

**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  
VERENISSE VILLEGAS VARGAS  
NPN: 17555627**

**VOLUNTARY SETTLEMENT  
AGREEMENT**

**NOW COME**, Verenisse Villegas Vargas (hereinafter, Ms. Vargas) 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**, Ms. Vargas currently holds a resident producer's license issued with authority for Property and Casualty lines of insurance issued by the Agent Services Division; and

**WHEREAS**, Ms. Vargas was employed by the Rapid Insurance Agency, Inc., located in Durham, North Carolina, and was the designated responsible licensed producer (DRLP) for the agency as set forth in N.C. Gen. Stat. 58-33-31(b)(2); and

**WHEREAS** N.C. Gen. Stats 58-2-164(c), (c1), (c2) and (f) Rate evasion fraud; prevention programs provide:

(c) The insurer and its agent shall also take reasonable steps to verify that the information provided by an applicant regarding the applicant's address and the place the motor vehicle is garaged is correct. The insurer may take its own reasonable steps to verify residency or eligible risk status or may rely upon the agent verification of residency or eligible risk status to meet the insurer's verification obligations under this section. The agent shall retain copies of any items obtained under this section as required under the record retention rules adopted by the Commissioner and in accordance with G.S. 58-2-185. The insurer and its agent may satisfy the requirements of this section by, within 25 days of coverage binding, obtaining from the applicant reliable proof of North Carolina residency and the applicant's status as an eligible risk.

(c1) To the extent relevant to a particular criterion for eligible risk status and for the purpose of obtaining nonfleet private passenger motor vehicle insurance, reliable proof of North Carolina residency or eligible risk status includes one or more of the following:

- (1) Repealed by Session Laws 2016-78, s. 3.2(a), effective December 1, 2016.
- (2) A utility bill in the name of the applicant showing the applicant's current North Carolina address, including, but not limited to, a utility bill accessed electronically by the applicant.
- (3) Repealed by Session Laws 2016-78, s. 3.2(a), effective December 1, 2016.
- (4) A receipt for personal property taxes paid by the applicant within the preceding 12-month period and showing the applicant's current North Carolina address, including, but not limited to, proof of personal property taxes paid accessed electronically by the applicant.

- (5) A receipt for real property taxes paid by the applicant to a North Carolina locality within the preceding 12-month period and showing the applicant's current North Carolina address, including, but not limited to, proof of real property taxes paid accessed electronically by the applicant.
  - (6) Repealed by Session Laws 2016-78, s. 3.2(a), effective December 1, 2016.
  - (7) A valid unexpired North Carolina driver's license issued to the applicant and showing the applicant's current North Carolina address.
  - (8), (9) Repealed by Session Laws 2015-294, s. 13, effective January 1, 2016, and applicable to insurance policies entered into on or after that date.
  - (10) A valid North Carolina vehicle registration issued to the applicant and showing the applicant's current North Carolina address.
  - (11) A valid military ID.
  - (12) A valid student ID of the applicant for a North Carolina school or university.
  - (13) A federal Income Tax Return filed by the applicant for the most recent prior filing period showing the applicant's name and current North Carolina address.
  - (14) A homeowner's or renter's declarations page showing the applicant's current North Carolina address.
- (c2) To the extent relevant to a particular criterion for eligible risk status and for the purpose of obtaining other than nonfleet private passenger motor vehicle insurance, reliable proof of North Carolina residency or eligible risk status includes two or more of the following:
- (1) A utility bill in the name of the applicant showing a North Carolina address for the principal place of business of the applicant, including, but not limited to, a utility bill accessed electronically by the applicant.
  - (2) A receipt for real property taxes paid by the applicant to a North Carolina locality within the preceding 12-month period and showing the applicant's current North Carolina address.
  - (3) A valid North Carolina vehicle registration issued to the applicant and showing the applicant's current North Carolina address.
  - (4) A federal Income Tax Return filed by the applicant for the most recent prior filing period showing the applicant's name and current North Carolina address.
  - (5) The valid North Carolina driver's license of an owner of an applicant that is a corporation or an LLC, provided that the person holds at least twenty (20%) percent ownership interest in the applicant corporation or LLC.
  - (6) If the principal place of business of a corporation or LLC is the primary residence of the sole owner, any of the documents identified in subdivisions (1) through (5) of this subsection, whether in the name of the corporation or LLC or in the name of the sole owner. For purposes of this subsection, "sole owner" shall mean an individual or a husband and wife.
- (f) Every insurer shall maintain safeguards within its auto insurance business at the point of sale, renewal, and claim to identify misrepresentations by applicants regarding their addresses, their principal places of business, and the places their motor vehicles are garaged. Identified misrepresentations are subject to the requirements of Article 2 of this Chapter; and

**WHEREAS**, Agent Services Division investigators conducted a target examination of the Rapid Insurance Agency on July 17, 19 and 26, 2024 and observed twenty-six (26) auto policies with foreign drivers' licenses and one (1) auto policy with an out of state license. No proof of residency satisfying the rate evasion statute, a violation of the provisions of N.C. Gen. Stats. 58-2-164(c), (c1), (c2) and (f), was found for all (twenty-seven) 27 of the policies in the agency's files. It appears that Ms. Vargas wrote twenty-one (21) of the policies; and



**WHEREAS**, Agent Services Division investigators conducted an informal conference with Ms. Vargas on October 15, 2024 regarding the lack of proof of residency in the agency files Ms. Vargas responded by explaining that such information was not in the files because she was behind in her filing and needed help but that it was not provided. Of the twenty-seven (27) policies, Ms. Vargas provided documentation for fourteen (14). However, after review of the additional information, satisfactory documentation was provided for only seven (7) policies; 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**, Ms. Vargas has agreed to settle, compromise, and resolve the matters referenced 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 Ms. Vargas; and

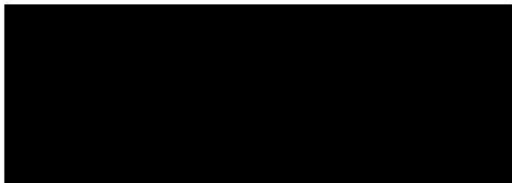
**WHEREAS**, the parties to this Agreement mutually wish to resolve this matter by consent before the Department initiates an administrative hearing and have reached a mutually agreeable resolution of this matter as set out in this Agreement.

**NOW, THEREFORE**, in exchange for the consideration and promises and agreements set out herein, Ms. Vargas and the Agent Services Division hereby agree to the following:

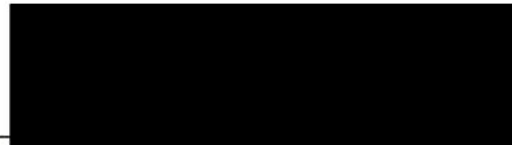
1. Immediately upon the signing of this Agreement, Ms. Vargas shall pay a civil penalty of **\$500.00** to the Agent Services Division. The form of payment shall be by certified check, cashier's check, or money order. The check or money orders for the payment of the civil penalty shall be payable to the "**North Carolina Department of Insurance.**" Ms. Vargas 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 **February 21, 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 the Agent Services Division's disciplinary power in any future examination of Ms. Vargas, or in any complaints involving Ms. Vargas.
3. Ms. Vargas enter into this Agreement, freely and voluntarily and with the knowledge of her right to have an administrative hearing on this matter. Ms. Vargas understand that she 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. Ms. Vargas understand that N.C.G.S. § 58-33-46(a)(2) provides that an agency or producer'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 Ms. Vargas shall reflect that Regulatory Action has been taken against her. 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 provide a copy of the voluntary settlement agreement to all companies that have licensed the producer or the agency.
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.

**North Carolina Department of Insurance  
Agent Services Division**



By: Verenisse Villegas Vargas  
NPN: 17555627



By: Joe Wall  
Deputy Commissioner

Date:

3/12/2025

Date:

3/17/2025