

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
VERONICA DEVONNE ERWIN
(NPN# 19883796)

Respondent.

ORDER AND
FINAL AGENCY DECISION

Docket Number: 2225

THIS MATTER was heard on November 20, 2024, by the undersigned Hearing Officer, as designated by the North Carolina Commissioner of Insurance ("Commissioner") pursuant to N.C. Gen. Stat. § 58-2-55 and other applicable statutes and regulations. The administrative hearing was held in the North Carolina Department of Insurance's Hearing Room, Room # 211, located at 3200 Beechleaf Court, Raleigh, Wake County, North Carolina.

Petitioner, Agent Services Division of the North Carolina Department of Insurance ("Petitioner" or "ASD"), was present and represented by Assistant Attorney General, Kristin K. Mullins. Respondent, Veronica Devonne Erwin ("Respondent") did not appear and was not represented by counsel at the hearing.

Petitioner moved, pursuant to 11 NCAC 01 .0423(a)(1), for the imposition of sanctions due to Respondent's failure to appear at the hearing. Petitioner's motion for sanctions was DENIED. The undersigned Hearing Officer allowed Petitioner to continue with its presentation of testimony and evidence in this matter.

Melody Hocutt, a Complaint Analyst with ASD, appeared and testified on behalf of the Petitioner.

Petitioner's Exhibits 1 through 18 and all subparts, were admitted into evidence with redactions from Petitioner's Exhibits 3-6 and 12.

BASED UPON careful consideration of the documentary and testimonial evidence introduced at the hearing and upon the entire record in the proceeding, the Hearing Officer hereby makes the following Findings of Fact and Conclusions of Law:

FINDINGS OF FACT

1. The North Carolina Department of Insurance ("NCDOI") is a state agency responsible for enforcement of the insurance laws of North Carolina and for regulating and licensing insurance producers, in accordance with Chapter 58 of the North Carolina General Statutes.

2. The Notice of Administrative Hearing and Petition for Administrative Hearing were properly served on Respondent by depositing in the United States Postal Service via first-class mail and via certified mail, return receipt requested, pursuant to N.C. Gen. Stat. §§ 58-2-69(b), (d) and (e) and Rule 4 of the North Carolina Rules of Civil Procedure. See Pet'r's Exs. 1 and 2. The certified mail and the first-class mail to the residential address provided by Respondent were returned. See Pet'r's Exs. 1-4.

3. The Notice of Administrative Hearing and Petition for Administrative Hearing were served on Respondent at the addresses provided by Respondent as well as an additional address found through Lexis Advance public records search via Federal Express-Priority Overnight on October 30, 2024. See Pet'r's Exs. 2-4.

4. Respondent has a non-active resident North Carolina Insurance Producer License, National Producer Number 19883796, that was first active in North Carolina on September 8, 2021. See Pet'r's Exs. 3-6. Prior to the expiration of Respondent's North Carolina Insurance Producer License, she had lines of authority for Accident & Health or Sickness and Medicare Supplement/Long Term Care ("License"). *Id.* Respondent is a resident of North Carolina. *Id.*

5. Respondent's License expired on October 31, 2024. See Pet'r's Exs. 3-6. If Respondent completed her continuing education within four (4) months of October 31, 2024, her license would be automatically reinstated (after the payment of a \$75 reinstatement fee). See 11 NCAC 06A .0811(a). At the time of the hearing, Respondent had not completed her continuing education requirements.

6. Melody Hocutt is a Complaint Analyst with ASD, and her job responsibilities include handling enforcement files for ASD. This includes handling an investigation of a licensee if another state takes administrative action against the licensee. Administrative actions are reflected on the Regulatory Information Retrieval System ("RIRS") report, which is an automatic notification system through the National Association of Insurance Commissioners ("NAIC"). This system generates Personalized Information Capture System alerts ("PIC alert") that notify the NCDOI if another state has taken administrative action against a North Carolina licensee.

7. Ms. Hocutt was assigned the PIC alert for Respondent that the Ohio Department of Insurance entered into NAIC on March 1, 2024. See Pet'r's Ex. 7. Ms.

Hocutt has handled the investigation of Respondent's enforcement file from ASD from inception through the date of the hearing.

8. As part of her investigation, Ms. Hocutt obtained a copy of the consent order from Roger W. Hansen, Records Custodian, and Judith French, Director with the Ohio Department of Insurance ("Ohio administrative action"). See Pet'r's Exs. 9 and 10. The consent order noted that Respondent was charged a civil penalty of \$400 and an administrative cost of \$100 because she provided an incorrect answer on her license application regarding a prior misdemeanor. *Id.* The consent order was effective February 23, 2024. *Id.*

9. A licensee is obligated to report administrative actions to the NCDOI within thirty (30) days of the effective date. See N.C. Gen. Stat. § 58-33-32(k). A licensee may report an administrative action by uploading documents to the National Producer Registry ("NIPR") Attachment Warehouse or reporting it directly to the NCDOI via mail, e-mail, or fax.

10. Pursuant to N.C. Gen. Stat. § 58-33-32(k), a licensee is obligated to report any administrative action taken against the licensee to the NCDOI within thirty (30) days. The NIPR Attachment Warehouse shows that Respondent did not report the Ohio administrative action within thirty (30) days from its effective date of February 23, 2024. See Pet'r's Ex. 8. Furthermore, Respondent did not report the February 23, 2024 Ohio administrative action directly to the NCDOI.

11. Additionally, on July 20, 2021, Respondent applied to the NCDOI for a resident insurance producer license. See Pet'r's Ex. 11. On her application, Respondent answered "No" to the background question which asked, "Have you ever been convicted of a misdemeanor, had a judgment withheld or deferred, or are you currently charged with committing a misdemeanor?" *Id.*

12. Respondent eventually uploaded documentation to the NIPR Attachment Warehouse, and certified court documentation subsequently confirmed, that Respondent did in fact have a May 14, 2014 misdemeanor conviction for assault inflict serious injury. See Pet'r's Ex. 12. Respondent did not upload the documentation to the NIPR Attachment Warehouse until September 7, 2023 and October 17, 2023, respectively, which was more than two years after the submission of her license application. See Pet'r's Ex. 8.

13. A licensee is obligated to submit a license application to become an insurance producer that is materially correct, not misleading, complete, and materially true. See N.C. Gen. Stat. § 58-33-46(a)(1). On the July 20, 2021 resident insurance producer license application, Respondent provided materially incorrect and materially untrue information in the license application in violation of N.C. Gen. Stat. § 58-33-46(a)(1).

14. On March 7, 2024, ASD sent correspondence via e-mail to Respondent's e-mail addresses of record advising Respondent that the Ohio administrative action had not been reported to the NCDOI or uploaded to the NIPR Attachment Warehouse and that it must be reported by March 23, 2024. *See* Pet'r's Exs. 3 and 14. This email also informed Respondent that she answered no to all background questions on her July 20, 2021 license application, but documents uploaded on September 7, 2023 indicated misdemeanor charges so this would be in violation of N.C. Gen. Stat. § 58-33-46(a)(1). *See* Pet'r's Ex. 14. Respondent was instructed to provide a written response, along with documentation regarding the Ohio administrative action within ten (10) days. *Id.* Respondent failed to provide any response to this correspondence, and it appeared the email addresses were no longer valid. *See* Pet'r's Ex. 13.

15. On March 22, 2024, ASD sent follow-up correspondence via first-class U.S. Mail to Respondent's residential address and mailing address of record advising Respondent of the same information that was in the March 7, 2024 correspondence. *See* Pet'r's Exs. 3, 13, and 15. This March 22, 2024 correspondence gave Respondent notice that unless she sent a copy of the Ohio administrative action and a written statement to ASD with ten (10) days, ASD would consider Respondent to be in violation of N.C. Gen. Stat. §§ 58-2-185 and 58-2-195. *See* Pet'r's Ex. 15. Additionally, ASD called Respondent at the personal number of record (704-674-4382) and left a voicemail message advising Respondent of the statutory requirement to report the Ohio administrative action. *See* Pet'r's Exs. 3 and 13. Respondent failed to provide any response to this correspondence.

16. On April 19, 2024, ASD sent correspondence via first-class U.S. Mail to Respondent's residential address and mailing address of record and e-mailed a copy of the letter to Respondent's e-mail addresses of record requesting that Respondent attend an informal conference to discuss the allegations. *See* Pet'r's Exs. 3, 13, and 16. The in-person informal conference was scheduled for Respondent on May 22, 2024 at 11:30 a.m. eastern time. *See* Pet'r's Ex. 16.

17. Respondent failed to provide any response to this April 19, 2024 correspondence, and the letter to Respondent's residential address of record was returned. *See* Pet'r's Exs. 13 and 16. Although the email addresses appeared no longer valid, a forwarding email address (verwin1108@icloud.com) was provided from a company Respondent previously worked at. *See* Pet'r's Ex. 13.

18. On May 20, 2024, ASD sent a courtesy e-mail to Respondent's e-mail address (verwin1108@icloud.com) to remind Respondent of the in-person informal conference scheduled for May 22, 2024 at 11:30 a.m. eastern time. *See* Pet'r's Ex. 17. Respondent failed to provide any response to this correspondence.

19. At the appointed time for the May 22, 2024 in-person informal conference, Respondent did not appear and was not represented by counsel at the informal conference. *See* Pet'r's Ex. 13.

20. On June 4, 2024, ASD sent correspondence via first-class U.S. Mail to Respondent's residential address and mailing address of record and e-mailed a copy of the letter to Respondent's e-mail addresses of record advising Respondent that she failed to respond to the NCDOI's repeated attempts to resolve this matter and she failed to appear at the in-person informal conference. *See* Pet'r's Exs. 3, 13, and 18. This correspondence informed Respondent that formal proceedings would be instituted under Article 3A of Chapter 150B, and an administrative hearing would be scheduled in Raleigh, N.C. at a time and date to be determined. *See* Pet'r's Ex. 18. This correspondence also set forth ASD's allegations that Respondent's denial of a prior misdemeanor was grounds for administrative action pursuant to N.C. Gen. Stat. § 58-33-46(a)(1) given her incorrect answer on the license application, and that Respondent's violation of N.C. Gen. Stat. § 58-33-32(k) for not reporting the Ohio administrative action was grounds for administrative action against Respondent pursuant to N.C. Gen. Stat. § 58-33-46(a)(2). *Id.* Respondent failed to provide any response to this correspondence.

21. Respondent updated her mailing address, business address, business e-mail, and business phone number of record via NAIC on October 22, 2024. *See* Pet'r's Exs. 3 and 4.

22. As of the date of the hearing, Respondent had failed to report the February 23, 2024 Ohio administrative action directly to the NCDOI or via the NIPR Attachment Warehouse.

CONCLUSIONS OF LAW

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

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

3. N.C. Gen. Stat. § 58-33-32(k) requires an insurance producer to report to the Commissioner any administrative action taken against the producer in another state within 30 days after the final disposition of the matter and to include a copy of the order or consent order and other information or documents filed in the proceeding necessary to describe the action. Respondent was required to report the Ohio

administrative action (effective February 23, 2024) within thirty (30) days of the action's effective date.

4. Respondent's failure to report and provide a copy of the Ohio administrative action within thirty (30) days after February 23, 2024 is a violation of N.C. Gen. Stat. § 58-33-32(k).

5. N.C. Gen. Stat. § 58-33-46(a)(2) allows the Commissioner to place on probation, suspend, or revoke the license of a licensee who 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 FINRA.

6. Respondent's resident insurance producer license is subject to disciplinary action due to her violation of N.C. Gen. Stat. § 58-33-32(k) for failing to report the Ohio administrative action within thirty (30) days of the action's final disposition.

7. N.C. Gen. Stat. § 58-33-46(a)(1) 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 a licensee providing materially incorrect, misleading, incomplete, or materially untrue information in the license application.

8. Respondent's denial of ever having a misdemeanor conviction on her July 20, 2021 resident insurance producer license application was a materially incorrect and materially untrue answer as Respondent had a May 14, 2014 misdemeanor conviction. By failing to disclose her misdemeanor conviction on her license application, Respondent provided materially incorrect and untrue information in her license application, in violation of N.C. Gen. Stat. § 58-33-46(a)(1).

9. Respondent's violation of N.C. Gen. Stat. § 58-33-46(a)(1), by itself, is sufficient grounds to support suspension or revocation of Respondent's resident insurance producer.

10. Respondent's violation of N.C. Gen. Stat. § 58-33-46(a)(2), by itself, is also sufficient grounds to support suspension or revocation of Respondent's resident insurance producer.

11. N.C. Gen. Stat. § 58-2-70(c) provides that if, under subsection (b) of this section, the Commissioner finds a violation of this Chapter, the Commissioner may, in addition to or instead of suspending or revoking the license, order the payment of a monetary penalty as provided in subsection (d) of this section. Respondent's failure to report and provide a copy of the February 23, 2024 Ohio administrative action within thirty (30) days of the action's final disposition and Respondent providing

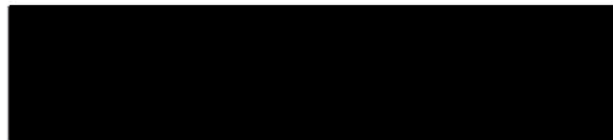
materially incorrect and untrue information in her license application subjects Respondent's resident insurance producer license to suspension or revocation in accordance with N.C. Gen. Stat. § 58-2-70(b).

ORDER

BASED UPON the foregoing Findings of Fact and Conclusions of Law, the Hearing Officer enters the following:

It is ORDERED that Respondent's resident insurance producer license issued by the North Carolina Department of Insurance is hereby **REVOKED**, effective as of the date of the signing of this Order.

This the 26th day of February, 2025.



Shannon Wharry
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 1.0413 and N.C.G.S. § 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: 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; and via first class U.S. Mail to Respondent at the address the licensee provided to the Commissioner pursuant to N.C. Gen. Stat. § 58-2-69(b), (d) and (e); and via State Courier to Attorney for Petitioner, addressed as follows:

VERONICA DEVONNE ERWIN
8711 University East Drive, Suite #200
Charlotte, NC 28213-4388
(Respondent)

Certified Mail Tracking Number: 9589 0710 5270 0742 5909 34

VERONICA DEVONNE ERWIN
1604 Herman Drive, Apt. #D
Gastonia, NC 28052-7634
(Respondent)

Certified Mail Tracking Number: 9589 0710 5270 0742 5909 41

VERONICA DEVONNE ERWIN
227 Bees Branch Road
Blacksburg, SC 29702-8326
(Respondent)

Certified Mail Tracking Number: 9589 0710 527 0742 5909 58

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

I **HEREBY CERTIFY** that I have this day served a courtesy copy of the foregoing **ORDER and FINAL AGENCY DECISION** by electronic mail to Respondent at the electronic mail address set out below:

VERONICA DEVONNE ERWIN

verwin1108@icloud.com

(Respondent)

This the 26th day of February, 2025.



Raheema I. Moore

Clerk of Court for Administrative Hearings

Paralegal III

N.C. Department of Insurance

General Counsel's Office

1201 Mail Service Center

Raleigh, NC 27699-1201