

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
MATTHEW TRAHAN
(NPN #0017663954)

Respondent.

FINAL AGENCY
DECISION AND ORDER

Docket Number: 2131

THIS MATTER came on for hearing on Tuesday, August 16, 2023, before the undersigned Hearing Officer, as designated by the North Carolina Commissioner of Insurance pursuant to North Carolina General Statutes § 58-2-55. The administrative hearing was held in Hearing Room #131 the Albemarle Building, located at 325 North Salisbury Street, Raleigh, North Carolina

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

Service of the Notice of Hearing providing due notice to Respondent was perfected by first-class mail pursuant to N.C. Gen. Stat § 58-2-69(d) when deposited with the United States Postal Service on July 29, 2023 and certified not returned, as shown by Petitioner's amended Affidavit of Service. Petitioner's Exhibits 1-12 were admitted into evidence.

Jeff Miller, Complaint Analyst for the Department's Agent Services Division, appeared and testified for the Department.

BASED UPON the careful consideration of the testimony and documentary evidence presented at the hearing and the entire record in this proceeding, the undersigned Hearing Officer hereby makes the following:

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 has held an active non-resident producer's license with lines authority for Accident & Health or Sickness since June 7, 2018 and Med Supp/Long Term Care since April 1, 2020. See Pet'r Ex. 3.

3. The Notice of Administrative Hearing and Petition for Administrative Hearing were properly served on Petitioner via first class mail to Respondent's residential address of record with the Department. See Pet'r. Exs.1 and 2.

4. Jeff Miller, Complaint Analyst, testified that Agent Services was made aware of multiple state regulatory actions against Respondent via an automatic notification system through the NAIC ("National Association of Insurance Commissioners") detailed on a "RIRS report". See Pet'r Ex. 4.

5. Agent Services was aware of a previous administrative action he received in Indiana, which was previously addressed with Respondent and not the source of this disciplinary action brought to this hearing.

6. On February 7, 2022, Respondent received an administrative action via a Notice of Fine from the Louisiana Department of Insurance and was fined \$250.00 for failing to report a previous Indiana administrative action to the Louisiana Department of Insurance within 30 days as required by Louisiana insurance law in violation of La. R.S. 22:1563(A) & (C); and for failing to respond to requests for information regarding the Indiana administrative action in violation of La. R.S. 22:1554(A)(13). See Pet'r Ex. 5.

7. On March 22, 2023, Agent Services e-mailed Respondent requesting that he provide a written response along with any documentation regarding his failure to report the February 7, 2022 Louisiana administrative action within 10 days. Respondent failed to provide any response to Agent Services Division's email request. See Pet'r Ex. 7.

8. On April 27, 2022, Agent Services e-mailed Respondent informing him that a telephone informal conference had been scheduled on June 2, 2022 at 10:00am ET to discuss his failure to report the Louisiana Notice of Fine in violation of N.C. Gen. Stat. § 58-33-32(k). See Pet'r Ex. 8.

9. In an April 28, 2022 e-mail reply to Agent Services, Respondent provided Agent Services with a different phone number where he could be reached for the June 2, 2022 informal conference. Respondent also indicated that he was recently made aware of the Louisiana allegations and the reporting requirements between states and would be taking action to correct these issues immediately and will relay the

corrective action to NCDOL. *See* Pet'r Ex. 9.

10. During the June 2, 2023 information conference, Agent Services called Respondent on the updated number he provided, however the telephone number was no longer in service and Respondent was unable to be reached. Respondent later emailed Agent Services that morning at 11:03am providing a new telephone number and indicating that he had the wrong date of the conference. *See* Pet'r Ex. 10.

11. On May 27, 2023, the Louisiana Department of Insurance suspended Respondent's non-resident producer's license effective June 10, 2022 for failure to pay the \$250.00 fine levied on February 7, 2022 in violation of La. R.S. 1554(A)(14). *See* Pet'r Exs. 4 and 6.

12. On June 14, 2022, Agent Services notified Respondent that a second telephone informal conference was scheduled for August 3, 2022. After sending this notice, Agent Services learned of the Notice of Suspension that Louisiana issued against Respondent which suspended his Louisiana non-resident insurance producer license. *See* Pet'r Ex. 11.

13. Respondent participated in the informal conference on August 3, 2022. During the conference, Agent Services discussed Respondent's failure to report the Louisiana Notice of Fine and Notice of Suspension in violation of N.C. Gen. Stat. § 58-33-32(k). Agent Services was unable to resolve the matter informally with the Respondent and thus referred the case for an administrative hearing.

14. After the matter was referred for hearing, Agent Services learned of the Indiana license denial effective on September 28, 2023. *See* Pet'r Exs. 4 and 12.

15. Upon further questioning, Mr. Miller testified that licensees report administrative actions by uploading a copy of the action into the attachment warehouse or sending a copy directly to Agent Services. Respondent failed to take either of these measures to report his administrative actions he to Petitioner.

16. Respondent failed to timely report the Louisiana and Indiana administrative actions within 30 days after final disposition of such administrative actions in violation of 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 subject matter in this case.

2. Respondent was properly served with the Notice of Hearing but failed to attend the August 16, 2023 administrative hearing or be represented by counsel.

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 by failing to report the administrative actions taken against him by Louisiana and Indiana within 30 days after final disposition of such administrative actions, Respondent violated N.C. Gen. Stat. § 58-33-32(k).

5. N.C. Gen. Stat. § 58-33-46(a)(2) allows Commissioner to place on probation, suspend, or revoke a license for "violating any insurance law of this or any other state, violating any administrative rule, subpoena, or order of the Commissioner or another state's insurance regulator, or violating any rule of FINRA."

6. Respondent's Non-Resident 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) by failing to report the administrative actions taken by Louisiana and Indiana to the Department within 30 days after final disposition of such administrative actions.


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 "[h]aving 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 Non-Resident Producer license should be suspended or revoked pursuant to N.C. Gen. Stat. § 58-33-46(a)(9) for suspension of his Louisiana insurance producer license and his license application denied by Indiana for reasons substantially similar to those listed in N.C. Gen. Stat. § 58-33-46(a).

ORDER

Based on 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 18th day of November, 2023.


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: A. John Hoomani, 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; 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:

Matthew Trahan
6800 Gulfport Blvd S #201-208
South Pasadena, FL 33707-2163
(Respondent)

Certified Mail Tracking #: 7020 0640 0000 3185 5216

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 2nd day of November, 2023.



Kimberly W. Pearce, NCCP
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