

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 Exs. 1 and 2. The certified mail was returned undeliverable, but the first-class mail was not returned. *Id.*

3. Respondent holds an active non-resident insurance producer license, National Producer Number 20228125, with lines of authority for Life, Accident & Health or Sickness, and Medicare Supplement/Long Term Care ("License"). Respondent's License was first active in North Carolina on September 12, 2022. *See* Pet'r Exs. 3 and 4. Respondent is a resident of Texas. *Id.*

4. Matthew Reck is a Complaint Analyst with ASD, and his job responsibilities include handling enforcement files for ASD. This includes handling Personalized Information Capture System alerts ("PIC alert") received through the National Association of Insurance Commissioners ("NAIC") system. PIC alerts notify NCDOI if another state has taken administrative action against a North Carolina licensee.

5. Mr. Reck was assigned the PIC alert relating to Respondent, which the Florida Department of Financial Services entered into NAIC on June 7, 2023. *See* Pet'r Ex. 5. Mr. Reck has handled the investigation of Respondent's enforcement file from ASD through the date of the hearing.

6. On March 13, 2023, the Florida Department of Financial Services ("Florida") issued a letter to Respondent of its intent to deny Respondent's application for a Florida insurance producer license on the grounds that Respondent pled guilty to a felony. *See* Pet'r Ex. 8. The denial became effective twenty-one (21) days after receipt of the March 13, 2023 letter if Respondent failed to timely request a hearing. *Id.*

7. Florida's denial of Respondent's application is deemed an administrative action against Respondent. Based on the language of the March 13, 2023 Florida administrative action, it would have been effective on or around April 3, 2023; however, Florida entered it into NAIC on June 7, 2023 with an effective date of March 13, 2023. *See* Pet'r Exs. 5 and 8.

8. A licensee may report an administrative action by uploading a copy of the administrative action to the National Producer Registry ("NIPR") Attachment Warehouse or reporting the administrative action directly to NCDOI via mail, e-mail, or fax.

9. Pursuant to N.C. Gen. Stat. § 58-33-32(k), a licensee is obligated to

report any administrative action taken against the licensee to NCDOI within thirty (30) days. The NIPR Attachment Warehouse screenshot shows that Respondent did not report the negative administrative action from Florida within thirty (30) days from the effective date of March 13, 2023. See Pet'r Ex. 6. The document submitted on October 4, 2023, to the application type of "non-resident adjuster license no home state" is not related to the March 13, 2023 Florida administrative action. Furthermore, Respondent did not report the March 13, 2023 Florida administrative action directly to NCDOI.

10. On June 9, 2023, ASD sent correspondence via an e-mail to Respondent's personal e-mail address of record requesting that he provide a written response, along with documentation regarding the Florida administrative action within ten (10) days. See Pet'r Ex. 9. Respondent failed to provide any response to this correspondence.

11. On June 20, 2023, ASD sent a follow-up correspondence via an e-mail to Respondent's personal e-mail address of record noting that Respondent had failed to provide a response to the previous correspondence and attaching a copy of the June 9, 2023 letter. See Pet'r Ex. 10. This email gave Respondent notice that unless Respondent provided a response to ASD within ten (10) days, ASD would consider Respondent to be in violation of N.C. Gen. Stat. §§ 58-2-185 and 58-2-195. *Id.* Respondent failed to provide any response to this correspondence.

12. On July 10, 2023, ASD sent another follow-up correspondence via e-mail to Respondent's personal e-mail address of record and an e-mail (agentinfo@healthplanone.com) ASD found through searching noting that Respondent had failed to provide a response to the previous correspondence and attaching copies of the June 9 and June 20, 2023 letters. See Pet'r Ex. 11. This email gave Respondent notice that unless Respondent provided a response to ASD within ten (10) days, ASD would consider Respondent to be in violation of N.C. Gen. Stat. §§ 58-2-185 and 58-2-195. *Id.* Respondent failed to provide any response to this correspondence.

13. On July 18, 2023, ASD sent correspondence via first-class U.S. Mail to Respondent's mailing address of record and e-mailed a copy of the letter to Respondent's e-mail address of record requesting that Respondent attend an informal conference to discuss the allegations. See Pet'r Ex. 12. The informal conference was scheduled for Respondent on September 6, 2023, at 11:30 a.m. eastern time via the telephone. *Id.* Respondent called ASD and indicated he would be available for the conference and that he would obtain a copy of the Florida administrative action.

14. At the September 6, 2023 informal telephonic conference, Respondent did not answer the call from ASD and ASD left a voicemail for Respondent. Respondent failed to provide any response to the voicemail.

15. As of the date of the hearing, Respondent had failed to report the March 13, 2023 Florida administrative action directly to NCDOT 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).

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 Florida administrative action (effective March 13, 2023) within thirty (30) days of the effective date of the action pursuant to N.C. Gen. Stat. § 58-33-32(k).

4. Respondent's failure to report and provide a copy of the administrative action from the State of Florida within thirty (30) days of the effective date of the action 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 non-resident insurance producer license should be suspended or revoked pursuant to N.C. Gen. Stat. § 58-33-46(a)(2) based upon his violation of N.C. Gen. Stat. § 58-33-32(k) for failing to report the Florida administrative action within thirty (30) days of the action's final disposition.

7. 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 the Florida administrative action within thirty (30) days of the action's final disposition subjects Respondent's non-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 non-resident insurance producer license issued by the North Carolina Department of Insurance is hereby **REVOKED**, effective five (5) days from the signing of this Order.

This 18th day of November, 2024



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 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, 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 L. Funderburk, General Counsel, 1201 Mail Service Center, Raleigh, NC 27699-1201.

CERTIFICATE OF SERVICE

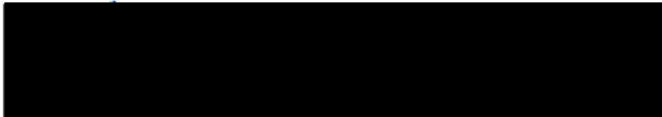
I HEREBY CERTIFY that I have this day served the foregoing **ORDER AND FINAL AGENCY DECISION** by mailing copies of the same via certified U.S. Mail, return receipt requested, and via first-class U.S. Mail to Respondent at the address provided to the Commissioner pursuant to N.C. Gen. Stat. § 58-2-69(b);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

Lerone Loveless
10765 Pleasant Hill Drive
El Paso, Texas 79924-1000
(Respondent)

Certified Mail Tracking Number: 9589 0710 5270 0742 5893 72

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 18th day of November, 2024.


Kimberly W. Pearce, NCCP
Clerk of Court for Administrative Hearings
N.C. Department of Insurance
General Counsel's Office
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Raleigh, NC 27699-1201