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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
MIKE COX INSURANCE SERVICES
LICENSE NO: 16392435

VOLUNTARY SETTLEMENT
AGREEMENT

NOW COME, Mike Cox Insurance Services (hereinafter "MCIS) and the Agent Services Division of the N.C. 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 has the authority and responsibility for enforcement of the insurance laws of this State, and for regulating and licensing insurance agents and agencies; and

WHEREAS, the Agent Services Division conducted a review of MCIS to verify that all agency employees were appropriately licensed, to audit the agency's financials, and to randomly review files to verify proper underwriting. The Agent Services Division received a complaint alleging that a former agent had misused customers' funds and issued fraudulent certificates of insurance. The complaint was filed by the owner and "Designated Responsible Licensed Producer" (DRLP) of the agency, Mike Cox, who terminated the employee, Gina Byrd, for cause effective October 10, 2025. The dates of the review were November 24 and 25, 2025, December 16, 2025, and January 02, 2026; and

WHEREAS, N.C. General Statute § 58-33-31. Application for license.

(b) A business entity selling, soliciting, or negotiating insurance shall obtain an insurance producer license. Application shall be made using the Uniform Business Entity Application. Before approving the application, the Commissioner shall find that:

(2) The business entity has designated 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.

WHEREAS, N.C. Gen. Stat. § 58-33-46. Suspension, probation, revocation, or nonrenewal of licenses provides:

(a) The Commissioner may place on probation, suspend, revoke, or refuse to renew any license issued under this Article, in accordance with the provisions of Article 3A of Chapter 150B of the General Statutes, for any one or more of the following causes:

(2) 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

WHEREAS, N.C. Gen. Stat. § 58-2-163. Report to Commissioner provides:
Whenever any insurance company, or employee or representative of such company, or any other person licensed or registered under Articles 1 through 67 of this Chapter knows or has reasonable cause to believe that any other person has violated G.S. 58-2-161, 58-2-162, 58-2-164, 58-2-180, 58-8-1, 58-24-180(e), or whenever any insurance company, or employee or representative of such company, or any other person licensed or registered under Articles 1 through 67 of this Chapter knows or has reasonable cause to believe that any entity licensed by the Commissioner is financially impaired, it is the duty of such person, upon acquiring such knowledge, to notify the Commissioner and provide the Commissioner with a complete statement of all of the relevant facts and circumstances. Such report is a privileged communication, and when made without actual malice does not subject the person making the same to any liability whatsoever. The Commissioner may suspend, revoke, or refuse to renew the license of any licensee who willfully fails to comply with this section.

WHEREAS, Mr. Cox hired Gina Byrd in 2012 and her father, Robert E. McMasters in 2015. Mr. McMasters was the former owner of McMasters Insurance Agency. In September of 2024 Mr. McMasters became upset during a conversation involving missing money that was handled by Gina Byrd and as a result submitted his resignation. It appears that Ms. Byrd titled and insured a vehicle in her name that was supplied for her child's primary use and garaged at her child's home. Further analysis of the financial records and full audits by Department investigators revealed that Mr. Cox was alerted to potential mishandling of premiums by Ms. Byrd as far back as 2021. The investigators noted that Mr. Cox has attempted to correct money shortages on the identified accounts.

WHEREAS, Department investigators researched the allegations of embezzlement, issuance of fraudulent certificates of insurance, rebating, rate evasion for family members Bryan Byrd and Meghan Powers, and altering of carrier documents brought forth by Agent Mike Cox against his former employee Agent Gina Byrd, the results of which follows:

(1) On November 01, 2021, an online banking transfer of $1,000.00 was made by Mr. Cox discovered that Ms. Byrd processed a payment for a customer insured with Progressive in an agency sweep from one account to another where no money was collected. The receipt was processed as if cash was collected but notes indicated that Ms. Byrd would bring in a check later. Investigators indicated that Mr. Cox may have felt this was the result of an agent error and processed the transfer of funds to keep the account positive.

(2) On October 18, 2022, an online banking transfer for $3000.00 was made from one account to another. Mr. Cox presented a log to investigators with customers where it appeared that Ms. Byrd uploaded to the carrier and funds were not deposited. The dates of the review on the log were from February 01, 2022 to September 24, 2022. It appeared that Ms. Byrd used the agency cushion to pay a $430.00 premium for her personal auto policy. Upon the discovery by Mr. Cox, he allowed Ms. Byrd to repay the money but did not report the suspicious activity to Department.

(3) On May 16, 2022, an agency check for $69.67 was issued to Ms. Byrd. Mr. Cox indicated that it was a reimbursement for paying a customer's refund prior to the carrier's processing and that the insured did not return the check when it was sent by the insurer to him. Mr. Cox, when questioned about how he addressed the issue of discovery of misappropriated premiums, he stated that his agency did not have a formal process.

(4) Ms. Byrd stated that her father may have taken payments that were not deposited due to age-related memory issues. Prior to the current procedures, there would be no way to know who accepted payment if the agent did not sign the receipt to see who handled the money. Mr. Cox

stated that Ms. Byrd was not allowed to take payments and that only he and one other person in the agency were authorized to do so.

(5) Ms. Byrd issued 14 fraudulent certificates and were provided to the insureds by Ms. Byrd. The carriers reviewed the certificates and verified that the certificates contained policy numbers of policies that did not exist.

(6) Ms. Byrd altered a declarations page sent to a loan officer at Movement Mortgage for insured Luis Angel Umana. The document header appears to have been changed from "Application" to "Declaration", did not include the carrier officer signature and was unsigned.

(7) Ms. Byrd altered a policy document for insured Rodney Goodall. On November 12, 2025, the agency received a request to update the additional insured clause for a Travelers boat policy 615706882 for Rodney Goodall. Mr. Cox reviewed the policy and found that there were no additional insureds shown. Mr. Goodall provided an email dated August 19, 2025, showing Ms. Byrd forwarded a copy of the policy. It appears that the policy document was altered in the policy period field and the Additional Insured field.

(8) Ms. Byrd altered a check that was made payable to Mike Cox Insurance Agency in the amount of $1,652.34. McMasters Insurance was written over Mike Cox Insurance Agency. The insured, Don Pritchard, presented a copy of the front and back of his cleared check which indicated the payment was deposited to the McMasters Insurance Agency account.

(9) Ms. Byrd misappropriated and embezzled $15,919.34 by placing premiums in the McMaster's Agency account and never forwarding the funds to the insurance carrier. Insured Jose Antonio Garcia Aguilar provided Ms. Byrd a blank check so that she could write the information in. Ms. Byrd wrote the check in the amount of $14,267.00 payable to Gene McMasters Insurance. Gene McMaster's agency had closed 10 years ago, and he was no longer using the account. In addition, the insured, Don Pritchard, wrote a check in the amount of $1,652.34 payable to Mike Cox Insurance. It appears Ms. Byrd altered the payee and changed it to Gene McMasters Insurance and deposited the check into the McMasters Agency account.

(10) Ms. Byrd misappropriated and embezzled $3,910.29 in premiums from the Mike Cox Agency. Ms. Byrd did not deposit the funds, until Mr. Cox confronted her, and she returned the money to him.

(11) Ms. Byrd failed to bind an auto policy for insured Marcie Cooper. The policy was supposed to be effective August 21, 2025. Ms. Cooper checked on the status since no money had been drafted from her account by September 26, 2025. Ms. Byrd failed to submit the bind and advised Ms. Cooper Progressive couldn't pull the money due to a possible banking entry error. Ms. Byrd advised the policy was in force and she had paid the full 6-month premium in the amount of $506.65 for the customer due to the error. Ms. Byrd used Agent Mike Cox's money to pay for the policy on September 26, 2025. Mr. Cox confronted Ms. Byrd on October 9, 2025 and as a result she repaid the funds the same day. Ms. Byrd misappropriated $506.65 of Mr. Cox's money to pay for a customer's premium. In addition, it appears Ms. Cooper had a lapse in coverage with the DMV due to Ms. Byrd's error.

(12) To date, Mr. Cox has paid Travelers $1,142.59 on behalf of insured Don Pritchard, paid $634.00 to Progressive on behalf of Christopher Matt Moss (Moss Construction) and paid $361.36 on behalf of Garcia Lawn. Mr. Cox paid for the policies as the insured believed they had insurance written by Ms. Byrd, however, Ms. Byrd failed to write the policies.

WHEREAS, it appears that MCIS has been mismanaged in that Mr. Cox has failed to regularly reconcile bank statements, create a plan to monitor employees for compliance with the insurance laws and report violations thereof as required by law; and

WHEREAS, MCIS and Mr. Cox are in violation of the provisions of N.C. Gen. Stat. § 58-2-163 in that Mr. Cox failed to timely report to the Department the multiple instances of money mishandling at the agency. The proper due diligence was not performed in 2021 and 2022 when multiple instances of money mishandling were uncovered; 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, 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, MCIS has filed a corrective action plan with the Agent Services Division which sets forth the actions already taken and/or to be taken to prevent future occurrences of the violations set forth herein; and

WHEREAS, has agreed to settle, compromise, and resolve the matters referenced in this Agreement on behalf of itself and the Agent Services Division has agreed not to pursue additional civil ramifications, including penalties, sanctions, remedies, or restitution based on these matters against MCIS; and

WHEREAS, the parties to this Agreement mutually wish to resolve this matter by consent before the Department 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, MCIS and the Agent Services Division hereby agree to the following:

1. Immediately upon the signing of this Agreement, MCIS shall pay a civil penalty of **$1,000.00** to the Agent Services Division. The form of payment shall be paid 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.**" MCIS 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 Agent Services Division no later than **July 15, 2026**. 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 MCIS, or in any complaints involving MCIS.

3. MCIS enters into this Agreement, on behalf of itself, freely and voluntarily and with the knowledge of its right to have an administrative hearing on this matter. MCIS understands it 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. MCIS understands that N.C.G.S. § 58-33-46(a)(2) provides that a Corporation's license may be revoked for violating an Order of the Commissioner.

5. This Agreement, when finalized, will be a 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 MCIS 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. The Agent Services Division, upon request, will provides a copy of the voluntary settlement agreement to all companies that have licensed the producer.

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 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.

MIKE COX INSURANCE SERVICES
License No.: 16392435

[redacted]

By: Mike Cox, DRLP
License No. 14018312

Date: 6/30/2026

N.C. DEPARTMENT OF INSURANCE
AGENTS SERVICES DIVISION

[redacted]

By: Joe Wall
Deputy Commissioner

Date: 7/6/2026