

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



**STATE OF NORTH CAROLINA
COUNTY OF WAKE**

**BEFORE THE COMMISSIONER
OF INSURANCE**

***250.00**

**IN THE MATTER OF
THE LICENSURE OF
DAVID B. TROUT
NPN: 2892470
TROUT INSURANCE SERVICES
LICENSE NO. 1000033197
NPN: 12243887**

**VOLUNTARY SETTLEMENT
AGREEMENT**

NOW COME, David B. Trout (hereinafter "Mr. Trout") and the N.C. Department of Insurance Agent Services Division (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 the enforcement of the insurance laws of this State, and for regulating and licensing insurance agents and agencies; and

WHEREAS, Mr. Trout currently holds a resident producer's license with authority for Life, Accident & Health or Sickness and Property, Casualty lines of insurance, and Variable Life and Variable Annuity and Medicare Supplement Long-Term Care insurance licenses issued by the Agent Services Division, and is also the owner of Trout Insurance Services; and

WHEREAS, a complaint was made to the Department alleging that Mr. Trout, as the vice-president of a community non-profit organization, used his position to quote, bind and pay for a policy that the organization's Board did not approve. The complaint further alleged that Mr. Trout was not authorized to bill the board members to reimburse him for his premium payment; and

WHEREAS, Agent Services Division investigators entered Trout Insurance Services on March 18, 2025 unannounced to meet with Mr. Trout and conduct a full audit. Mr. Trout could not meet with the investigators on that day because of a medical appointment. The investigators returned on March 25, 2025 to conduct a records review; and

WHEREAS, investigators determined that Trout Insurance Services was fully responsible for premium payment to the managing general agent after a bind request regardless of whether payment had been made by the insured. There appeared to be some concern on the part of Mr. Trout that the existing general liability master policy might not cover the short-term event in question and that it would best protect the organization if a separate special events policy was obtained. However, no signature or premium was obtained for the additional policy from the insured; and

WHEREAS, in a previous audit, Trout Insurance Services was cited for not collecting premium when policies were bound. Mr. Trout was advised then that the premium must be collected at the time the policies were written; and

WHEREAS, N.C. Gen. Stat. § 58-33-46 provides that 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 provisions:

(8) Using fraudulent, coercive, or dishonest practices, or demonstrating incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in this State or elsewhere.

WHEREAS, Mr. Trout, was in violation of the provisions of N.C. Gen. Stat. § 58-33-46 (8) by demonstrating incompetence by way of rebating and performing discriminatory practices in failing to collect premium and paying for the bound event coverage effective September 21, 2024 through September 23, 2024; and

WHEREAS, Mr. Trout 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, 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, Mr. Trout has agreed to settle, compromise, and resolve the matters referred in this Agreement and the Agent Services Division has agreed not to pursue additional civil ramifications, including penalties, sanctions, remedies, or restitution based on these matters against Mr. Trout; 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

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

1. Immediately upon the signing of this Agreement, Mr. Trout shall pay a civil penalty of **\$250.00** 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." Mr. Trout 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 **January 9, 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 Mr. Trout or in any complaints involving Mr. Trout.
3. Mr. Trout enters into this Agreement freely and voluntarily and with the knowledge of his right to have an administrative hearing on this matter and 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. Mr. Trout understands that N.C.G.S. § 58-33-46(a)(2) provides that a producer, a corporate or agency 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 Mr. Trout 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 you or 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.

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

By: David B. Trout
License No. 2892470

By: Joe Wall
Deputy Commissioner

Date: 12/29/2025

Date: 1/6/2026