution of this Agreement, all licenses issued by the Agent Services to Marine Underwriters of America, Inc. shall reflect that Regulatory Action has been taken against it. 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.

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 N.C. Department of Insurance has issued an occupational or professional license to your business entity, that regulator may require you to report this administrative action to it. The N.C. Department of Insurance cannot give you legal advice as to the specific reporting requirements of other state or federal regulators.

Marine Underwriters of America, Inc.

Signed by:
[redacted]
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By: Michael Hartley
President

Date: 10/25/2025 | 3:37 PM EDT

N.C. Department of Insurance
Agent Services Division

[redacted]

By: Joe Wall
Deputy Commissioner
Agent Services Division

Date: 10/30/2025

STATE OF Florida)
)
COUNTY OF Hillsborough)

The Voluntary Settlement Agreement between the North Carolina Department of Insurance and Marine Underwriters of America, Inc. was subscribed and sworn to and acknowledged before me by Michael Hartley, as President of Marine Underwriters of America, Inc., on this 25th th day of October 2025.

RAFAEL CLEVER SOM FALCAO
Notary Public - State of Florida
Commission # HH511336
Expires on April 3, 2028

[redacted]

NOTARY PUBLIC, STATE AT LARGE
Rafael Clever Sommerlatte Falcao

My commission expires: 04/03/2028

Michael John Hartley, president, signing on behalf of Marine Underwriters of America, Inc., appeared by means of online notarization and produced a Driver's license as identification.

Notary Number: HH 511336