

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
TERRI LUMPKIN
(NPN #17768120)

Respondent.

ORDER AND
FINAL AGENCY DECISION

Docket Number: 2163

This matter came on for hearing on Tuesday, February 27, 2024, in Hearing Room #131 the Albemarle Building, 325 North Salisbury Street, Raleigh, North Carolina before the undersigned Hearing Officer, as designated by the North Carolina Commissioner of Insurance (hereinafter "Commissioner"), pursuant to North Carolina General Statute § 58-2-55.

Petitioner, the Agent Services Division of the North Carolina Department of Insurance ("Petitioner" or "Agent Services"), was represented by Assistant Attorney General Anne Goco Kirby. Respondent Terri Lumpkin (hereinafter, "Respondent") did not appear and was not represented by counsel at the hearing.

Petitioner's Exhibits 1-12 were admitted into evidence.

Matthew Reck, Complaint Analyst for the Department's Agent Services Division, appeared and testified for the Department.

Based upon careful consideration of the evidence, including the sworn testimony of the witness and arguments presented at the hearing, and the entire record in this proceeding, the undersigned 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, in accordance with Chapter 58 of the North Carolina General Statutes, for enforcement of the insurance laws of North Carolina and for regulating and licensing insurance producers.

2. The Notice of Administrative Hearing was properly served on Respondent pursuant to N.C. Gen. Stat. § 58-2-69(d). See Pet. Exs. 1 and 2.

3. Respondent currently holds a resident producer license issued on or about August 7, 2019 with authority for Accident and Health or Sickness and Med. Supp/Long Term Care lines of insurance. Respondent's National Producer License Number (NPN) is 17768120. See Pet. Ex. 3.

4. Effective June 24, 2023, Respondent received regulatory action from the California Department of Insurance which entered a Default Decision and Order of Revocation. See Pet. Ex. 6. Respondent's producer license was revoked for the following reasons set forth in an Accusation which was served on the Respondent:

- (a) Failing to timely notify the Commissioner of a May 9, 2022 Indiana action and failing to inform the Commissioner of an October 26, 2022 administrative action in violation of California Insurance Code Section 1729.2(a) and 1729.2(d);
- (b) Failing to respond to the Commissioner's inquiries in violation of California Insurance Code Sections 1668(b) and 1738;
- (c) It would be against the public interest to permit Respondent to continue transacting insurance in the State of California;
- (d) Respondent is lacking in integrity;
- (e) Respondent has previously engaged in a fraudulent practice or act;
- (f) Respondent has shown incompetency or untrustworthiness in the conduct of any business or by the commission of a wrongful act or practice in the course of any business exposed to the public or those dealing with him to the danger of loss; and
- (g) Respondent has failed to perform a duty expressly enjoined upon him by a provision of the California Insurance Code or has committed an act expressly forbidden by such a provision of the Code. See Pet. Ex. 7.

5. Matthew Reck testified that Agent Services had previously issued a written warning to Respondent on March 13, 2023 for having failed to timely report an Indiana administrative action to the Department within 30 days in violation of N.C. Gen. Stat. § 58-33-32(k). See Pet. Ex. 8.

6. Mr. Reck testified that on or about June 24, 2023 Agent Services became

aware of the California revocation when it received a "PIC alert", also called a "RIRS report" through the National Association of Insurance Commissioners (NAIC) which is a national database that reports out of state regulatory actions to the department. Mr. Reck further testified that he reviewed the RIRS report in preparation for this proceeding, which continues to show Respondent's license revocation from California. *See Pet. Ex. 4.*

7. Mr. Reck testified that Agent Services next checked to see if Respondent had timely reported the California administrative action to the Department by the viewing the National Insurance Producer's Registry (NIPR) attachment warehouse. Agent Services accepts uploading a copy of an administrative action to the attachment warehouse as an acceptable method of reporting to the Department. Mr. Reck testified that he reviewed the Attachment Warehouse in preparation for this proceeding, and no documents relating to the California administrative action were uploaded. *See Pet. Ex. 5.*

8. On July 7, 2023 Agent Services emailed Respondent at her electronic address of record requesting that she provide a written response explaining the California regulatory action and provide any documentation of the action to the Department within 10 days. Respondent failed to provide the requested response to the Department's request. Thus, Agent Services e-mailed a second and last request to Respondent on July 17, 2023. Respondent again failed to provide the requested response in reply to the Department's second and last e-mail request. *See Pet. Exs. 9 and 10.*

9. On July 28, 2023, Agent Services contacted Respondent by email and first-class mail requesting that Respondent participate in an informal conference scheduled on September 13, 2023 to discuss the allegations against her producer's license. *See Pet. Ex. 11.*

10. After receiving Agent Services' informal conference notice, Respondent called and spoke with Matthew Reck on August 8, 2023. Mr. Reck testified that on this call Respondent asserted that she was not aware of administrative action from California. Mr. Reck further testified that Agent Services has not spoken or been able to reach Respondent since that August 8, 2023 phone call. Respondent did not attend the scheduled conference on September 13, 2023 nor has she ever provided the Department with any of the requested documents regarding regulatory action against her despite the numerous notifications by Agent Services and the prior written warning she received from the Department.

11. On September 19, 2023, Agent Services sent an email to Respondent which informed her that the Department would be scheduling this matter for an administrative hearing. *See Pet. Ex. 12.*

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

3. 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."

4. Respondent violated N.C. Gen. Stat. § 58-33-32(k) by failing to report the administrative action taken against her by the California Department of Insurance within 30 days after final disposition of such administrative action or anytime thereafter.

5. N.C. Gen. Stat. § 58-33-46(a)(2) states that the Commissioner may 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 Producer license is subject to suspension or revocation for violating insurance laws in this State pursuant to N.C. Gen. Stat. § 58-33-46(a)(2) based upon her violation of N.C. Gen. Stat. § 58-33-32(k) by her failure to report the administrative action taken by the California Department of Insurance and based on her violations of California's insurance laws.


7. N.C. Gen. Stat. § 58-33-46(a)(9) states that the Commissioner may place on probation, suspend, or revoke the license of a licensee for having an insurance producer license, or its equivalent, denied, suspended, or revoked in any other jurisdiction for reasons substantially similar to those listed in this subsection.

8. Respondent's resident producer license is subject to suspension or revocation pursuant to N.C. Gen. Stat. § 58-33-46(a)(9) for having her California insurance producer license revoked for reasons substantially similar to those listed in N.C. Gen. Stat. § 58-33-46(a).

ORDER

Based upon the foregoing Findings of Facts and Conclusions of Law, it is hereby ORDERED that Respondent's resident producer's 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 3rd day of May, 2024.



Alisha Benjamin
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

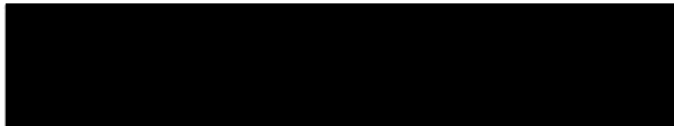
I HEREBY CERTIFY that I have this day served the foregoing **ORDER AND FINAL AGENCY DECISION** by mailing a copy of the same via certified U.S. via first class U.S. mail to the licensee at the residential address provided to the Commissioner pursuant to N.C. Gen. Stat. § 58-2-69(b) and (d); and via State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

Terri Lumpkin
515 Sawyers Mill Rd Apt 210
Charlotte, NC 28262-1895
(Respondent)

Certified Mail Tracking #: 7020 0640 0000 3185 5414

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

This the 3rd day of May, 2024.



Kimberly W. Pearce, NCCP
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General Counsel's Office
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Raleigh, NC 27699-1201