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

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| **STATE OF NORTH CAROLINA**<br>**COMMISSIONER**<br>**COUNTY OF WAKE** | **BEFORE THE**<br>**DEPARTMENT OF INSURANCE** |
| **IN THE MATTER OF THE LICENSURE**<br>**OF JOSEPH MARTIN**<br>**NPN 12821168** | **VOLUNTARY SETTLEMENT**<br>**AGREEMENT** |

**NOW COME** Joseph Martin (hereinafter, "Mr. Martin") and the North Carolina Department of Insurance (hereinafter "the Department"), by and through Deputy Commissioner Angela Hatchell, 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, for regulating and licensing insurance agents; and

**WHEREAS,** Mr. Martin holds resident Property, Casualty, Life, Accident & Health or Sickness, Variable Life, Variable Annuity, Broker, and Limited Representative licenses issued by this Department; and

**WHEREAS**, Mr. Martin is the owner and operator of the Martin Agency located in Lumberton, North Carolina. Mr. Martin was an exclusive agent with Allstate Insurance Company ["Allstate"]. Allstate has policies on the remittance of customer premium which prohibit its agents from: (1) accepting cash payments of premium from life insurance customers and then remitting an agency check to Allstate to cover the customer's premium and (2) advancing premium payments for customers. During a routine audit of Mr. Martin's business, Allstate uncovered three instances in which Mr. Martin had accepted cash payments of premium from life insurance customers and then paid the customers' premiums to Allstate with agency checks. Allstate also uncovered one instance in which Mr. Martin used an agency check to pay a customer's auto premiums. The customer later reimbursed Mr. Martin for the amount of the premium payment made on the customer's behalf; and

**WHEREAS,** Mr. Martin admitted the foregoing violations of his agreement when Allstate confronted him about the findings of their audit. By letter to Mr. Martin dated June 23, 2020, Allstate terminated Mr. Martin's contract with Allstate for cause due to Mr. Martin's breach of his agreement with Allstate. On July 1, 2020, Allstate notified the Department that it had terminated Mr. Martin's appointments with Allstate for cause; and

**WHEREAS,** N.C.G.S. §§ 58-63-15(8)(c) and 58-33-85(a) state, in pertinent part, that "no broker or agent shall pay, allow, or give, or offer to pay, allow, or give directly or indirectly as an inducement to insurance, or after insurance has been effected, any rebate, discount, abatement or credit, or any special favor or advantage in the dividends or other benefits, or any valuable consideration or inducement whatever, not specified in the policy of insurance"; and

**WHEREAS,** Mr. Martin violated N.C.G.S. §§ 58-63-15(8)(c) and 58-33-85(a) by paying a customer's auto premium; and

**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 or certificate or as to any civil penalty or restitution; and

**WHEREAS,** Mr. Martin has agreed to settle, compromise, and resolve the matters referenced in this Agreement, and the Department has agreed not to pursue additional penalties, sanctions, remedies, or restitution based on this matter against Mr. Martin; and

**WHEREAS,** the parties to this Agreement mutually wish to resolve this matter by consent before the Department initiates an administrative hearing concerning this matter; and

**WHEREAS,** Mr. Martin has agreed to pay an administrative fine of two hundred and fifty dollars ($250.00) on or before November 12, 2020 in lieu of other administrative action against his licenses for this violation of Chapter 58;

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

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

1. Contemporaneously with the execution of this document, Mr. Martin shall pay a civil penalty of two hundred and fifty dollars ($250.00) to the Department. The certified check, cashier's check or money order for the payment of this civil penalty shall be payable to the "North Carolina Department of Insurance." This 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 the public schools. The Department must receive both the civil penalty and this signed document from Mr. Martin no later than November 12**, 2020.**

2. Mr. Martin agrees to comply with all statutory and regulatory requirements applicable to insurance agents in this State.

3. This Agreement does not in any way affect the Department's disciplinary power in any future actions, cases or complaints involving Mr. Martin.

4. The parties to this document have read and understand this document and agree to abide by the terms and conditions contained herein.

5. This Agreement, when finalized, will be a public record and is not confidential.

6. This Voluntary Settlement Agreement, when finalized, will be a public record and will **not** be treated as confidential by the Department. Any and all licenses issued by the Department to the licensee shall reflect that Regulatory Action has been taken against the licensee following the execution of this Agreement. The Department is free to disclose the contents of this Agreement to third parties upon request or pursuant to any law or policy providing for such disclosure.

7. The parties to this Agreement agree that this Agreement shall have the full force and effect of an Order of the Commissioner. Mr. Martin understands that N.C. Gen. Stat. § 58-33-46(a)(2) provides that Mr. Martin's licenses may be revoked for violating an Order of the Commissioner.

8. Mr. Martin voluntarily waives any right to notice of an administrative hearing and any right to a hearing on the violation and disciplinary action referenced in this Settlement Agreement. Mr. Martin also waives any right to appeal and agrees not to challenge the validity of this Settlement Agreement in any way.

9. The promises, agreements, representations and consideration contained herein are not mere recitals but are contractual in nature.

10. This written document contains the entire agreement between the parties. There are no other oral or written agreements of any kind that alter or add to this agreement.

[redacted]
Joseph Martin

Date: 10/13/2020

[redacted]
North Carolina Department of Insurance
By Angela Hatchell
Deputy Commissioner

Date: 10/28/2020