

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)
HEATHER NICOLE ZIMMERMAN)
(NPN 17773949))

Respondent.)

ORDER AND
FINAL AGENCY DECISION

Docket Number: 2298

THIS MATTER was heard on July 22, 2025 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, the Agent Services Division of the North Carolina Department of Insurance (“Petitioner” or “Agent Services”), was present and represented by Assistant Attorney General, Rebecca E. Lem. Respondent, Heather Nicole Zimmerman (“Respondent”) did not appear and was not represented by counsel at the hearing.

Jeff Miller, Complaint Analyst with Agent Services, appeared and testified on behalf of the Petitioner.

Petitioner’s Exhibits 1-11, and all subparts were admitted into evidence as full exhibits with redactions on Petitioner’s Exhibits 3, 4, 6, 7d, 8m, 8o, and 10.

Petitioner moved, pursuant to 11 NCAC 1.0423(a)(1), for the imposition of sanctions due to Respondent’s failure to appear at the hearing. Petitioner’s motion for sanctions was DENIED. The undersigned Hearing Officer allowed Petitioner to continue with its presentation of testimony and evidence in this matter.

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, and alleged violation of N.C. Gen Stat. § 58-33-46(a)(l)

for providing information in her license application that was materially incomplete, incorrect, and untrue.

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 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. On June 23, 2025, a copy of the Notice of Administrative Hearing (“Notice”) and Petition for Administrative Hearing (“Petition”) were deposited in the United States Postal Service via first-class mail and via certified mail, return receipt requested, to Respondent at Respondent’s residential address of record. *See* Pet’s Exs. 2-4.

3. The Notice and Petition 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’s Exs. 1 and 2. The certified mail was unclaimed and returned to sender, and the first-class mail was not returned.

4. Respondent holds an active non-resident North Carolina Insurance Producer License, National Producer Number 17773949, with lines of authority in Life, Accident and Health or Sickness, and Medicare Supplement/Long Term Care (“License”). *See* Pet’s Exs. 3 and 4. Respondent’s License was first active in North Carolina on October 11, 2021. *Id.* Respondent is a resident of Texas. *Id.*

5. Jeff Miller (“Mr. Miller”) is a Complaint Analyst with Agent Services, and his job responsibilities include handling enforcement files for Agent Services. This includes handling an investigation of a licensee if another state takes administrative action against the licensee. Administrative actions are reflected on the Regulatory Information Retrieval System (“RIRS”) report, which is an automatic notification system through the National Association of Insurance Commissioners (“NAIC”). This system generates Personalized Information Capture System alerts (“PIC alert”) that notify the NCDOI if another state has taken administrative action against a North Carolina licensee.

6. Mr. Miller was assigned the PIC alert relating to Respondent and he

handled the investigation of Respondent's enforcement file from Agent Services. Specifically, the PIC alert regarding the administrative action against Respondent that the Florida Department of Financial Services ("Florida") entered into NAIC on April 4, 2024. *See* Pet'r's Ex. 6.

7. Agent Services obtained a certified copy of the denial letter issued by the Florida Department of Financial Services ("Florida administrative action"). *See* Pet'r's Ex. 11. On October 19, 2023, Florida denied Respondent's application for non-resident agent license. *Id.* The denial was due to Respondent's failure to disclose a July 27, 2021 guilty plea and deferred adjudication to the felony of theft of property in the District Court in Dallas County, Texas when Respondent answered "No" in response to the background screening question "Have you ever been convicted of a felony, had a judgment withheld or deferred, or are you currently charged with committing a felony?" *Id.* Florida determined this constituted providing a material misstatement or material misrepresentation in her license application. *Id.* The denial became effective at the expiration of twenty-one (21) days of the October 19, 2023 letter if Respondent failed to request a hearing. *Id.* Based on its language, the Florida administrative action would have been effective on November 10, 2023.

8. A licensee is obligated to report any administrative action taken against the licensee to the NCDOI within thirty (30) days of the action's final disposition. *See* N.C. Gen. Stat. § 58-33-32(k). A licensee may report an administrative action by uploading a copy of the administrative action to the National Insurance Producer Registry ("NIPR") Attachment Warehouse or reporting it directly to the NCDOI via mail, e-mail, or fax. The NIPR Attachment Warehouse screenshot shows that Respondent did not report the administrative action from Florida within thirty (30) days of its effective date of November 10, 2023. *See* Pet'r's Ex. 7a. Although Respondent eventually reported the Florida administrative action directly to the NCDOI, she did not do so until August 23, 2024, which was well beyond the statutory timeframe required to be compliant with N.C. Gen. Stat. § 58-33-32(k).

9. On April 9, 2024, Mr. Miller sent correspondence via e-mail to Respondent's e-mail addresses of record informing Respondent that Agent Services was aware of the unreported Florida administrative action and explained the statutory requirement to report within thirty (30) days after the final disposition. Respondent was instructed to provide a copy of the Florida administrative action, along with a written response within ten (10) days. *See* Pet'r's Ex. 8a. Respondent failed to provide any response to this correspondence. *See* Pet'r's Ex. 10.

10. Mr. Miller's review of the Florida administrative action prompted a review of Respondent's North Carolina license application. On October 7, 2021, Respondent submitted a license application to the NCDOI in which she answered "No" to the screening question 1B which asks, "Have you ever been convicted of a felony, had a judgment withheld or deferred, or are you currently charged with

committing a felony?” See Pet’r’s Ex. 5. Respondent’s answer of “No” to the screening question appeared to be inaccurate based on the Florida administrative action, which noted that Respondent had pled guilty to and received a deferred adjudication for felony theft of property on July 27, 2021. Pet’r’s Ex. 11.

11. On April 22, 2024, Mr. Miller sent a follow-up correspondence via e-mail to Respondent’s e-mail addresses of record noting that Respondent failed to provide a response and the requested documentation requested in the April 9, 2024 correspondence. See Pet’r’s Ex. 8b. Additionally, this April 22, 2024 correspondence advised Respondent that she failed to disclose her July 27, 2021 deferred adjudication for felony theft of property on her October 7, 2021 license application. *Id.*

12. On April 26, 2024, Respondent e-mailed a response to Mr. Miller that she had been ill and provided a response regarding a prior misdemeanor conviction she had received twenty years ago. Respondent did not explain why she did not timely report the Florida administrative action, she did not provide a response regarding her felony deferred adjudication, and she did not provide a copy of the Florida administrative action. Pet’r’s Ex. 8c. On May 2, 2024, Mr. Miller replied to Respondent’s e-mail and asked her for a copy of the Florida denial order. See Pet’r’s Ex. 8d.

13. On May 7, 2024, Respondent e-mailed a response to Mr. Miller stating “These are the only e-mails I have from Florida licensing. I am going to look for the certified mail and send that to you, as well.” See Pet’r’s Ex. 8e. However, Respondent didn’t attach the e-mails or other information from Florida. Mr. Miller replied to Respondent’s e-mail noting that he did not see any Florida e-mails attached. *Id.*

14. Between May 13, 2024 and May 15, 2024, Respondent and Mr. Miller had e-mail exchanges whereby Respondent forwarded several e-mails she had received from Florida, none of which included a copy of the Florida denial order. Mr. Miller reviewed the information and notified Respondent that she still needed to provide the Florida administrative action. Mr. Miller provided Respondent with information on how she could request the denial order from Florida. Respondent e-mailed Mr. Miller that she would request the denial letter. See Pet’r’s Exs. 8f, 8g and 8h. On June 7, 2024, Mr. Miller sent a follow-up e-mail to Respondent because he still had not received a copy of the Florida administrative action from Respondent. See Pet’r’s Ex. 8i.

15. On June 28, 2024, Mr. Miller sent correspondence via first-class mail to Respondent’s residential address of record and e-mailed a copy to Respondent’s e-mail addresses of record requesting that Respondent attend an informal conference to discuss the Florida administrative action and her failure to disclose her felony theft deferred adjudication on her license application. The informal conference was scheduled for Respondent on July 29, 2024, at 10:00 a.m. eastern time via the

telephone. *See* Pet'r's Ex. 8j.

16. The informal conference occurred as scheduled on July 29, 2024, with Mr. Miller, his supervisor Nadine Scott ("Ms. Scott"), and Respondent in attendance. Respondent explained that the felony theft adjudication was due to an incident involving her stepmother accusing Respondent of stealing jewelry that had belonged to Respondent's mother. Respondent also explained that she had not received a copy of the Florida administrative action because she did not get the certified mail. During the informal conference, Agent Services asked Respondent again to report the Florida administrative action by providing a copy of the order and was asked to do so by August 2, 2024. *See* Pet'r's Exs. 9 and 10. Mr. Miller sent a follow-up e-mail to Respondent on the same day of the informal conference to recap the conversation. *See* Pet'r's Ex. 8k.

17. On August 23, 2024, Respondent sent an e-mail to Mr. Miller attaching the Florida administrative action and explaining that the reason she did not disclose her felony deferred adjudication on her license application was on the advice of her attorney because she met the criteria for expungement. She stated that she was not trying to lie. *See* Pet'r's Ex. 8l.

18. On September 5, 2024, Mr. Miller sent Respondent an e-mail with options to resolve this matter without an administrative hearing or, alternatively, to proceed with an administrative hearing, and was given a deadline of September 16, 2024 to inform Mr. Miller of which option she preferred. *See* Pet'r's Ex. 8m. On September 6, 2024, Respondent replied to Mr. Miller's e-mail that she wished to discuss the matter with her attorney. *See* Pet'r's Ex. 8n.

19. On September 23, 2024, Mr. Miller sent Respondent an e-mail inquiring about Respondent's decision on the options presented in the September 5, 2024 e-mail. *See* Pet'r's Ex. 8n. Respondent failed to provide any response to this correspondence.

20. On October 16, 2024, Respondent uploaded documents to the NIPR Attachment Warehouse under the section entitled, "Background Question 1B" which included a letter addressed to the Ohio Department of Insurance which explained her felony deferred adjudication, with a similar explanation that she presented at the informal conference with Mr. Miller and Ms. Scott on July 29, 2024. She also uploaded an "Order Dismissing Proceedings and Granting Discharge from Community Supervision Following Deferred Adjudication" regarding her felony theft of property charges in Dallas County, Texas District Court Case NO. F19120248 showing that Respondent had successfully been released from community supervision and that the court was not proceeding with an adjudication of guilt. This order noted that she had been placed on community supervision on July 27, 2021. *See* Pet'r's Exs. 7a and 7c.

21. A review of the documents uploaded by Respondent to the NIPR Attachment Warehouse under “Additional Documents” show that on October 9, 2023, Respondent uploaded a letter from Florida notifying her that Florida was unable to process her license application due to deficiencies. In this same upload, Respondent uploaded a letter from her attorney dated April 8, 2021 noting that Ms. Zimmerman had a “pending allegation” and “has not been found guilty of this offense”, referring to the felony theft charges. Respondent also uploaded a document from the Dallas County District Court in Case No. F19120248 entitled “Conditions of Community Supervision”, placing her under community supervision on July 27, 2021. She also uploaded the same “Order Dismissing Proceedings and Granting Discharge from Community Supervision Following Deferred Adjudication” as noted above and contained in Petitioner’s Exhibit 7c. *See* Pet’r’s Ex. 7e. The other documents uploaded to the NIPR Attachment Warehouse by Respondent did not relate to either her Florida administrative action or her deferred adjudication for felony theft of property. *See* Pet’r’s Exs. 7b and 7d.

22. On October 28, 2024, Mr. Miller sent correspondence via first-class mail to Respondent’s residential address of record and e-mailed a copy to Respondent’s e-mail addresses of record advising Respondent that because she failed to respond to the NCDOT’s attempt to settle this matter, formal proceedings would be instituted under Article 3A of Chapter 150B, and an administrative hearing would be scheduled in Raleigh, N.C. at a time and date to be determined. *See* Pet’r’s Ex. 8o. Respondent failed to provide any response to this correspondence.

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 (“Notice”) and Petition for Administrative Hearing (“Petition”) in this matter pursuant to N.C. Gen. Stat. §§ 58-2-69(d) and (e) and Rule 4 of the North Carolina Rules of Civil Procedure. Service of the Notice and Petition to Respondent’s residential address of record was deemed complete on or about June 28, 2025. *See* Pet’r’s Ex. 2.

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 on November 10, 2023) within thirty (30) days of the action’s final disposition.

4. Respondent's failure to report and provide a copy of the November 10, 2023 Florida administrative action directly to the NCDOI or via the NIPR Attachment Warehouse within thirty (30) days of the action's final disposition is a violation of N.C. Gen. Stat. § 58-33-32(k). Respondent reported the Florida administrative action on August 23, 2024, which was beyond the statutorily required thirty (30) days.

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. Respondent's non-resident insurance producer license is subject to disciplinary action due to Respondent's violation of N.C. Gen. Stat. § 58-33-32(k) for failing to timely report the November 10, 2023 Florida administrative action within thirty (30) days of the action's final disposition.

6. N.C. Gen. Stat. § 58-33-46(a)(1) provides that the Commissioner may place on probation, suspend, revoke or refuse to issue or renew any license issued under Article 58 of the General Statutes of North Carolina for a licensee providing materially incorrect, misleading, incomplete, or materially untrue information in the license application.

7. Respondent's denial of ever having a judgment withheld or deferred on her October 7, 2021 non-resident insurance producer license application was a materially incorrect and materially untrue answer as Respondent had a July 27, 2021 deferred adjudication for felony theft of property. By failing to disclose this on her license application, Respondent provided materially incorrect and untrue information in her license application, in violation of N.C. Gen. Stat. § 58-33-46(a)(1).

8. Respondent's violation of N.C. Gen. Stat. § 58-33-46(a)(2), by itself, is sufficient grounds to support suspension or revocation of Respondent's non-resident insurance producer license.

9. Respondent's violation of N.C. Gen. Stat. § 58-33-46(a)(1), by itself, is also sufficient grounds to support suspension or revocation of Respondent's non-resident insurance producer license.

10. 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 timely report and provide a copy of the Florida administrative action within thirty (30) days of the action's final disposition and failure to disclose her deferred adjudication for felony theft of property on her license application subjects

Respondent's non-resident insurance producer license to suspension or revocation in accordance with N.C. Gen. Stat. § 58-2-70(b).

11. In lieu of license revocation as requested by the Petitioner, the Hearing Officer finds that pursuant to N.C. Gen. Stat. § 58-2-70(c), a civil penalty of \$500.00 is appropriate for Respondent's late reporting of the Florida administrative action in violation of N.C. Gen. Stat. § 58-33-32(k) and failure to disclose her deferred adjudication for felony theft of property on her license application in violation of N.C. Gen. Stat. § 58-33-46(a)(1).

BASED UPON the foregoing Findings of Fact and Conclusions of Law, the Hearing Officer enters the following:

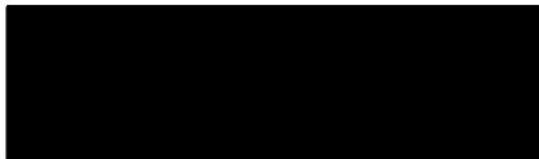
ORDER

It is **ORDERED** that Respondent, Heather Nicole Zimmerman, pay a civil penalty in the amount of five hundred dollars (\$500.00) for violation of N.C. Gen. Stat. §§ 58-33-32(k) and 58-33-46(a)(1).

Payment of this civil penalty shall be by certified funds, to include certified bank check, cashier's check, and money order, made payable to the "North Carolina Department of Insurance" and submitted to the Agent Services Division of the North Carolina Department of Insurance within thirty (30) days from the signing of this Order.

Failure to comply with the terms of this Order may provide grounds for revocation of Respondent's non-resident insurance producer license for violation of an Order of the Commissioner.

This the 24th day of September, 2025.



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. § 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; via first class U.S. mail to the licensee, 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:

Heather Nicole Zimmerman
1833 Desvoignes Rd
Denison, TX 75021-4075
(Respondent)

Certified Mail Tracking Number: 9589 0710 5270 3421 9325 82

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

This the 24th day of September, 2025.



Raheema I. Moore
Clerk of Court for Administrative Hearings
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