

**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
ORION 180 INSURANCE SERVICES, LLC
LICENSE NO. 18586757**

**VOLUNTARY SETTLEMENT
AGREEMENT**

NOW COME, ORION 180 INSURANCE SERVICES, LLC 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;

WHEREAS, Orion 180 Insurance Services, LLC currently holds nonresident Corporate and Surplus Lines business entity licenses. Kenneth Gregg is the Founder, CEO, and Designated Responsible Licensed Producer of Orion 180 Insurance Services, LLC. Kenneth Gregg holds a nonresident producer license with lines of authority in property and casualty and a surplus lines license (NPN No. 2976002). Orion 180 Insurance Services, LLC is located at 930 S. Harbor City Blvd., Suite 302, Melbourne, FL 32901; and

WHEREAS, Orion 180 Insurance Services, LLC is a managing general agency which is owned by Orion 180 Group, Inc. Orion 180 Insurance Services, LLC sells policies with both admitted and nonadmitted insurers in the states of North Carolina, Alabama, Mississippi, Georgia, Indiana, Arizona, Ohio, Texas, Tennessee, and South Carolina. On March 31, 2024, the final admitted policy issued by Orion180 Insurance Services, LLC’s fronting carrier and sold by Orion 180 Insurance Services, LLC in North Carolina expired. OSI now sells policies issued by its affiliated admitted carrier in North Carolina, with the first such policy effective on September 17, 2024; and

WHEREAS, during the period March 26, 2024 through July 5, 2024, Agent Services investigators conducted an agency review of Orion 180 Insurance Services, LLC 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. At the time of the agency review, Orion 180 Insurance Services, LLC had 11,319 active nonadmitted policies. 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. § 58-33-26(a) 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 “Agent 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(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, in response to Agent Services Investigator Cathy O’Connor’s request for a list of the names, titles, and NPNs (if applicable) of the agency’s employees, Orion 180 Insurance Services, LLC provided Agent Services with a list of 30 employees, including Kenneth Gregg, 27 unlicensed customer service representatives, and 2 employees who held North Carolina agent licenses with lines of authority in Personal Lines. Kenneth Gregg was the only employee who held a surplus lines license issued by the Commissioner; and

WHEREAS, Investigator Cathy O’Connor requested that Orion 180 Insurance Services, LLC provide Agent Services with a list of all policies written by the agency in North Carolina from January 1, 2021 through December 31, 2023. In response to Investigator O’Connor’s request, Orion 180 Insurance Services, LLC produced a list of 39,224 policies. Investigator O’Connor randomly selected 100 policies from that list and requested Orion 180 Insurance Services, LLC to upload the files for those policies to Sharefile for her review. Investigator O’Connor reviewed 94 of the randomly selected policy files provided by Orion 180 Insurance Services, LLC, which included 7 policies with admitted insurers and 87 policies with nonadmitted insurers; and

WHEREAS, Investigator O’Connor observed that the screen notes and e-mails in 6 of the 7 admitted policy files which she reviewed indicated that unlicensed employees of Orion 180 Insurance Services, LLC were involved in the solicitation and negotiation of those policies in violation of N.C. Gen. Stat. §§ 58-33-26(a) & (b) and 58-33-40(a); and

WHEREAS, Investigator O'Connor observed that unlicensed employees had participated in procuring coverage without the required North Carolina licenses in 59 of the 87 nonadmitted policy files which she reviewed in violation of N.C. Gen. Stat. §§ 58-33-26(a) & (b) and 58-21-65(a); and

WHEREAS, Orion 180 Insurance Services, LLC's utilization of employees who did not hold surplus lines licenses issued by the Commissioner to assist in the direct procurement of policies with nonadmitted insurers in North Carolina are violations 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, Orion 180 Insurance Services, LLC 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 Orion 180 Insurance Services, LLC; and

WHEREAS, in order to resolve this matter without an administrative hearing, Agent Services agrees to allow Orion 180 Insurance Services, LLC to retain its Corporate and Surplus Lines business entity license and Orion 180 Insurance Services, LLC agrees to: (a) pay a civil monetary penalty of eleven thousand nine hundred and twenty-five dollars (\$11,925.00), 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

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, Orion 180 Insurance Services, LLC and Agent Services hereby agree to the following:

1. Immediately upon the signing of this Agreement, Orion 180 Insurance Services, LLC shall pay a civil penalty of **\$11,925.00** 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." Orion 180 Insurance Services, LLC 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 **April 8, 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 Orion 180 Insurance Services, LLC or in any complaints against Orion 180 Insurance Services, LLC.
3. Orion 180 Insurance Services, LLC enters into this Agreement freely and voluntarily and with the knowledge of its right to have an administrative hearing on this matter. Orion 180 Insurance Services, LLC 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. Orion 180 Insurance Services, LLC understands that N.C.G.S. § 58-33-46(a)(2) authorizes the Department to suspend, revoke, or nonrenew 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 Orion 180 Insurance Services, LLC 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.

Orion 180 Insurance Services, LLC

[Redacted Signature]

By: **Kenneth Gregg**
Designated Responsible Licensed Producer

Date: 3-31-25

[Redacted Signature]

By: **Mark Casteel**
General Counsel

Date: 3/27/25

**N.C. Department of Insurance
Agent Services Division**

[Redacted Signature]

By: **Joe Wall**
Deputy Commissioner
Agent Services Division

Date: 4/1/2025