

NORTH CAROLINA DEPARTMENT OF INSURANCE
RALEIGH, NORTH CAROLINA

STATE OF NORTH CAROLINA)	BEFORE THE
COUNTY OF WAKE)	COMMISSIONER OF INSURANCE
)	
)	
IN THE MATTER OF:)	ORDER AND
)	FINAL AGENCY DECISION
THE LICENSURE OF)	
HASSAN EID)	Docket Number: 2039
(NPN #17871207))	
)	
Respondent.)	
)	

This matter was heard on Thursday, August 26, 2021, by the undersigned Hearing Officer, as designated by the Commissioner of Insurance pursuant to N.C. Gen. Stat. § 58-2-55. The administrative hearing was held in the Albemarle Building, located at 325 North Salisbury Street, Raleigh, Wake County, North Carolina. Assistant Attorney General Rebecca E. Lem represented the North Carolina Department of Insurance, Agent Services Division (hereinafter “Petitioner” or “ASD”). Respondent Hassan Eid (hereinafter, “Respondent”) did not appear.

Tommy Walls, a Senior Complaint Analyst with ASD, testified for the Petitioner. Petitioner introduced Exhibits 1-12 and subparts into evidence.

Due to the Respondent’s failure to appear at the hearing, pursuant to 11 NCAC 01.0423(a)(1), the allegations of the Notice of Hearing and attached Petition for Administrative Hearing may be taken as true or deemed to be proved without further evidence.

Based on the allegations set forth in the Notice of Hearing in this matter, as well as documentary and testimonial evidence introduced at the hearing, the undersigned Hearing Officer hereby makes the following Findings of Fact and Conclusions of Law:

FINDINGS OF FACT

1. The Notice of Administrative Hearing was properly served on Petitioner pursuant to Rule 4 of the North Carolina Rules of Civil Procedure and N.C. Gen. Stat. § 58-2-69(d).

2. The Notice of Administrative Hearing and attached Petition and the Affidavit of Service were admitted into evidence as administrative exhibits.

3. Respondent is a resident of Florida.

4. The Department has the authority and responsibility for the enforcement of insurance laws of this State and for regulating and licensing insurance agents. Respondent holds a Non-Resident Producer License with lines of authority in the areas of Accident and Health or Sickness, Life, and Medicare Supplement/Long Term Care issued by the Department, National Producer Number 17871207. Respondent's license was first issued on January 11, 2018.

5. Tommy Walls, a Senior Complaint Analyst with the Agent Services Division (ASD) of the North Carolina Department of Insurance ("Department"), testified that this matter came to ASD's attention due to a termination for cause notification received by Mutual of Omaha Insurance Company ("Mutual of Omaha") on or about February 19, 2020. Mr. Walls was assigned to handle this enforcement file. Mr. Walls requested and received a copy of Mutual of Omaha's investigative report concerning its termination of Respondent's appointment.

6. Documentary evidence introduced at the hearing shows that Respondent's appointment with Mutual of Omaha was terminated for the following reasons:

- a. Respondent submitted applications for clients that had no knowledge of a policy, were not aware of what type of coverage they purchased, or were unaware that they had additional coverage.
- b. Some clients did not receive a copy of their policy.
- c. Complaints indicated solicitations of bundling policies to appear that coverages would be free or have discounted rates.

7. Documentary evidence introduced at the hearing shows that two (2) of the complaints submitted to Mutual of Omaha that led to Respondent's termination for cause were from North Carolina residents.

8. Mr. Walls sent Respondent a request for additional information on March 6, 2020 via email regarding Mutual of Omaha's termination for cause of Respondent's appointment. Following a ten-day extension of time to respond, on March 26, 2020, Respondent sent a written response to Mr. Walls. Mr. Walls did not find that Respondent's response adequately addressed the allegations raised by Mutual of Omaha.

9. Subsequently, the Department received several “PIC Alerts” notifying it that Respondent had received regulatory actions in Utah, Kentucky, and Louisiana. Mr. Walls explained in his testimony that a “PIC Alert” occurs when the Department receives an alert through the NAIC that a licensee has had an adverse regulatory action in another state. These regulatory actions are also reflected on the “RIRS report”, which is a report that ASD staff retrieves in the regular course of business.

10. Documentary evidence admitted at the hearing shows that on or about May 27, 2020, Respondent received an administrative action from the Utah Department of Insurance whereby his license was revoked based on misrepresentation of an insurance policy, demonstrated lack of fitness and trustworthiness, fraudulent and dishonest practices, failure to respond, and failure to notify that department of an address change. The Utah administrative action is related to the allegations from Mutual of Omaha that are the basis for Respondent’s termination for cause.

11. Documentary and testimonial evidence admitted at the hearing shows that Respondent failed to notify the North Carolina Commissioner of Insurance (“Commissioner”) of the Utah administrative action within thirty (30) days as required by N.C. Gen. Stat. § 58-33-32(k).

12. After receiving the PIC alert notifying ASD of the Utah administrative action, Mr. Walls requested additional information from Respondent concerning the Utah administrative action on July 21, 2020 and again on August 3, 2020. Respondent did not respond to either request.

13. ASD attempted to hold an informal conference by phone with Respondent on September 9, 2020, concerning the late reporting of the Utah administrative action. Respondent failed to attend this informal conference, and never contacted ASD following the scheduled informal conference despite a request to do so.

14. ASD subsequently attempted to hold an informal conference by phone with Respondent on October 29, 2020, concerning the late reporting of the Utah administrative action. This was ASD’s second attempt to hold an informal conference with Respondent. Respondent failed to attend this informal conference, and never contacted ASD following the scheduled informal conference despite a request to do so.

15. ASD subsequently attempted to hold an informal conference by phone with Respondent on December 10, 2020, concerning the Utah administrative action and the substantive allegations that led to Respondent’s termination for cause by Mutual. This was ASD’s third attempt to hold an informal conference with

Respondent. Respondent's brother answered the phone and informed ASD that he was unable to attend because Respondent was ill and asleep. ASD subsequently notified Respondent by email that the informal conference was rescheduled to January 11, 2021.

16. ASD subsequently attempted to hold an informal conference by phone with Respondent on January 11, 2021, concerning the Utah administrative action and the substantive allegations that led to Respondent's termination for cause by Mutual. This was ASD's fourth attempt to hold an informal conference with Respondent. Respondent failed to attend this informal conference, and never contacted ASD following the scheduled informal conference despite a request to do so.

17. Documentary and testimonial evidence introduced at the hearing shows that Mr. Walls sent Respondent an email on January 13, 2021 notifying Respondent that he could surrender his license, or this matter would be referred for a hearing. Respondent did not respond.

18. Subsequently, ASD received PIC alerts showing that Respondent had received two additional administrative actions.

- a. Documentary evidence admitted at the hearing shows that on or about October 12, 2020, Respondent received an administrative action from the Kentucky Department of Insurance related to his termination from Mutual of Omaha as set forth above, whereby his license was revoked based on fraudulent, dishonest, and coercive practices; incompetence, financial irresponsibility, and injury or loss to the public in the conduct of business; and unfair insurance trade practice or fraud; and failure to respond to requests of the Kentucky Department of Insurance. The RIRS report, which was introduced into evidence, shows that the administrative action was not entered into the NAIC database until February 26, 2021. A PIC alert occurs after an administrative action is reported by a department of insurance to the NAIC electronically.
- b. Documentary evidence admitted at the hearing shows on or about January 22, 2021, Respondent received an administrative action from the Louisiana Department of Insurance whereby his license was revoked based on failure to report the Utah administrative action. The RIRS report, which was introduced into evidence, shows that the

administrative action was entered into the NAIC database on March 8, 2021.

19. Documentary and testimonial evidence admitted at the hearing shows Respondent failed to notify the North Carolina Commissioner of Insurance (“Commissioner”) of the Kentucky administrative action within thirty (30) days as required by N.C. Gen. Stat. § 58-33-32(k).

20. Documentary and testimonial evidence admitted at the hearing shows Respondent failed to notify the North Carolina Commissioner of Insurance (“Commissioner”) of the Louisiana administrative action within thirty (30) days as required by N.C. Gen. Stat. § 58-33-32(k).

21. Documentary and testimonial evidence introduced at the hearing shows that Mr. Walls sent Respondent an email on January 26, 2021 notifying Respondent that he could surrender his license, and this matter had been referred to undersigned counsel to prepare for a hearing. This email also notified Respondent that he had received a regulatory action in Louisiana, which he could still timely report. Respondent did not thereafter timely report the Louisiana administrative action.

22. Documentary and testimonial evidence introduced at the hearing shows that ASD subsequently sent Respondent an informal conference notice on March 5, 2021, notifying him that it would hold an informal conference by phone with Respondent on April 15, 2021, concerning his failure to timely report the Kentucky and Louisiana administrative actions.

23. Respondent, after receiving notice of the informal conference scheduled for April 15, 2021, sent an email to Assistant Attorney General Rebecca Lem, who was assigned to assist ASD in this matter. Ms. Lem responded by email, copying Mr. Walls, informing Respondent that he would have the opportunity to discuss these matters with ASD during the informal conference on April 15, 2021, and inviting Respondent to send any documents that he might want to discuss in advance of the informal conference. Ms. Lem also noted to Respondent the phone number that ASD had on record for Respondent that ASD would call for the informal conference.

24. Documentary and testimonial evidence introduced at trial show that ASD attempted to hold an informal conference with Respondent by phone on April 15, 2021. Respondent did not attend this informal conference and did not subsequently contact ASD as requested. This was ASD’s fifth attempt to hold an informal conference with Respondent. Respondent did not send any additional documentation to ASD or to Attorney Lem.

25. At the hearing, Tommy Walls requested on behalf of ASD requested that Respondent's licenses be revoked pursuant to N.C. Gen. Stat. §§ 58-33-32(k), 58-33-46(a)(2), 58-33-46(a)(5), 58-33-46(a)(7), and 58-33-46(a)(8), for the substantive misconduct that led to Respondent's termination for cause as well as his failure to timely report the Utah, Kentucky, and Louisiana administrative actions. Mr. Walls noted, in explaining ASD's request for revocation, that Respondent has failed to provide requested responses and documentation to ASD on numerous occasions, and that Respondent failed to attend five (5) informal conferences.

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. The Notice of Administrative Hearing was properly served on Petitioner pursuant to Rule 4 of the North Carolina Rules of Civil Procedure and N.C. Gen. Stat. § 58-2-69(d).

3. Pursuant to 11 NCAC 01.0423(a)(1), as sanction for Petitioner's failure to appear at the hearing, the allegations of the Notice of Hearing and attached Petition may be taken as true or deemed to be proved without further evidence.

4. The evidence presented at the hearing supports the allegations of the Notice of Hearing and Petition.

5. The substantive misconduct alleged by Mutual of Omaha that is the basis for Respondent's termination for cause constitute violations of N.C. Gen. Stat. §§ 58-33-46(a)(2), 58-33-46(a)(5), 58-33-46(a)(7), and 58-33-46(a)(8). Mutual of Omaha's investigation report provides information into the consumer complaints that formed the basis for Respondent's termination for cause. Respondent's written response regarding his termination for cause provided to ASD is not satisfactory. Further, Respondent had numerous occasions to discuss Mutual of Omaha's termination for cause with ASD in scheduled informal conferences, however he failed to appear at each one despite the fact that they were held by phone. Respondent has provided no evidence to ASD to rebut Mutual of Omaha's allegations, and further Respondent failed to appear at this hearing.

6. Respondent's failure to report the administrative actions against his insurance license in Utah, Kentucky, and Louisiana to the Department within thirty (30) days of the effective date of those actions are violations of N.C. Gen. Stat. § 58-33-32(k).

7. N.C. Gen. Stat. § 58-33-46(a)(2) allows the Commissioner to suspend, revoke, or refuse to renew any license issued under this Article for violating any insurance law of this or any other state. Respondent's licenses are subject to suspension or revocation under N.C. Gen. Stat. § 58-33-46(a)(2) for failing to report the Illinois administrative action to the Department in violation of N.C. Gen. Stat. § 58-33-32(k).


8. Respondent did not provide a response and documentation as requested in several requests sent to him. Respondent failed to appear at five (5) informal conference attempts held by phone, and Respondent did not respond to ASD's requests for Respondent to return their calls. Respondent has not demonstrated an interest in keeping his North Carolina insurance licenses.

Based on the foregoing Finding of Facts and Conclusions of Law, the Hearing Officer enters the following:

ORDER

It is ordered that Respondent's licenses issued by the North Carolina Department of Insurance are hereby REVOKED effective as of the date of the signing of this order.

This the 7th day of September, 2021.


A. John Hoomani
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 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:

HASSAN EID
3200 Port Royale Dr. N., Apt. 303
Fort Lauderdale, FL. 33308-7802
(Respondent)

Certified Mail Tracking Number: 70200640000031856282

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 7th day of September, 2021.


Mary Faulkner
Paralegal II
N.C. Department of Insurance
1201 Mail Service Center
Raleigh, NC 27699-1201