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NORTH CAROLINA DEPARTMENT OF INSURANCE
RALEIGH, NORTH CAROLINA

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STATE OF NORTH CAROLINA
COUNTY OF WAKE

BEFORE THE COMMISSIONER
OF INSURANCE

IN THE MATTER OF THE LICENSURE
OF STANDARD PREMIUM FINANCE
MANAGEMENT CORPORATION
COMPANY #: 102753

VOLUNTARY SETTLEMENT
AGREEMENT

NOW COME, STANDARD PREMIUM FINANCE MANAGEMENT CORPORATION (hereinafter ("STANDARD")) and the North Carolina Department of Insurance (hereinafter "Department"), and hereby voluntarily and knowingly enter into the following Voluntary Settlement Agreement (hereinafter "this Agreement").

WHEREAS, the Department is authorized to regulate Insurance Premium Finance Companies by Article 35 of Chapter 58 of the General Statutes of North Carolina; and

WHEREAS, STANDARD currently holds a Type B Insurance Premium Finance Company license; and

WHEREAS, North Carolina Gen. Stat. § 58-35-20(a)(1) provides that the Commissioner may deny, suspend, revoke, or refuse to renew any license under Article 35 if he shall find, among other things, the licensee has violated or failed to comply with any demand, ruling, provision or requirement of the Commissioner made pursuant to or within the authority of Article 35; and

WHEREAS, North Carolina Gen. Stat. § 58-35-40(a) provides that no insurance premium finance company shall pay, allow, or offer to pay or allow payment to an insurance agent, and no insurance agent shall accept from a company, a rebate as an inducement to the financing of an insurance policy with the company. No insurance premium finance company shall give or offer to give to an insurance agent, and no insurance agent shall accept from a company, any valuable consideration or inducement of any kind, directly or indirectly, other than an article of merchandise not exceeding one dollar (\$1.00) in value which shall have thereon the advertisement of the insurance premium finance company; and

WHEREAS, STANDARD operated a program in North Carolina during 2016 and 2017 wherein insurance agents earned rewards for points accumulated on the basis of one point earned for each \$1000.00 of premium financed; and a review of the program indicated that the average

point value was \$.38, and 8789 points were earned in 2016, and 8119 points were earned in 2017, and rewards were issued to insurance agents in this State, with such activity constituting an inducement to insurance agents for the financing of their clients' insurance premiums with STANDARD, a violation of North Carolina Gen. Stat. § 58-35-40(a); and

WHEREAS, STANDARD admits to this violation of North Carolina General Statute § 58-35-40(a); and

WHEREAS, STANDARD has agreed to settle, compromise, and resolve the matter referenced in this Agreement, and the Department has agreed not to pursue additional penalties, sanctions, remedies, or restitution based on this matter against STANDARD; 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, STANDARD and the Department hereby agree to the following:

1. Immediately upon the signing of this Agreement, STANDARD shall pay a civil penalty of **\$3325.00** 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." STANDARD shall remit the civil penalty by certified mail, return receipt requested, to the Department along with a copy of this signed Agreement. The civil penalty and the signed Agreement must be received by the Department no later than **July 6, 2018**. 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 Department's disciplinary power in any future examination of STANDARD, or in any other complaints involving STANDARD.
3. STANDARD enters into this Agreement freely and voluntarily and with the knowledge of its right to have an administrative hearing on this matter. STANDARD 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. STANDARD understands that N.C.G.S. § 58-35-20(a)(1) provides that a business entity'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 Department. Following the execution of this Agreement, all licenses issued by the Department to STANDARD 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 Department routinely provides copies of voluntary settlement agreements to all companies that have appointed the licensee.
6. The parties have read and understand this Agreement and agree to abide by the terms and conditions stated herein.

**STANDARD PREMIUM FINANCE
MANAGEMENT CORPORATION**
Company #: 102753

North Carolina Dept. of Insurance



By: William J Koppelman
President



By: Teresa Knowles
Deputy Commissioner

Date: 6/4/18

Date: 06/15/2018