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**N. C. 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 KAREN ZAHN
LICENSE NO. 0019107671**

**VOLUNTARY SETTLEMENT
AGREEMENT**

NOW COME, Karen Zahn (hereinafter “Ms. Zahn”) and the Agent Services Division of the N.C. Department of Insurance 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 agencies and agents; and

WHEREAS, Ms. Zahn currently holds a non-resident producer’s license with authority for Accident & Health or Sickness insurance and a Medicare Supplement Long-Term Care Insurance license issued by the Agent Services Division; and

WHEREAS, North Carolina General Statute § 58-33-32(k) requires producers to report to the Commissioner any administrative action taken against the producer in another state or by another governmental agency in this State, including enforcement actions taken against the producer by the Financial Industry Regulatory Authority (FINRA), within 30 days after the final disposition of the matter; and

WHEREAS, the Illinois Department of Insurance, in an administrative proceeding effective January 25, 2023, fined Ms. Zahn in the amount of \$500.00, for failure to make a required disclosure on her September 17, 2019 application for licensure, information regarding past criminal history, a felony conviction for the crime of False Imprisonment on July 16, 2001 in the Superior Court In and For Floyd County, Georgia, Case No. 01CR17060-JFLRJW for which Ms. Zahn was sentenced to four (4) years probation; and for not including information on her 2021 renewal application regarding a Florida license denial effective December 16, 2019 based on the same conviction ; and

WHEREAS, Ms. Zahn did not report the Illinois administrative action to the Agent Services Division within 30 days after the final disposition of this matter as required by North Carolina General Statute § 58-33-32(k); and

WHEREAS, North Carolina General Statute § 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. Zahn has agreed to settle, compromise, and resolve the matter referenced in this Agreement on behalf of herself, 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. Zahn; and

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

1. Immediately upon the signing of this Agreement, Ms. Zahn shall pay a civil penalty of **\$250.00** to the Agent Services Division. The form of payment shall be by certified check, cashier's check, or money order. The check or money order for the payment of this civil penalty shall be payable to the "**North Carolina Department of Insurance**." Ms. Zahn 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 **January 04, 2024**. 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. Zahn or in any other complaints involving Ms. Zahn.
3. Ms. Zahn enters into this Agreement, on behalf of herself, freely and voluntarily and with the knowledge of her right to have an administrative hearing on this matter. Ms. Zahn understands 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. Zahn understands that N.C.G.S. § 58-33-46(a)(2) provides that a 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. Zahn shall reflect that Regulatory Action has been taken against her. The Agent Services Division 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, routinely provides a copy of the voluntary settlement agreement 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.

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.

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



By: Karen Zahn
License No. 0019017671



By: Joe Wall
Deputy Commissioner

Date: 12.14.2023

Date: 12/21/2023