

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
CHANELLE O'NEAL
(NPN # 17929825)

Respondent.

ORDER AND
FINAL AGENCY DECISION

Docket Number: 2170

THIS MATTER came on for hearing on Tuesday, February 20, 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 ("Commissioner") pursuant to North Carolina General Statute § 58-2-55.

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

Petitioner's Exhibits 1- 22 were admitted into evidence.

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

BASED UPON the careful consideration of the evidence and arguments presented at the hearing by the Petitioner, 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. Respondent currently holds a nonresident producer license with lines of authority in Property and Casualty insurance ("License"). Respondent's National Producer License Number (NPN) is 17929825 and Respondent's License was first active on January 19, 2022. *See* Pet. Ex. 3.

3. Service of the Notice of Administrative Hearing providing Respondent with due notice of the February 20, 2024 hearing, was proper and deemed perfected by first class U.S. Mail as shown by the Affidavit of Service. *See* Pet. Exs. 1 and 2.

4. Matthew Reck testified that this matter came to the attention of Agent Services on or about March 31, 2022 when Agent Services learned that Respondent received an administration action from Kansas and failed to report such action to the Commissioner on her application in violation of N.C. Gen. Stat. § 58-33-46(a)(1). As a result, Agent Services did not take any administrative action but rather issued a written warning to Respondent putting her on notice to disclose all regulatory actions to the Department in the future. *See* Pet. Ex. 22.

5. Effective July 11, 2022, the Louisiana Department of Insurance took administrative action (hereinafter "Louisiana Action") revoking Respondent's nonresident producer license for: (a) failing to report the December 10, 2021 Kansas Insurance Department's denial of Respondent's nonresident producer license application in violation of La. R. S. 22:1554(A)(2) & (13), (b) failing to provide the documentation in violation of La. R. S. 22:1554(A)(14), and (c) failing to report the Kansas action within (30) days and provide the required documentation in violation of La. R. S. 22:1563(A) and (C). *See* Pet. Ex. 6.

6. On July 20, 2022, Agent Services emailed Respondent at her electronic address of record requesting that she provide a written response along with any documentation regarding the license revocation from Louisiana. At this time Respondent could still report the Louisiana Action to the Department for compliance. Respondent failed to provide any response to the Department's request. *See* Pet. Ex. 11.

7. On August 3, 2022, Agent Services again emailed Respondent at her electronic address of record requesting that she provide a response written response along with any documentation regarding the revocation of her Louisiana producer's license within 10 days. At this time Respondent could still report the Louisiana Action to the Department for compliance. Respondent failed to provide any response to the Department's request. *See* Pet. Ex. 12.

8. On September 7, 2022, Agent Services emailed Respondent at her electronic address of record requesting that Respondent participate in an informal conference scheduled on October 19, 2022 via telephone to discuss her failure to report the Louisiana action in violation of N.C. Gen. Stat. § 58-33-32(k). At the scheduled information conference, Agent Services called Respondent's telephone number of record as noticed; Respondent did not answer the phone or contact Agent Services thereafter. *See* Pet. Ex. 13.

9. Effective December 14, 2022, the California Department of Insurance took administrative action (hereinafter, "California Action") revoking Respondent's license for having had her Kansas agent's license denied for cause and for having had her Louisiana license revoked on grounds that should preclude the granting of a license by the California Commissioner of Insurance. *See* Pet. Ex. 7.

10. On April 27, 2023, Respondent uploaded a document entitled "Administrative 07-11-2022", a copy of the July 11, 2022 Louisiana Action, to the National Insurance Producer's Registry ["NIPR"] attachment warehouse. Reck testified that one way a licensee may report an administrative action to the Department is by uploading a copy of an administrative action to the attachment warehouse which is date stamped upon submission. *See* Pet. Ex. 5.

11. On June 21, 2023, Agent Services emailed Respondent at her electronic addresses of record requesting that she provide a written response along with any documentation regarding the December 14, 2022 California Action and revocation. Agent Services indicated that Respondent should have reported this regulatory action to the Department by January 14, 2023. Respondent failed to provide any response to the Department's request. *See* Pet. Ex. 15.

12. On July 6, 2023, Agent Services again emailed Respondent at her electronic addresses of record requesting that she provide a written response along with any documentation regarding the revocation of her California producer's license within 10 days. *See* Pet. Ex. 16.

13. On July 6, 2023, Respondent's employer emailed Agent Services requesting an extension to produce copies of prior requested documents. Such communications continued onto July 27, 2023 when Respondent's employer provided Agent Services with a written explanation of the circumstances which led to the revocation of her California producer's license and a copy of the California Order of Summary Revocation. *See* Pet. Exs. 17 and 18.

14. On July 7, 2023, a document entitled “Administrative 12-14-2022”, which was a copy of the December 14, 2022 California Order of Summary Revocation was uploaded to the NIPR attachment warehouse on behalf of Respondent. Based on this submission. *See Pet. Ex. 5.*

15. Effective October 31, 2023, the Wisconsin Commissioner of Insurance imposed a forfeiture (hereinafter, “Wisconsin Action”) of \$500 against Respondent for failing to report the California administrative action within 30 days in violation of Section Ins 6.61(16), Wis Adm. Code. *See Pet. Ex. 8.*

16. On November 8, 2023, Agent Services emailed Respondent at her electronic addresses of record requesting that she provide a written response along with any documentation regarding the Wisconsin Action. Respondent failed to provide any response to the Department’s request. *See Pet. Ex. 19.*

17. Effective November 29, 2023, the South Dakota Division of Insurance revoked Respondent’s producer license (hereinafter “South Dakota Action”) for having failed to timely respond to the Division, having failed to timely report an administrative action to the Division, and for having an insurance producer license revoked in another state in violation of SDCL 58-30-167(2) and (9), 58-33-193, 58-33-66, and 58-33-68. *See Pet. Ex. 9.*

18. Effective December 11, 2023, the Delaware Department of Insurance revoked Respondent’s producer license (hereinafter “Delaware Action”) for having failed to report an adverse administrative action to the Department within thirty (30) days of the final disposition in violation of 18 Del. C. Section 1719(a) and imposed a \$500 fine on the Respondent. *See Pet. Ex. 10.*

19. On January 2, 2024, Agent Services emailed Respondent at her electronic addresses of record requesting that she provide a written response along with any documentation regarding the December 11, 2023 revocation from the Delaware Action. Agent Services indicated that Respondent still had until January 11, 2024 to report this regulatory action to the Department. Respondent failed to provide any response to the Department’s request. *See Pet. Ex. 20.*

20. On January 4, 2024, Agent Services emailed Respondent at her electronic addresses of record requesting that she provide a written response along with any documentation regarding the November 28, 2023 revocation of the South Dakota Action. Agent Services indicated that Respondent should have reported this regulatory action to the Department by December 29, 2023. Respondent failed to provide any response to the Department’s request. *See Pet. Ex. 21.*

21. Respondent failed to timely report the administrative actions taken by the Louisiana Department of Insurance, and the California Department of Insurance within 30 days after final disposition of such actions. Additionally, Respondent failed to report the administrative actions taken by Wisconsin Commissioner of Insurance, the South Dakota Division of Insurance, and the Delaware Department of Insurance to the Commissioner as required by N.C. Gen. Stat. § 58-33-32(k).

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 Administrative 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. Petitioner’s evidence shows that Respondent violated N.C. Gen. Stat. § 58-33-32(k) by failing to report the administrative actions taken against her by the Louisiana, California within 30 days after final disposition. While a copy of the Louisiana Order of Revocation was uploaded to the NIPR attachment warehouse it was reported nine months late to the Department. Additionally, a copy of the California Order of Revocation was uploaded to the NIPR attachment warehouse, it was reported nearly seven months late to the Department.

5. Petitioner’s evidence shows that Respondent further violated N.C. Gen. Stat. § 58-33-32(k) by failing to report the administrative actions taken against her by the Wisconsin, Delaware, and South Dakota insurance regulators to this Department as none of these regulatory actions were ever reported to the Commissioner.

6. 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.

7. Respondent's license is subject to revocation pursuant to N.C. Gen. Stat. § 58-33-46(a)(2) based upon Respondent's violations of numerous insurance laws in Louisiana, California, Wisconsin, South Dakota, and Delaware in which regulatory actions were taken against Respondent.

8. 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.

9. Respondent's license is subject to revocation pursuant to N.C. Gen. Stat. § 58-33-46(a)(9) for having her Louisiana, California, Delaware, and South Dakota insurance producer licenses revoked by these state insurance regulators 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 ORDERED that Respondent's non-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 **NOTICE OF ADMINISTRATIVE HEARING** 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 residential addresses 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:

Chanelle O'Neal
107 3rd Ave., Unit B
Grovetown, GA 30813-2597
(Respondent)

Certified Mail Tracking Number: 7020 0640 0000 3185 5407

Chanelle O'Neal
511 Walden Hills Court
Augusta, GA 30909
(Respondent)

Certified Mail Tracking Number: 7020 0640 0000 3185 5391

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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