

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
RYAN D. AMMARELL
(NPN # 8037689)

Respondent.

ORDER AND
FINAL AGENCY DECISION

Docket Number: 2142

THIS MATTER came on for hearing on October 19, 2023, before the undersigned Hearing Officer, as designated by the Commissioner of Insurance ("Commissioner") pursuant to N.C. Gen. Stat. § 58-2-55. The administrative hearing was held in the Albemarle Building, located at 325 North Salisbury Street, Raleigh, Wake County, North Carolina. Special Deputy Attorney General M. Denise Stanford was present and represented the Agent Services Division of the North Carolina Department of Insurance ("Petitioner" or "Agent Services"). Respondent Ryan D. Ammarell did not appear.

Agent Services moved, pursuant to 11 N.C.A.C. 1.0423(a), for the imposition of sanctions due to Respondent's failure to appear at the hearing. Petitioner's motion for sanctions is DENIED. The undersigned Hearing Officer proceeded to accept and consider testimony and evidence offered by Agent Services in support of its Petition at the hearing.

Agent Services' Exhibits 1 and 3 through 40 were admitted into evidence. Prior to the presentation of evidence, Agent Services withdrew allegations 43 and 44 on page 8 of the September 11, 2023, Petition for Administrative Hearing.

Jennifer Collins, Agency Inspections Supervisor with Agent Services, appeared and testified on behalf of Petitioner.

Based upon the careful consideration of the evidence and arguments presented at the hearing by Agent Services, and based upon the entire record in this proceeding, the Hearing Officer hereby makes the following:

FINDINGS OF FACT

1. Agent Services is a division of the North Carolina Department of Insurance (“Department” or “NCDOI”), which is a state agency responsible, in accordance with Chapter 58 of the North Carolina General Statutes, for the enforcement of insurance laws and regulating and licensing insurance producers and adjusters.

2. Ryan D. Ammarell (“Respondent”) currently holds a North Carolina insurance producer’s license with lines of authority in Casualty, Property, Accident & Health or Sickness, Life, and Medicare Supplement/Long Term Care (“License”). *See* Pet’r’s Ex. 4.

3. Respondent is the proprietor of Ryan Ammarell Insurance Agency (“RAIA”), an unincorporated sole proprietorship, that also did business as “AAA Insurance” until April 1, 2022, when Respondent’s appointment with Universal Property & Casualty Insurance Company was terminated. *See* Pet’r’s Exs. 5, 24, 26-29, 31, 35.

4. Service of the September 11, 2023, Notice of Administrative Hearing providing Respondent with due notice of the October 19, 2023, hearing and the allegations against his License was perfected via Federal Express, a designated delivery service, on October 2, 2023, pursuant to N.C. Gen. Stat. §§ 150B-38(c) and 1A-1, Rule 4(j)(1)d. *See* Pet’r’s Ex. 3.

5. Jennifer Collins is an Agency Investigations Supervisor for Agent Services. Ms. Collins currently supervises four Agent Services employees who conduct audits of insurance agents and insurance agencies in the field. Prior to December 2021, Ms. Collins served as an Agency Investigator with Agent Services, where her duties included completing audits and reviewing the financials, underwriting, and licensing of agents and agencies to confirm that they are following North Carolina insurance law and regulations.

6. Respondent was first licensed as a North Carolina resident insurance producer on March 23, 2006. *See* Pet’r’s Ex. 4.

7. In August 2019 and September 2019, NCDOI received two complaints from North Carolina consumers regarding insurance policies obtained through RAIA. Ms. Collins and Agency Investigator Wesley Dillard were assigned to investigate the complaints.

8. In connection with the investigations, on December 6, 2019, Ms. Collins sent an email to Respondent at his email address of record, ryan.ammarell@gmail.com. The December 6, 2019, email stated that Agent Services needed to complete a review of RAIA's financials and policy files and asked Respondent whether Respondent and RAIA employee Kristie Mann would be available to meet to discuss the complaints on December 16, 2019, or December 17, 2019. *See* Pet'r's Ex. 23.

9. On December 9, 2019, Respondent sent several email responses to Ms. Collins' December 6, 2019, query regarding the requested agency review. Respondent wrote "AAA mentioned something about a complaint months ago and I tried to be proactive and address it through Elizabeth with NCDOJ and Wesley [Dillard] never responded." Pet'r's Ex. 24.

10. Ms. Collins testified that Agent Services has no record of Respondent reaching out to Agent Services or Agency Investigator Dillard regarding either complaint prior to December 9, 2019.

11. One of Respondent's December 9, 2019, responses indicated that "[t]here will be an attorney present as well" for the planned review of his agency. Ms. Collins responded asking Respondent to "provide [his] attorney's name and phone number so that we can document our file and have our attorney reach out to them as well." Instead, Respondent replied that, "Kristie will be in touch with the info u requested. Forward the complaints you referenced previously[.]" Pet'r's Ex. 24.

12. On April 8, 2020, Agent Services contacted Respondent via counsel to follow up on its planned agency review. The April 8, 2020, email advised Respondent that Agent Services would conduct a desk review of RAIA's financials and policy files and requested that Respondent produce a sampling of RAIA's policy files and financial records, including bank statements for RAIA's operating and premium accounts and premium remittance documents for select periods. The April 8, 2020, email requested that Respondent securely upload the documents to Agent Services by April 15, 2020. *See* Pet'r's Ex. 25.

13. On April 9, 2020, Respondent responded by email stating "I am currently in Lakeland, FL assisting my mother with the last round of her chemo treatments for breast cancer" and asking for "additional time to provide all the requested documentation to you." Due to the COVID-19 pandemic, Respondent asked for an extension of time "until mid May if possible, to get all the documents to you." *See* Pet'r's Ex. 26.

14. On April 14, 2020, Agent Services, through counsel, consented to Respondent's request for additional time produce the records, granting an extension through May 13, 2020. *See* Pet'r's Ex. 27.

15. On May 12, 2020, Respondent emailed the attorney for Agent Services, stating that Respondent "had just returned from Florida" and "was unable to leave [his] mother unattended while she was receiving her chemo treatments" and requested an additional extension of time to produce the records. *See* Pet'r's Ex. 28.

16. Agent Services, through counsel, responded by email the next day, agreeing to an extension through May 22, 2020, for Respondent to produce the requested agency records. *See* Pet'r's Ex. 29.

17. At 4:39 p.m. on May 22, 2020, Respondent emailed the attorney for Agent Services stating that Respondent was "in the middle of uploading all the requested documents and a storm has come through, knocked the power and internet service out" and that "[t]ornadoes have touched down in Charlotte." Respondent wrote "I will get them uploaded as soon as I can." Agent Services did not receive any further emails or communications from Respondent that day and has not received the requested documents. *See* Pet'r's Ex. 30.

18. On June 1, 2020, Respondent emailed the attorney for Agent Services "to make sure all [his] documents for [his] audit were received." Respondent claimed that a tornado in the Charlotte area had affected his power and internet services on May 22, 2020, but also represented that he had uploaded the requested documentation after 11 p.m. that same day. *See* Pet'r's Ex. 31.

19. Agent Services had not received any of the requested documents. Through counsel, Agent Services responded to Respondent that same day, advising him that Agent Services had not received the requested documents and directing Respondent to resend the email transmitting the requested documents or to securely upload the documents to Agent Services. *See* Pet'r's Ex. 32.

20. At 9:10 p.m. that same night of June 1, 2020, Respondent emailed the attorney for Agent Services stating that he "had some oral surgery today and was out of the office most of the afternoon." Respondent represented that he "will resend everything tomorrow." *See* Pet'r's Ex. 33.

21. Agent Services did not receive the requested agency records on June 2, 2020.

22. As of the date of this hearing, Respondent still had not provided the requested agency records to Agent Services.

23. N.C. Gen. Stat. § 58-2-70 authorizes the Commissioner to revoke a license upon a finding of a violation of Chapter 58 of the North Carolina General Statutes.

24. N.C. Gen. Stat. § 58-2-185 requires insurance producers to “make and keep a full and correct record of the business done by them, showing the number, date, term, amount insured, premiums, and the persons to whom issued, of every policy or certificate or renewal.” Furthermore, “[i]nformation from these records must be furnished to the Commissioner on demand, and the original books of records shall be open to the inspection of the Commissioner when demanded.” *Id.*

25. Respondent’s repeated failure to supply Agent Services with such requested documentation constitute violations of N.C. Gen. Stat. § 58-2-185.

26. N.C. Gen. Stat. § 58-2-195(e) authorizes agency investigators to visit and examine any insurance agency or insurance producer “[w]henver the Commissioner deems it to be prudent for the protection of policyholders in this State[.]” In addition, “[t]he refusal of any agency, insurance producer, adjuster, motor vehicle damage appraiser, or producer of record to submit to examination is grounds for the revocation or refusal of a license.” *Id.*

27. Respondent’s refusal to comply with Petitioner’s requests for Respondent’s business records also constituted refusal to submit to examination of his agency. Pursuant to N.C. Gen. Stat. § 58-2-195(e), Respondent’s withholding of the requested records constitutes grounds for revocation of Respondent’s License.

28. Ms. Collins subsequently advised Respondent in writing that Agent Services wished to discuss the two consumer complaints and the RAIA desk review with him at an informal conference. *See* Pet’r’s Ex. 41. The first informal conference was scheduled for June 25, 2020, but Respondent failed to appear. Consequently, a second informal conference was scheduled for August 13, 2020, but Respondent did not appear, nor did Respondent provide any response to the letters advising him of the informal conferences. *See id.*

29. In connection with its investigation of RAIA, Agent Services agreed on May 28, 2021, to accept Kristie Mann’s voluntary surrender of her North Carolina insurance producer license for a period of thirty years. *See* Pet’r’s Ex. 41.

30. Subsequently, NCDOT's Criminal Investigations Division provided Agent Services with a Letter of Incarceration, which documented that Respondent had been incarcerated at the Bibb County Jail in Brent, Alabama, between January 17, 2020, and September 13, 2021. See Pet'r's Exs. 21.

31. Based on the information received from NCDOT's Criminal Investigations Division, Agent Services requested certified copies of court records from the Clerk of Circuit Court and District Court of Bibb County, Alabama.

32. Certified court records received from the Bibb County Clerk of Court show that Respondent was arrested on July 15, 2016, and indicted on December 9, 2016, on four counts of assault in the first degree, a Class B felony, one count of reckless endangerment, a Class A misdemeanor, and one count of leaving the scene of an accident, a Class C misdemeanor, in *State v. Ammarell*, Case No. CC-16-137.00 in the Circuit Court of Bibb County, Alabama. See Pet'r's Exs. 6 and 7.

33. On January 31, 2017, Respondent waived arraignment and pled not guilty to all criminal charges in *State v. Ammarell*, Case No. CC-16-137.00 in the Circuit Court of Bibb County, Alabama. See Pet'r's Exs. 8.

34. N.C. Gen. Stat. § 58-33-32(l) requires insurance producers to report to NCDOT any criminal prosecutions against them "[w]ithin 30 days after the initial pretrial hearing date or similar proceeding" and to include "a copy of the initial complaint filed, the order resulting from the hearing or similar proceeding, and any information or documents filed in the proceeding necessary to describe the prosecution."

35. Respondent did not report his criminal prosecution in *State v. Ammarell*, Case No. CC-16-137.00, to NCDOT within 30 days after January 31, 2017, as required by N.C. Gen. Stat. § 58-33-32(l). To date, Respondent still has not reported his prosecution in this case to NCDOT.

36. Certified court records further show that Respondent was convicted of the misdemeanor of reckless endangerment upon Respondent's entry of a guilty plea on December 1, 2017, in *State v. Ammarell*, Case No. CC-16-137.00 in the Circuit Court of Bibb County, Alabama. See Pet'r's Ex. 9.

37. N.C. Gen. Stat. § 58-2-69(c) requires that licensees notify the Commissioner if he or she is convicted in any court of competent jurisdiction for any crime or offense other than a motor vehicle infraction "within 10 days of the date of the conviction."

38. Respondent did not notify NCDOI in writing of his misdemeanor criminal conviction in *State v. Ammarell*, Case No. CC-16-137.00 within 10 days after December 1, 2017, as required by N.C. Gen. Stat. § 58-2-69(c), and to date, still has not reported his conviction in this case to NCDOI.

39. Certified court records also show that Respondent was arrested on June 6, 2016, and charged with one count of misdemeanor domestic violence in the third degree in *State v. Ammarell*, Case No. MC16-76, in the Municipal Court of Centreville, Alabama. On August 1, 2016, Respondent appeared, entered a plea of not guilty, and was found guilty of domestic violence in the third degree. On August 30, 2016, Respondent appealed the guilty verdict from Municipal Court of Centreville to the Circuit Court of Bibb County, Alabama. *See* Pet'r's Exs. 10 and 11.

40. Respondent did not report his criminal prosecution in *State v. Ammarell*, Case No. MC16-76 to NCDOI within 30 days of August 1, 2016, as required by N.C. Gen. Stat. § 58-33-32(l), and still has not reported his prosecution in this case to NCDOI to date.

41. On appeal from the Municipal Court of Centreville, the Circuit Court of Bibb County, Alabama, convicted Respondent guilty of misdemeanor harassment, upon Respondent's entry of a guilty plea on May 8, 2017, in *State v. Ammarell*, Case No. CC-16-124.00. *See* Pet'r's Ex. 12.

42. Respondent did not notify NCDOI in writing of his misdemeanor criminal conviction in *State v. Ammarell*, Case No. CC-16-124.00 within 10 days after May 8, 2017, as required by N.C. Gen. Stat. § 58-2-69(c), and to date, still has not reported his conviction in this case to NCDOI.

43. On January 17, 2020, in Case No. 07-DC-2020-900028.00, in the State of Alabama, District Court of Bibb County, Respondent was arrested and charged with one count of felony domestic violence in the first degree. Respondent was placed in custody at the Bibb County Jail and Respondent's bail was set at \$1,000,000. *See* Pet'r's Exs. 13 and 21.

44. Between January 23, 2020 and March 6, 2020, four additional arrest warrants were issued in the District Court of Bibb County, Alabama, charging Respondent with one count of felony altering a firearm in Case No. 07-DC-2020-900043.00, one count of felony property theft in the first degree in Case No. 07-DC-2020-900050.00, misdemeanor violation of a domestic violence protective order in Case No. 07-DC-2020-900062.00, and one count of felony unlawful distribution of a controlled substance, one count of felony possession of marijuana in the first degree,

and one count of misdemeanor possession of drug paraphernalia in Case No. 07-DC-2020-900130.00. *See* Pet'r's Exs. 14–17.

45. On March 3, 2021, a Grand Jury in the Circuit Court of Bibb County, Alabama, issued an indictment charging Respondent with one count of felony aggravated stalking in violation of a domestic violence protective order, one count of felony altering a firearm, one count of felony property theft in the first degree, one count of misdemeanor violating a domestic violence protective order, one count of felony unlawful distribution of marijuana within a three mile radius of a public school, one count of felony possession of marijuana in the first degree for other than personal use, and one count of misdemeanor possession of drug paraphernalia, in *State v. Ammarell*, Case No. CC-2021-4.00. *See* Pet'r's Ex. 18.

46. On April 8, 2021, Respondent was arraigned in *State v. Ammarell*, Case No. CC-2021-4.00 in the Circuit Court of Bibb County, Alabama and entered a plea of not guilty. *See* Pet'r's Ex. 19.

47. Respondent did not report his criminal prosecution to NCDOJ within 30 days after April 8, 2021, as required by N.C. Gen. Stat. § 58-33-32(l).

48. Respondent was convicted in the Circuit Court of Bibb County, Alabama of felony stalking – domestic violence in the second degree upon Respondent's entry of a guilty plea on September 13, 2021, in *State v. Ammarell*, Case No. CC-2021-4.00. Respondent was sentenced to 120 months imprisonment with the Alabama Department of Corrections, which was suspended, and he was ordered to serve a split sentence of 36 months in Community Corrections in North Carolina followed by a term of 36 months of supervised probation in North Carolina. *See* Pet'r's Ex. 20.

49. It was not until September 28, 2022, or more than one year after Respondent's felony conviction, that Respondent first notified NCDOJ in writing of his September 2021 felony conviction in *State v. Ammarell*, Case No. CC-2021-4.00, when he uploaded a signed statement and court record to the Attachment Warehouse of the National Insurance Producer Registry. *See* Pet'r's Ex. 40.

50. Respondent disclosed the felony conviction in connection with his September 28, 2022, application for a North Carolina company/independent firm adjuster license, but failed to disclose his December 1, 2017, misdemeanor conviction in *State v. Ammarell*, Case No. CC-16-137.00 or his May 8, 2017, misdemeanor conviction in *State v. Ammarell*, Case No. CC-16-124.00 on the application. *See* Pet'r's Ex. 22.

51. During her investigation, Ms. Collins also checked with the Consumer Services Division of NCDOT to determine if any consumer complaints had been lodged against Respondent. Ms. Collins learned that several North Carolina consumers had submitted complaints to NCDOT in 2021 and 2022 regarding Respondent, including Ellis Ferguson, President of Catawba Site Works, LLC ("CSW"). A sworn affidavit by Mr. Ferguson and a February 14, 2022, email thread between Mr. Ferguson and Respondent were entered into the Record as Petitioner's Exhibits 37 and 35, respectively.

52. Mr. Ferguson engaged Respondent in November 2021 to obtain workers compensation insurance for CSW, a grading and excavation contractor. Mr. Ferguson paid Respondent a \$600 downpayment for the workers' compensation policy and agreed to finance the remainder of the annual premium. *See* Pet'r's Exs. 37 and 36.

53. In December 2021, Mr. Ferguson contacted Respondent and requested that a Certificate of Insurance ("COI") for the workers' compensation policy be sent to Anthony & Sylvan Pools, a general contractor that had hired CSW, showing that Anthony & Sylvan Pools and its North Carolina subsidiary were additional insureds under the policy. *See* Pet'r's Ex. 37.

54. On January 3, 2022, Respondent sent a COI by email to Anthony & Sylvan Pools and Mr. Ferguson, but the COI did not identify Anthony & Sylvan Pools as an additional insured or certificate holder under the workers compensation policy. *Id.*

55. On January 25, 2022, Anthony & Sylvan Pools again requested a copy of the correct COI from Mr. Ferguson and Respondent, advising that CSW could not be scheduled for work on the project until the COI was received. The next day, Respondent asked by email for the facsimile number for Anthony & Sylvan Pools, which was provided that day. On February 1, 2022, Anthony & Sylvan Pools sent a follow-up email to Respondent and Mr. Ferguson stating that Anthony & Sylvan Pools still had not received the COI. Respondent responded that he had sent the COI and asked whether Anthony & Sylvan Pools had checked its fax machine. Anthony & Sylvan Pools confirmed that it had and asked Respondent to send the COI. *Id.*

56. On February 14, 2022, because Anthony & Sylvan Pools had not received the COI, Mr. Ferguson emailed Respondent directly and asked him to scan and email the COI to Mr. Ferguson as soon as possible so that Mr. Ferguson could provide it directly to Anthony & Sylvan Pools. *See* Pet'r's Exs. 37 and 35.

57. On February 14, 2022, Respondent responded by email to Mr. Ferguson, attaching a COI signed by Respondent and dated November 19, 2021, certifying that purported workers compensation policy number “34143-00206” was issued by insurer “NCRB” effective from “11/19/2021” to “11/19/2022.” However, neither the insurer, policy number, nor effective policy period indicated on the COI were correct, and the underlying policy that was issued was no longer in effect. *See* Pet’s Exs. 37, 35, and 34.

58. N.C. Gen. Stat. § 58-33-105 prohibits insurance producers from “knowingly or willfully mak[ing] any false or fraudulent statement or representation in or with reference to any application for insurance”

59. The North Carolina Rate Bureau (“NCRB”) administers the North Carolina Workers Compensation Insurance Plan. During the investigation, Ms. Collins obtained from NCRB the application for workers’ compensation insurance and the premium finance agreement submitted by Respondent on behalf of CSW in November 2021. *See* Pet’s Ex. 36.

60. The November 29, 2021, Application for Designation of an Insurance Company submitted to NCRB by Respondent on behalf of CSW indicated that the requested effective date of the workers’ compensation policy was “11/30/2021,” not November 19, 2021. Both the November 29, 2021, application and the premium finance agreement submitted to the NCRB by Respondent also falsely indicated that CSW’s mailing address is “612 Stack Rd, Monroe, NC 28112,” rather than CSW’s correct address at “5612 Stack Road.” *See* Pet’s Ex. 36.

61. In response to the November 29, 2021, application, AmGuard Insurance Company issued a workers’ compensation policy for CSW on December 6, 2021, for the policy period from November 30, 2021, to November 30, 2022. However, when Respondent emailed the false COI to Mr. Ferguson on February 14, 2022, the AmGuard policy was no longer in force, as CSW’s policy had already been cancelled on January 14, 2022, for non-payment of premium. *See* Pet’s Ex. 37.

62. Because Respondent had provided the wrong mailing address for CSW to the North Carolina Rate Bureau and the premium financing servicer for the policy, premium invoices had been sent to the wrong address and were not received by CSW. *See id.*

63. In or around mid-July 2023, Agent Services became aware, via a report from the Regulatory Information Retrieval System (“RIRS”), which is an automatic notification system operated by the National Association of Insurance Commissioners

(“NAIC”), that Respondent had received an adverse administrative action in South Carolina. *See* Pet’r’s Ex. 39.

64. The RIRS report revealed that the South Carolina Department of Insurance had imposed a fine on Respondent for failing to report his criminal record or history. *Id.*

65. The South Carolina Director of Insurance entered a Consent Order on June 12, 2023, finding that Respondent’s renewal applications for 2022 and 2020 for his South Carolina nonresident producer license contained inaccurate information, that Respondent was “convicted on a felony in the State of Alabama in 2021,” and that Respondent failed to report his felony conviction to the South Carolina Department of Insurance, all in violation of South Carolina law. *See* Pet’r’s Ex. 38.

66. Based on those findings and Respondent’s agreement, the June 12, 2023, South Carolina Consent Order required that Respondent pay a \$1,000 fine within thirty days or Respondent’s nonresident producer license would be summarily revoked. *Id.*

67. Respondent did not report the June 12, 2023, South Carolina administrative action to the Commissioner within thirty days after the final disposition of the matter as required by N.C. Gen. Stat. § 58-33-32(k). *See* Pet’r’s Ex. 40.

CONCLUSIONS OF LAW

1. This matter is properly before the Commissioner, and the Commissioner has jurisdiction over the parties and subject matter.

2. Respondent was properly served with the Notice of Administrative Hearing in this matter.

3. N.C. Gen. Stat. § 58-33-46(a) specifies seventeen grounds on which the Commissioner may “place on probation, suspend, revoke, or refuse to renew” a producer’s license.

4. N.C. Gen. Stat. § 58-33-46(a)(6) authorizes disciplinary action if a licensee has ‘been convicted of a felony or a misdemeanor involving dishonesty, a breach of trust, or moral turpitude.”

5. Respondent's September 13, 2021, guilty plea to a felony charge of stalking – domestic violence in *State v. Ammarell*, Case No. CC-2021-4.00 (Bibb Co., Ala.) constitutes a felony conviction.

6. N.C. Gen. Stat. § 58-33-32(l) is a North Carolina insurance law that requires licensees to report to the Commissioner any criminal prosecution “[w]ithin 30 days after the initial pretrial hearing date or similar proceeding[.]”

7. N.C. Gen. Stat. § 58-2-69(c) is a North Carolina insurance law that requires licensees to notify the Commissioner if he or she is convicted in any court of competent jurisdiction for any crime or offense other than a motor vehicle infraction “within 10 days of the date of the conviction.”

8. Respondent violated N.C. Gen. Stat. § 58-33-32(l) by failing to report his criminal prosecutions in *State v. Ammarell*, Case No. CC-2021-4.00 (Bibb Co., Ala.), *State v. Ammarell*, Case No. CC-16-137.00 (Bibb Co., Ala.), *State v. Ammarell*, Case No. MC-76 (Centreville, Ala.), and *State v. Ammarell*, Case No. CC-16-124.00 (Bibb Co., Ala.) to the Commissioner within 30 days of the respective initial pretrial hearing or similar proceeding.

9. Respondent violated N.C. Gen. Stat. § 58-2-69(c) by failing to notify the Commissioner of his September 13, 2021, felony criminal conviction for stalking – domestic violence in *State v. Ammarell*, Case No. CC-2021-4.00 (Bibb Co., Ala.), his December 1, 2017 misdemeanor criminal conviction for reckless endangerment in *State v. Ammarell*, Case No. CC-16-137.00 (Bibb Co., Ala.), and his May 8, 2017, misdemeanor criminal conviction for harassment in *State v. Ammarell*, Case No. CC-16-124.00 (Bibb Co., Ala.) within 10 days of the dates of each respective conviction.

10. N.C. Gen. Stat. § 58-2-185 is a North Carolina insurance law requiring licensees to make and keep “a full and correct record of the business done by them, showing the number, date, term, amount insured, premiums, and the persons to whom issued, of every policy or certificate or renewal” and providing that “[i]nformation from these records must be furnished to the Commissioner on demand”

11. On December 6, 2019, and April 8, 2021, Agent Services made demand on Respondent to produce RAIA business records for a desk review of RAIA.

12. Rather than produce the business records demanded by Agent Services for the desk review, Respondent violated N.C. Gen. Stat. § 58-2-185 by falsely representing to Agent Services in April 2020 and May 2020 that he was caring for his

ill mother in Florida, when in fact he was in pretrial detention in Brent, Alabama. Respondent further violated N.C. Gen. Stat. § 58-2-185 by falsely representing to Agent Services that he had returned to Charlotte in May 2020, but that bad weather and a power outage had delayed his ability to upload the requested documents on May 22, 2020, and by falsely claiming that he had uploaded the requested records on June 1, 2020, when in fact he had not produced any records and remained in pretrial detention in Alabama until September 13, 2021.

13. N.C. Gen. Stat. § 58-33-105 is a North Carolina insurance law that forbids insurance producers from “knowingly or willfully mak[ing] any false or fraudulent statement or representation in or with reference to any application for insurance....”

14. The evidence shows that Respondent violated N.C. Gen. Stat. § 58-33-105 by willfully creating and signing a false Certificate of Liability Insurance dated November 19, 2021, and submitting the false certificate to Ellis Ferguson on February 14, 2022, when the document falsely certified the identity of the insurer, the insurance policy number, the policy period, and the insured’s mailing address, and where the underlying workers’ compensation policy had previously been cancelled on January 14, 2022, for nonpayment of premium.

15. N.C. Gen. Stat. § 58-33-32(k) is a North Carolina insurance law that requires an insurance producer to report to the Commissioner “any administrative action” taken against producer by another state “within 30 days after the final disposition of the matter.”

16. Agent Services’ evidence shows that Respondent failed to report the June 12, 2023, South Carolina administrative action to the Commissioner within 30 days of the action’s final disposition, as mandated by N.C. Gen. Stat. § 58-33-32(k).

17. N.C. Gen. Stat. § 58-33-46(a)(2) authorizes disciplinary action if a licensee has violated “any insurance law of this or any other state”

18. Respondent’s repeated violations of N.C. Gen. Stat. §§ 58-33-32(l) and 58-2-69(c), which are both “insurance laws” within the meaning of N.C. Gen. Stat. § 58-33-46(a)(2), are serious offenses that involve the nonreporting of criminal prosecutions and criminal convictions and warrant revocation of Respondent’s license.

19. Furthermore, there is substantial evidence that Respondent engaged in conduct warranting revocation of Respondent's License in connection with Respondent's failure to meet Agent Services' demand for RAIA business records in violation of N.C. Gen. Stat. § 58-2-185.

20. For this reason, N.C. Gen. Stat. § 58-2-195(e) specifically provides that "[t]he refusal of any agency, insurance producer, ... or producer of record to submit to examination is grounds for revocation or refusal of a license." Respondent's wholesale refusal to produce requested business records to Agent Services is sufficient grounds – in and of itself – to justify revocation of his License under Section 58-2-195(e) and the circumstances here.

21. N.C. Gen. Stat. § 58-33-46(a)(8) authorizes disciplinary action if a licensee uses "fraudulent, coercive, or dishonest practices, or demonstrate[es] incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in this State or elsewhere."

22. Agent Services' evidence shows that Respondent either engaged in dishonest practices or demonstrated incompetence or untrustworthiness by falsely certifying that CSW was insured by a non-existent insurer under a non-existent policy number for the incorrect policy period, where the actual underlying workers' compensation policy had been cancelled for non-payment of premium more than a month earlier. In addition, Respondent repeatedly attempted to deceive Agent Services in 2019 and 2020 regarding his location and his ability to produce the requested records, when Respondent was actually detained in an Alabama jail.

23. Respondent's multiple violations of North Carolina insurance laws described herein demonstrate that a sanction short of revocation of Respondent's license would be an inadequate remedy.

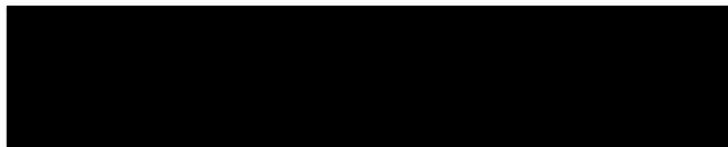
24. Considering the evidence and arguments presented at the hearing, the degree and extent of the harm to North Carolina insurance consumers caused by Respondent's violations, and the recommendation of Agent Services, the Undersigned has concluded that a revocation of Respondent's License is warranted.

Based upon the foregoing Findings of Fact and Conclusions of Law, the Hearing Officer enters the following:

ORDER

It is ORDERED that Respondent's North Carolina insurance producer license is hereby REVOKED.

This 20th day of December, 2023.



Erin E. Gibbs
Hearing Officer
N.C. Department of Insurance

APPEAL RIGHTS

This is a Final Agency Decision issued under the authority of N.C. Gen. Stat. § 150B, Article 3A.

Under the provisions of N.C. Gen. Stat. 150B-45, any party wishing to appeal a final decision of the North Carolina Department of Insurance must file a Petition for Judicial Review in the Superior Court of the County where the person aggrieved by the administrative decision resides, or in the case of a person residing outside the State, the county where the contested case which resulted in the final decision was filed. The appealing party must file the petition within 30 days after being served with a written copy of the Order and Final Agency Decision. In conformity with 11 NCAC 01 .0413 and N.C. Gen. Stat. § 1A-1, Rule 5, this Order and Final Agency Decision was served on the parties on the date it was placed in the mail as indicated by the date on the Certificate of Service attached to this Order and Final Agency Decision. N.C. Gen. Stat. § 150B-46 describes the contents of the Petition and requires service of the Petition on all parties. The mailing address to be used for service on the Department of Insurance is: A. John Hoomani, General Counsel, 1201 Mail Service Center, Raleigh, NC 27699-1201.

CERTIFICATE OF SERVICE


I HEREBY CERTIFY that I have this day served the foregoing **ORDER AND FINAL AGENCY DECISION** by mailing copies of the same via certified U.S. Mail, return receipt requested and via first class U.S. Mail to the Respondent at the address provided to the Commissioner pursuant to N.C. Gen. Stat. § 58-2-69(b); and via State Courier to Attorney for Petitioner, addressed as follows:

RYAN D. AMMARELL
3818 DRYBROOK RD, APT C
CHARLOTTE, NC 28269
(Respondent)

Certified Mail Tracking Number: 7022 2410 0000 9662 5406

M. Denise Stanford
Special Deputy Attorney General
N.C. Department of Justice
9001 Mail Service Center
Raleigh, NC 27699-9001
(Attorney for Petitioner)

This 22nd day of December, 2023.


Mary Faulkner
Paralegal III
N.C. Department of Insurance
General Counsel's Office
1201 Mail Service Center
Raleigh, NC 27699-1201