

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  
DERRICK JOHNSON  
(NPN #202747779)

ORDER AND  
FINAL AGENCY DECISION

Docket No. 2240

Respondent.

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**THIS MATTER** was heard on December 10, 2024 by 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 Hearing Room located in Wake County, North Carolina at 3200 Beechleaf Court, Raleigh, NC 27604.

Assistant Attorney General Dilcy Burton was present and represented the North Carolina Department of Insurance ("Department" or "NCDOI"), Agent Services Division ("Petitioner" or "Agent Services"). Respondent Derrick Johnson, proceeding *pro se*, did not appear. Melody Hocutt ("Hocutt"), Complaint Analyst with Agent Services, appeared and testified for the Department. Hocutt confirmed that she had thoroughly reviewed the file and obtained sufficient information and knowledge to provide evidence for the proceeding.

Agent Services offered into evidence Petitioner's Exhibits 1 through 12, which were admitted into evidence with the exception of redactions of personal identification information and irrelevant information from Petitioner Exhibits 3, 4, and 5.

**BASED UPON** careful consideration of the evidence and arguments presented, and based 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 Petition and the Notice of Administrative Hearing were deposited with FedEx, a designated delivery service, on November 19, 2024 to the addresses of Respondent at 261 NE 43rd Street, Oakland Park, FL 33334-1427 and 662 S Military Trail, Deerfield Beach, FL 33442. On November 20, 2024, service was completed to

Respondent at 261 NE 43rd Street, Oakland Park, FL 33334-1427. However, service was not completed to Respondent at 662 S Military Trail, Deerfield Beach, FL 33442. *See* Pet'r Ex. 2.

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

3. At all relevant times, Johnson held lines of authority in accident and health or sickness and Medicare supplement and long-term care. *See* Pet'r Exs. 3 and 4. Respondent's National Producer License Number (NPN) is 202747779.

4. On or about August 19, 2022, the Wisconsin Office of the Commissioner of Insurance issued an Order of Revocation to the Respondent. The Order was issued because the Respondent was liable for delinquent taxes. The effective date of the negative administrative action from the Wisconsin Office of the Commissioner of Insurance was thirty-one days after the date of the Order. *See* Pet'r Ex. 8.

5. On or about January 3, 2023, the Illinois Department of Insurance denied the license application for Respondent. The denial from Illinois was because Respondent provided incorrect and misleading information on an application in that he failed to disclose the Wisconsin action outlined above. *See* Pet'r Ex. 7.

6. N.C. Gen. Stat. § 58-33-32(k) requires a 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. The report "shall include a copy of the order or consent order and other information or documents filed in the proceeding necessary to describe the actions."

7. Hocutt testified that Respondent's negative administrative actions from Wisconsin and Illinois came to the attention of the Department through a "PIC alert", which is an automatic notification system through the NAIC ("National Association of Insurance Commissioners"). *See* Pet'r Exs. 5, 7 and 8.

8. Hocutt testified that a licensee may report an administrative action against a licensee by uploading a copy of the administrative action to the NIPR attachment warehouse or reporting the administrative action directly to NCDOI. *See* Pet'r Ex. 6.

9. Hocutt testified that NCDOI sent correspondence to Respondent's mailing address of 662 S. Military Trail, Deerfield Beach, FL 33442 and to Respondent's e-mail address of [derrickj4410@gmail.com](mailto:derrickj4410@gmail.com) to notify Respondent of potential violations of North Carolina insurance laws. *See* Pet'r Exs. 3-4 and 9-11.

10. Testimony was provided that North Carolina requires insurance producers to report contact changes, including changes of address, within ten (10) days of any change to contact information. *See* Pet'r Ex. 3.

11. A screenshot dated November 25, 2024, of the NIPR attachment warehouse for Respondent's name and national producer number were introduced into evidence. The screenshot indicated that Respondent never timely reported the Illinois and Wisconsin administrative actions. *See* Pet'r Exs. 6-8.

12. On September 12, 2023, September 27, 2023 and October 25, 2023, Hocutt notified Respondent of Respondent's responsibilities to report adverse actions from other states and invited Respondent to meet with NCDOI. *See* Pet'r Exs. 9-11.

13. An informal conference was scheduled for the Respondent on November 20, 2023. NCDOI contacted Respondent at the telephone numbers on record for Respondent at 561-367-2462 and 888-698-6230 for this meeting. *See* Pet'r Exs. 3-4 and 11-12.

14. Testimony and documentary evidence admitted at the hearing show that the Respondent never timely provided notice of the Illinois and Wisconsin administrative actions in the NIPR attachment warehouse. *See* Pet'r Exs. 6-8.

15. Respondent did not fax, USPS mail or e-mail notice of the adverse administrative action from the states of Illinois and Wisconsin to NCDOI. *See* Pet'r Exs. 6-8.

16. Petitioner request that Respondent's insurance producer license be revoked pursuant to N.C. Gen. Stat. §§ 58-33-32(k), 58-33-46(a)(2) and 58-33-46(a)(9) because the Respondent did not notify NCDOI of the Illinois and Wisconsin administrative actions within thirty (30) days of the effective dates of those actions in Illinois and Wisconsin.

### 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 Petition and the Notice of Administrative Hearing were deposited with FedEx, a designated delivery service, by priority overnight mail. *See* Pet'r Ex. 2.

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 or by another governmental agency in this State within thirty (30) days after the final disposition of the matter.

4. Respondent was required to report the Wisconsin (eff. August 19, 2022) and Illinois (eff. January 3, 2023) administrative actions, within thirty (30) days of the effective date of the action pursuant to N.C. Gen. Stat. § 58-33-32(k). See Pet'r Exs. 7 and 8.

5. Respondent's failure to report and provide copies of the administrative actions from Wisconsin and Illinois to NCDOI within thirty (30) days of the effective date of the aforementioned actions are a violation of N.C. Gen. Stat. § 58-33-32(k). See Pet'r Exs. 6-8.

6. N.C. Gen. Stat. § 58-33-46(a)(2) allows the Commissioner to place on probation, suspend, revoke, or refuse to renew any license issued under this Article for a licensee 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 insurance regulator or violating any rule of FINRA.

7. N.C. Gen. Stat. § 58-33-46(a)(9) provides that NCDOI may place on probation, suspend, revoke or refuse to renew a license if a licensee has an insurance producer license or its equivalent denied, suspended or revoked in any other jurisdiction.


8. Respondent's violations of N.C. Gen. Stat. §§ 58-33-32(k), 58-33-46(a)(2) and 58-33-46(a)(9) provide the statutory authority for revoking Respondent's North Carolina insurance producer license.

Based upon the foregoing Findings of Fact and Conclusions of Law the following order is rendered.

#### ORDER

It is ORDERED that Respondent's nonresident insurance producer license be **REVOKED** effective as of the date of the signing of this Order.

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

  
A. John Hoomani  
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 the 11 NCAC 1.0413 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: 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 the licensee at the addresses 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:

Derrick Johnson  
261 NE 43<sup>rd</sup> Street  
Oakland Park, FL 33334-1427  
(Respondent)

**Certified Mail Tracking Number: 9589 0710 5270 0742 5899 14**

Derrick Johnson  
662 S Military Trail  
Deerfield Beach, FL 33442  
(Respondent)

**Certified Mail Tracking Number: 9589 0710 5270 0742 5899 07**

Dilcy Burton  
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