NORTH CAROLINA DEPARTMENT OF INSURANCE
RALEIGH, NORTH CAROLINA

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<tr><td>STATE OF NORTH CAROLINA
COUNTY OF WAKE</td><td></td><td>BEFORE THE
COMMISSIONER OF INSURANCE</td></tr>
<tr><td>IN THE MATTER OF:

THE LICENSURE OF
KAYLA MICHELLAI THOMAS
(NPN #18116036)

Respondent.</td><td>)
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ORDER AND
<u>FINAL AGENCY DECISION</u>

Docket Number: 2371</td></tr>
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THIS MATTER was heard on April 21, 2026, 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 "Agent Services"), was present and represented by Assistant Attorney General, Monique D. Nketah. Respondent, KAYLA MICHELLAI THOMAS ("Respondent") did not appear and was not represented by counsel at the hearing.

Matthew Reck ("Mr. Reck"), Complaint Analyst for Agent Services, appeared and testified on behalf of the Petitioner.

Petitioner's Exhibits 1-9 were admitted into evidence as full exhibits with redactions from Petitioner's Exhibits 3-5, 7e, and 9.

The Petition for Administrative Hearing alleged that Respondent violated N.C. Gen. Stat. §§ 58-33-32(k) and 58-33-46(a)(2) for failure to report another state's administrative action.

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

FINDINGS OF FACT

1. The Department has the authority and responsibility for the enforcement of insurance laws of this State and for regulating and licensing insurance agents. At all relevant times herein, Respondent held a Non-Resident Producer license with authority for Accident and Health or Sickness and Medicare Supplement Long Term Care. Respondent's National Producer License Number (NPN) is 18116036. *See* Pet'r's Ex. 3 and 4. Respondent's North Carolina licenses were first active on or about September 25, 2017. *See* Pet'r's Exs. 3 and 4.

2. Pursuant to 11 NCAC .06A.0101(a)(2), Agent Services is the division of the North Carolina Department of Insurance responsible for the licensing, education, and regulation of Agents. Pursuant to N.C. Gen. Stat. § 58-33-10(1), an "agent" is defined as a person licensed to solicit applications for, or to negotiate a policy of, insurance. Pursuant to N.C. Gen. Stat. § 58-33-10(7), an "insurance producer" or "producer" means a person required to be licensed under Article 33 of Chapter 58 of the North Carolina General Statutes to sell, solicit, or negotiate insurance, and "insurance producer" or "producer" includes an agent and a broker. As a licensed insurance producer, Respondent is considered an "agent" as defined by statute and is therefore subject to the licensing, education, and regulation of Agent Services. *See* N.C. Gen. Stat. §§ 58-33-10(1), 58-33-10(7) and 11 NCAC .06A.0101(a)(2).

3. At all relevant times, Respondent has held a resident (home state) producer license issued by the state of Arizona. Respondent's residential, business, and mailing address on record with the Department are located in Arizona. *See* Pet'r's Ex. 3 and 4.

4. On or about April 25, 2024, Respondent received an adverse administrative action from the Oregon Division of Financial Regulation ("ORDFR") in the form of a license revocation with a cease-and-desist order and monetary penalty (hereinafter, "Oregon administrative action"). *See* Pet'r's Ex. 5. Respondent did not report the Oregon administrative action to the Department within thirty (30) days as required by N.C. Gen. Stat. § 58-33-32(k). Mr. Reck testified that on or about October 9, 2024, Respondent received a written warning from Agent Services for failure to timely report the Oregon administrative action as required by N.C. Gen. Stat. § 58-33-32(k). *See* Pet'r's Ex. 7a.

5. On October 10, 2024, Respondent reported the Oregon administrative action by uploading a copy of that administrative action into the National Insurance Producer Registry ("NIPR") database with supporting documentation. *See* Pet'r's Ex. 6. The Oregon administrative action was reported late according to N.C. Gen. Stat. § 58-33-32(k), as the effective date of that action was April 25, 2024 and it was reported on October 10, 2024.

6. On or about November 8, 2024, Respondent received an adverse administrative action from the California Department of Insurance ("CADOI") in the form of a License Revocation based on her failure to timely report the Oregon action. (hereinafter, "California administrative action"). *See* Pet'r's Ex. 5.

7. On November 14, 2024, CADOI entered a PIC alert regarding the Oregon administrative action into Respondent's regulatory action report ("RIRS Report") maintained by the National Association of Insurance Producers ("NAIC"). ASD received the PIC alert and assigned the matter to ASD Complaint Analyst Mr. Reck. *See* Pet'r's Ex. 5.

8. After Mr. Reck was assigned the file, on November 19, 2024, he sent an e-mail to Respondent requesting she provide a written response and documentation regarding the California administrative action to the Department within ten (10) days. *See* Pet'r's Ex. 7b. On December 2, 2024, Respondent inquired as to the email, indicating that she "was not sure what this is about". *See* Pet'r's Ex. 7c. Mr. Reck provided an additional follow-up email that same day, explaining again that Respondent needed to provide a copy of the California administrative action.

9. On January 3, 2025, Mr. Reck sent an e-mail and letter via first class USPS mail to Respondent setting up an informal conference via telephone for January 30, 2025, regarding Respondent's failure to report the California administrative action pursuant to N.C. Gen. Stat. § 58-33-32(k), noting her prior written warning for the late reporting of the Oregon administrative action. *See* Pet'r's Ex. 7d.

10. Mr. Reck testified that an informal conference took place on January 30, 2025 by phone with himself, Respondent, and the North Carolina Department of Insurance Compliance Section Supervisor. Afterwards, Mr. Reck sent a recap email dated the same day. *See* Pet'r's Ex. 7e.

11. Following the January 30, 2025 Informal Conference, Agent Services provided Respondent with the opportunity to resolve the matter of her failure to report the California administrative action without a hearing. However Respondent ultimately did not avail herself of this opportunity and eventually stopped responding to correspondence from Agent Services.

12. On March 21, 2025, Respondent received an adverse administrative action from the Louisiana Department of Insurance ("LADOI") in the form of a financial penalty due to her failure to timely report the Oregon and California administrative actions ("Louisiana administrative action"). *See* Pet'r's Ex. 5.

13. On May 22, 2025, LADOI entered a PIC alert regarding the Louisiana administrative action into Respondent's RIRS Report. ASD received the PIC alert.

See Pet'r's Ex. 5.

14. Mr. Reck testified that Respondent did not report the Louisiana administrative action to the Department, either directly or by uploading a copy of that administrative action into the NIPR Attachment Warehouse.

15. Respondent was in violation of N.C. Gen. Stat. § 58-33-32(k), as the effective date of the Louisiana administrative action was March 21, 2025, and more than thirty (30) days had passed without Respondent reporting this action.

16. On June 3, 2025, Respondent received an adverse administrative action from the Indiana Department of Insurance ("IDOI") in the form of a license denial due to her failure to disclose the California administrative actions, and for having administrative actions taken against Respondent in other states, namely Oregon and California. *See* Pet'r's Exs. 5 and 8c.

17. On June 30, 2025, Agent Services sent Respondent an e-mail and letter regarding her failure to timely report the California and Louisiana administrative actions in violation of N.C. Gen. Stat. § 58-33-32(k), notifying Respondent that the matter would be referred to a hearing and inviting Respondent to contact Mr. Reck. Respondent did not thereafter contact Mr. Reck. *See* Pet'r's Ex. 7e.

18. On August 29, 2025, IDOI entered a PIC alert regarding the Indiana administrative action into Respondent's RIRS Report. ASD received the PIC alert. *See* Pet'r's Ex. 5.

19. Respondent failed to notify the North Carolina Commissioner of Insurance ("Commissioner") of the Indiana administrative action within thirty (30) days as required by N.C. Gen. Stat. § 58-33-32(k). *See* Pet'r's Exs. 5 and 8c. However, this action was noted within the Petition.

20. Respondent failed to notify the North Carolina Commissioner of Insurance ("Commissioner") of the California and Louisiana administrative actions within thirty (30) days as required by N.C. Gen. Stat. § 58-33-32(k).

21. Respondent has not demonstrated a continuing interest in retaining her North Carolina insurance licenses, nor has she demonstrated a willingness to comply with the North Carolina insurance laws and regulations.

CONCLUSIONS OF LAW

1. Respondent was properly served with the Notice of Administrative Hearing, and Petition for Administrative Hearing and the Department has personal

and subject matter jurisdiction in this matter.

2. Respondent violated N.C. Gen. Stat. § 58-33-32(k) by failing to report the adverse administrative actions against his insurance licenses in California, Louisiana and Indiana Administrative Actions within thirty days of the respective effective dates of those actions.

3. 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.

4. Respondent successfully received correspondence from ASD as evidenced by Respondent's e-mail responses to ASD on October 8, 2024 and December 2, 2024, and by participation in the informal conference on January 30, 2025. On October 10, 2024, Respondent reported the Oregon administrative action to which she received a written warning. Afterwards, Respondent never provided the California or Louisiana information or records requested by Mr. Reck on behalf of ASD, despite several requests. Respondent additionally failed to appear at this hearing. Respondent has not shown a continuing interest in retaining his North Carolina non-resident producer license.

5. Respondent's non-resident Producer license should be revoked pursuant to N.C. Gen. Stat. § 58-33-46(a)(2) based upon her failure to timely report the California and Louisiana Administrative Actions to the Department within thirty days of the effective date of that action (or ever) in violation of N.C. Gen. Stat. § 58-33-32(k). Respondent's failure to provide the requested information and records to ASD indicates that she does not have a continuing interest in retaining his North Carolina insurance license.

ORDER

BASED UPON the foregoing Findings of Facts and Conclusions of Law, it is hereby ordered that Respondent's non-resident producer's license issued by the North Carolina Department of Insurance is hereby **REVOKED.**

This Order becomes effective four (4) days after the date this Order is mailed to the Respondent pursuant to N.C. Gen. Stat. § 58-2-69(d) and (e).

This the 9th day of June, 2026.

[redacted]

Terence Friedman
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. Mail, return receipt requested and via first class U.S. Mail to the Respondent at the residential address provided to the Commissioner pursuant to N.C. Gen. Stat. § 58-2-69(b) and (d); via courtesy e-mail to Respondent; and via State Courier and courtesy e-mail to Attorney for Petitioner, addressed as follows:

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(Respondent)

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Monique Nketah
Assistant Attorney General
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Raleigh, NC 27699-9001
(Attorney for Petitioner)

This the 9th day of June, 2026.

[redacted]

Raheema I. Moore
Clerk of Court for Administrative Hearings
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