

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  
DIANNA DONNELLY  
(NPN # 3342685)

Respondent.

ORDER AND  
FINAL AGENCY DECISION

Docket Number: 2224

---

This matter was heard on November 21, 2024, by the undersigned Hearing Officer, as designated by the Commissioner of Insurance pursuant to N.C. Gen. Stat. § 58-2-55. The administrative hearing was held in the Hearing Room at the North Carolina Department of Insurance, located at 3200 Beechleaf Court, Raleigh, Wake County, North Carolina. Assistant Attorney General Kristin K. Mullins represented the North Carolina Department of Insurance (hereinafter “Department”), Agent Services Division (hereinafter “Petitioner” or “ASD”). Respondent Dianna Donnelly (hereinafter, “Respondent”) did not appear and was not represented by counsel at the hearing.

Petitioner’s motion to for the imposition of sanctions pursuant to 11 NCAC 01 .0423(a) due to Respondent’s failure to respond at the hearing was DENIED. The undersigned hearing officer proceeded to accept and consider testimony and evidence offered by Agent Service Division (ASD) in support of its Petition at the hearing.

Elizabeth Parsons, Assistant Deputy Commissioner for ASD, and Melody Hocutt, Complaint Analyst for ASD, testified for the Petitioner. Petitioner introduced Exhibits 1-19 into evidence, which were all marked as full exhibits.

BASED UPON the careful consideration of the allegations set forth in the Notice of Administrative Hearing (“Notice”) and attached Petition for Administrative Hearing (“Petition”) in this matter, as well as documentary and testimonial evidence introduced at the hearing, the undersigned Hearing Officer hereby makes the following Findings of Fact and Conclusions of Law:

## FINDINGS OF FACT

1. The Notice of Administrative Hearing was properly served on Respondent via Federal Express and was confirmed via tracking number 8688 9696 7593 on October 29, 2024. *See* Pet'r's Exs. 1 and 2.

2. The Department is a state agency, responsible for the enforcement of insurance laws and regulating and licensing insurance agents in accordance with Chapter 58 of the North Carolina General Statutes.

3. The Notice and attached Petition and the Affidavit of Service were admitted into evidence as administrative exhibits. *See* Pet'r's Exs. 1 and 2.

4. Respondent is a resident of Connecticut. *See* Pet'r's Exs. 3 and 4.

5. Respondent held a non-resident North Carolina Insurance Adjuster license from June 27, 2023 through June 12, 2024, when it was cancelled for non-payment of the 2024-2025 license renewal payment. *See* Pet'r's Exs. 3 and 4. Respondent's National Producer Number was #3342685. Respondent's North Carolina Non-Resident Adjuster License was first active in North Carolina on June 27, 2023. *Id.*

### Testimony of Deputy Commissioner Elizabeth Parsons

6. Ms. Elizabeth Parsons ("Ms. Parsons") is an Assistant Deputy Commissioner for the Agent Services Division. Her job duties include managing the ASD team which handles the licensing of agents, as well as being responsible for the revenue reporting for ASD.

7. Ms. Parsons testified that she works with and supervises Dawne Pittman.

8. Ms. Parsons testified that although Respondent currently had, at the time of the hearing, an active adjuster licenses in Connecticut, Rhode Island, Vermont and New Hampshire, she only had an active North Carolina adjuster license until it was cancelled, placed on inactive status and a stop block issued on June 12, 2024. *See* Pet'r's Ex. 4.

9. Ms. Parsons testified that Respondent had a North Carolina adjuster license that she never paid for, from June 27, 2023 through June 12, 2024.

10. Ms. Parsons testified that although Respondent's non-resident North Carolina adjuster license was cancelled on June 12, 2024, if Respondent paid the outstanding license application fee of \$174.60, her license could be reinstated.

11. Ms. Parsons testified that Respondent submitted a license application on June 22, 2023 through the National Insurance Producer Registry (“NIPR”). *See* Pet’r’s Ex. 7. In order to apply, Ms. Parsons testified that Respondent’s e-signature was used, her contact information was noted and her credit card was used to pay the \$174.60 license application fee. *Id.*

12. Ms. Parsons testified that NIPR and her group at ASD were in contact with Ms. Donnelly, multiple times, before March 31, 2024, the actual expiration date of her license, about this non-payment issue. *See* Pet’r’s Exs. 8-17. She testified that although Respondent was contacted, she was uncooperative in resolving the issue.

13. Ms. Parsons testified that the breakdown of the \$174.60 license application fee is as follows: \$50.00 registration fee; \$44.00 initial application processing fee; \$75.00 adjuster license fee; and a \$5.60 transaction fee. *See* Pet’r’s Ex. 7.

14. Ms. Parsons explained how license application fees are collected by the NIPR during the online application process. The Commissioner of the Department has assigned the National Association of Insurance Commissioners (“NAIC”) as its designee for the purpose of receiving electronic documents, including applications, and associated electronic payments. The NIPR is the affiliate of the NAIC which receives these applications and electronic payments.

15. Ms. Parsons explained that, of the \$174.60 due from Respondent for his license application fees, the \$5.60 transaction fee is normally collected and kept by the NIPR. The remaining \$169.00 State fees are normally sent by NIPR to the Department. The Department then pays its application processing vendor, Pearson Vue, \$44.00 and the Department retains the remaining \$50 license application fee and the \$75.00 adjuster license fee. In this matter, the Department did pay Pearson Vue and was unable to retain the remaining license application fee.

16. Prior to notifying the Department of the problem with Respondent’s payment for application fees, the NIPR sent invoices and notifications to Respondent attempting to collect payment for the license application fees on September 5, 2023, October 11, 2023, and October 24, 2023. *See* Pet’r’s Exs. 8 and 9. Respondent did not subsequently remit payment to NIPR. Ms. Parsons testified that it was her understanding that the NIPR was often able to successfully collect outstanding license fees, in similar situations, but were unsuccessful in this matter.

17. Ms. Parsons testified that she first became aware of the matter involving Respondent’s unpaid fees when she received an e-mail notification from NIPR on December 5, 2023. *See* Pet’r’s Ex. 10. It was noted that the Respondent’s payment of \$174.60 for application fees from her license application, submitted on June 22, 2023,

had subsequently been disputed by Respondent as she noted her credit card was used by someone else to apply for the North Carolina Insurance Adjuster license and that she never wanted it. *Id.*

18. Ms. Parsons explained that in cases like this, where an individual applies for an adjuster license, the license is issued almost immediately after an application is submitted, prior to NIPR receiving notice that an electronic payment was being disputed by a Respondent. Ms. Parsons explained that is why Respondent had a North Carolina adjuster license that she never paid for, from June 27, 2023 through June 12, 2024.

19. Ms. Parsons testified that on January 11, 2024, Ms. Pittman, who is supervised by Ms. Parsons, sent a letter to Respondent notifying her that NIPR had contacted the Department and advised them that the credit card payment for the license application fee for the North Carolina adjuster license, had been disputed. *See Pet'r's Ex. 11.* The letter also noted that the license was applied for electronically via the NIPR online services on or about June 22, 2023. *Id.* The letter also noted that, pursuant to information from NIPR, it appeared Respondent failed to remit monies owed to NIPR. The letter noted that she must pay her application fee to the NIPR within ten (10) business days. *Id.* It was noted that if the payment was not remitted within that timeframe, the matter would be forwarded to the Compliance Department to pursue appropriate action. *Id.* Thereafter, the matter was initially transferred to Complaint Analyst Carisa Ransome to pursue further action on behalf of ASD. Subsequently, the matter was transferred to Melody Hocutt.

20. Ms. Parsons testified that on January 13, 2024, Respondent replied to Ms. Pittman, advising that she did not request a North Carolina adjuster license. *See Pet'r's Ex. 12.* She advised that she is not a producer by profession and recommended that the Department reimburse NIPR. *Id.* She also noted that they used her NPN and filed for licenses in states that don't even require a license or reciprocal. *Id.* She also noted that she inquired into reciprocal states, which they failed to address with her, and went ahead without her permission. *Id.* She noted that they failed to acknowledge and tell her there were states that did not need a license, along with failing to tell her some of the states were not reciprocal. *Id.* She noted that she has paid in full for the states that she requires. *Id.*

21. Ms. Parsons testified that the Department has lost money due to Respondent's failure to pay her license application fee, because the Department still had to pay its vendor Pearson Vue \$44.00 fee for processing Respondent's application. Additionally, the NIPR lost the \$5.60 transaction fee when Respondent disputed the charge and then never remitted payment subsequently.

Testimony of Complaint Analyst Melody Hocutt

22. ASD Complaint Analyst Melody Hocutt (“Ms. Hocutt”) testified that ASD Complaint Analyst Carisa Ransome (“Ms. Ransome”) was initially assigned to the investigation involving Respondent due to her disputing the charge and then never remitting the payment subsequently.

23. Ms. Hocutt testified that the matter was later transferred to her when Ms. Ransome took another position in ASD. Ms. Hocutt noted that she reviewed and was familiar with ASD’s entire file in this matter, including correspondence sent by Ms. Ransome and notes to the file entered by Ms. Ransome. She also testified that prior to Ms. Ransome assuming her new position, she was able to review the entire file and discuss it with her.

24. Ms. Ransome sent numerous correspondence to Respondent attempting to collect the unpaid application fees that resulted from Respondent’s payment being rejected by his financial institution for insufficient funds, all to no avail. The correspondence sent by Ms. Ransome to Respondent regarding the unpaid fees included the following:

- a. An e-mail sent to Respondent on January 16, 2024. *See* Pet’r’s Ex. 13.
- b. An e-mail sent to Respondent on January 17, 2024. *See* Pet’r’s Ex. 15.
- c. An email sent to Respondent on January 18, 2024. *See* Pet’r’s Ex. 16.

25. The Respondent also sent correspondence to Ms. Ransome in an effort to try and provide clarification regarding the payment issue with her credit card regarding her North Carolina Adjuster License, although her correspondence did not provide same. In her January 16, 2024 correspondence, it seems that Respondent was trying to state that she actually did initially apply for a North Carolina license and submit the initial payment for same; however, grammatical errors in her correspondence make it unclear exactly what she was trying to relay. *See* Pet’r’s Ex. 14.

26. Ms. Melody Hocutt is a Complaint Analyst with ASD, who, among her job responsibilities, took over the handling of this enforcement files for ASD, when Ms. Ransome assumed another position with ASD.

27. During her investigation, Ms. Hocutt reviewed the contents of Respondent’s enforcement file, including Respondent’s Licensee Summary Report, (*see* Pet’r’s Ex. 3), State Licensing Report, (*see* Pet’r’s Ex. 4), Respondent’s NIPR Attachment Warehouse, (*see* Pet’r’s Ex. 5), Enforcement Case Summary Notes, (*see* Pet’r’s Ex. 6), and NIPR License Application of May 1, 2024, (*see* Pet’r’s Ex. 7).

28. As part of this investigation, Ms. Hocutt obtained a copy of the notice from the NIPR regarding the fact that on June 22, 2023, Respondent, or someone on her behalf, with or without her permission, applied for a North Carolina Adjuster license electronically, paid for the transaction with her credit card, which was subsequently returned due to insufficient payment. *See* Pet'r's Ex. 17. As a result, NIPR was not paid for the transaction, but respondent obtained a North Carolina Adjuster License without payment. *Id.* As of the date of the initial letter sent out to Respondent by Ms. Hocutt, February 20, 2024, Respondent had not yet paid the total amount outstanding of \$174.60. *Id.*

29. On February 20, 2024, Ms. Hocutt sent yet another e-mail to Respondent's e-mail addresses on record. *See* Pet'r's Ex. 17. That same day, a copy of the correspondence was also physically mailed to Respondent's residential address on record, as required by N.C. Gen. Stat. § 58-2-69(b), via the U.S. Postal Service on February 20, 2024. *Id.* This correspondence alerted the Respondent that she appeared to be in violation of N.C. Gen. Stat. §§ 58-33-46(a)(2), 58-33-32(c)(2), 58-33-125, and 58-33-46(a)(8) and informed her that an informal telephonic conference had been scheduled for March 25, 2024 at 11:30 a.m. to discuss the allegations. *Id.*

30. On March 20, 2024, Ms. Hocutt sent an e-mail to Respondent as a reminder of the upcoming Informal Conference scheduled for March 25, 2024. *See* Pet'r's Ex. 18. Ms. Hocutt testified that regardless of the initial correspondence and reminder e-mail, Respondent did not attend the scheduled informal conference. *Id.*

31. On March 26, 2024, Ms. Hocutt sent correspondence by first class USPS mail and email to Respondent notifying her that a hearing would be scheduled due to her failure to pay her application fees. *See* Pet'r's Ex. 19. Ms. Hocutt testified that Respondent did not respond to the March 26, 2024 correspondence.

32. Ms. Hocutt testified that ASD is seeking revocation of Respondent's non-resident North Carolina Adjuster license. The basis for this recommendation is because Respondent told ASD that she never wanted a North Carolina non-resident adjuster license, that she had no intention of paying the outstanding license application fee, and she failed to participate in the scheduled informal conference.

### **CONCLUSIONS OF LAW**

1. This matter is properly before the Commissioner, and the Commissioner has jurisdiction over the parties and the subject matter pursuant to Chapter 58 of the North Carolina General Statutes.

2. The Notice of Administrative Hearing was properly served on Petitioner pursuant to N.C. Gen. Stat. §§ 58-2-69(d) and 58-2-69(e) and Rule 4 of the North Carolina Rules of Civil Procedure.

3. The evidence presented shows that the Respondent was required to pay a license application fee totaling \$174.60, payable electronically through the NIPR upon Respondent's application for a Non-Resident Adjuster license, that included the following:

- a. A \$50.00 registration fee as set forth in N.C. Gen. Stat. § 58-33-125(c).
- b. A \$75.00 adjuster license fee as set forth in N.C. Gen. Stat. §58-33-125(a).
- c. A \$44.00 initial application processing fee for an out-of-state producer, as authorized by N.C. Gen. Stat. § 58-2-69(g), N.C. Gen. Stat. § 58-2-250, and 11 NCAC 06A .0201. This fee was paid to Pearson Vue, the contracted application processing vendor for the Department, by ASD.
- d. A \$5.60 transaction fee to the NIPR, which is the third-party vendor as authorized by N.C. Gen. Stat. § 58-2-69(g), N.C. Gen. Stat. § 58-2-250, and 11 NCAC 06A .0201.

4. The evidence presented shows that the Respondent violated the statutes outlined above by failing to make the required payment for the license application fee of \$174.60. Although the initial payment was made online to NIPR on or about December 5, 2023, via electronic check payment using Respondent's credit card, the payment for the fee was returned due to insufficient funds. More specifically, the transaction was unable to be processed because Respondent was challenging the payment, alleging that someone obtained her credit card information and sent a request for a North Carolina license unbeknownst to her. Subsequently, she refused to submit payment. Per the testimony, it appears that the only party paid to date was Pearson Vue, the contracted application processing vendor, to the detriment of Petitioner.

5. The Department has lost \$169.00 due to Respondent's failure to pay the required licensure fees pursuant to N.C. Gen. Stat. §§ 58-2-69(g), 58-33-32(c)(2), 58-33-125, 58-2-250(a), and 11 NCAC 06A.0201(a), including \$44.00 which was paid by the Department to Pearson Vue, and \$125.00 that was due to the Department. Additionally, the NIPR has lost \$5.60 due to the unpaid transaction fee. Respondent had the benefit of an active insurance producer license issued by this Department for the period of June 27, 2023 through June 12, 2024 without having paid the required license application fees.

6. Pursuant to N.C. Gen. Stat. § 58-2-250(a), the NIPR is a designee of the Commissioner with the authority to oversee the electronic filing of insurance producer license applications. Pursuant to N.C. Gen. Stat. § 58-2-250(c), as the Commissioner's designee, the NIPR is authorized to charge administrative fees for electronic filing. These administrative fees may include a transaction fee, credit card processing fee, or other bank processing fee pursuant to 11 NCAC 06A .0201(a), and such fees are to be paid at the time of the electronic filing transaction by electronic payment options including electronic check, credit card, automated clearing house (ACH), or electronic funds transfer (EFT). Due to the payment being returned due to insufficient funds and Respondent challenging the license application fee, that fee was not paid for this matter.

7. Pursuant to N.C. Gen. Stat. § 58-33-32(c)(2), a condition for a nonresident person to receive a nonresident adjuster license includes submitting a request for licensure in the form prescribed by the Commissioner, and payment of the applicable fees required N.C. Gen. Stat. § 58-33-125. Respondent has not met this condition for licensure because she has not paid the applicable license fees to receive a non-resident adjuster license, due pursuant to N.C. Gen. Stat. § 58-33-125, despite numerous requests and opportunities to do so by both the NIPR and ASD.

8. According to N.C. Gen. Stat. § 58-33-46(a)(2), the Commissioner may place on probation, suspend, or revoke the license of a licensee that has violated any insurance law of this or any other state, violated any administrative rule, subpoena, or order of the Commissioner or of another state's insurance regulator, or violated any rule of the Financial Industry Regulatory Authority. Due to the Respondent failing to pay the required licensing fee and obtaining a non-resident adjuster license for the period of June 27, 2023 through June 12, 2024 that was not paid for, she has violated the insurance law of North Carolina.

9. Pursuant to N.C. Gen. Stat. § 58-33-46(a)(8), a licensee's license may be subject to disciplinary action for demonstrating incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in this State or elsewhere. Respondent's failure to pay her licensure fees as set forth above, as well as her continued failure to do so after multiple reminders and opportunities to do so, constitutes incompetence and financial irresponsibility in the conduct of business.

10. N.C. Gen. Stat. § 58-2-70 authorizes the Commissioner to order the payment of a monetary penalty upon a finding of a violation of Chapter 58 of the North Carolina General Statutes. The Department has suffered a financial loss due to Respondent's violations of N.C. Gen. Stat. §§ 58-33-125(c), 58-2-69(g), 58-33-46(a)(2), (3), (8), (9) and (17), and 11 NCAC 06A .0201(a) when she failed to pay her license application fees.

11. Respondent has not shown any interest in retaining her North Carolina



insurance license. She rescinded the payment from her credit card for her licensing fee and failed to reissue payment. She failed to pay his license application fees as required for licensure, despite numerous opportunities to do so.

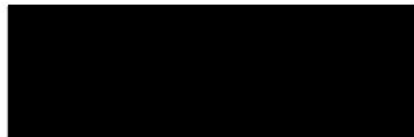
Based on the foregoing Findings of Fact and Conclusions of Law, the Hearing Officer enters the following:

**ORDER**

It is ordered that Respondent's licenses issued by the North Carolina Department of Insurance are hereby REVOKED effective as of the date of the signing of this order.

It is further ordered that pursuant to N.C. Gen. Stat. § 58-2-70(c), Respondent shall make payment of a monetary penalty of one hundred dollars (\$169.00), by certified check made payable to the "North Carolina Department of Insurance." The certified check must be **dated on or before sixty days after this Order is signed** and received by the North Carolina Department of Insurance, Agent Services Division (Attention: Nadine Scott, ASD), 1204 Mail Service Center, Raleigh, N.C. 27699-1204 no later than February 17, 2025. Failure to timely pay this monetary penalty is a violation of an Order of the Commissioner and may be considered cause for future license denial by the Department and may be cause for other legal recourse required to collect this monetary penalty.

This the 10th day of January, 2025.



---

Kyle Heuser  
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. § 1 A-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, including explicitly stating what exceptions are taken to the decision or procedure and what relief the petitioner seeks, and requires service of the Petition by personal service or by certified mail upon all who were parties of record to the administrative proceedings. The mailing address to be used for service on the Department of Insurance is: Amy Funderburk, General Counsel, 1201 Mail Service Center, Raleigh, NC 27699-1201.

**CERTIFICATE OF SERVICE**

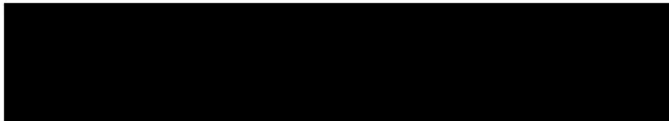
I HEREBY CERTIFY that I have this day served the foregoing **ORDER AND FINAL AGENCY DECISION** by mailing a copy of the same via certified U.S. Mail, return receipt requested; via first class U.S. mail to the licensee, at the address provided to the Commissioner pursuant to N.C. Gen. Stat. § 58-2-69(b);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

Dianna Donnelly  
207 Hepworth Street  
Bristol, CT 06010-7874  
*(Respondent)*

**Certified Mail Tracking Number: 9589 0710 5270 0742 5898 08**

Kristin K. Mullins  
Assistant Attorney General  
N.C. Department of Justice  
Insurance Section  
9001 Mail Service Center  
Raleigh, NC 27699-9001  
*(Attorney for Petitioner)*

This the 10<sup>th</sup> day of January, 2025.



Kimberly W. Pearce, NCCP  
Clerk of Court for Administrative Hearings  
Paralegal III  
N.C. Department of Insurance  
1201 Mail Service Center  
Raleigh, NC 27699-1201