

**BEFORE ALLAN L. MCVEY, INSURANCE COMMISSIONER
OF THE STATE OF WEST VIRGINIA**

In re: Jennifer Darabos

Administrative Proceeding No. 25-IC-183669

FINAL ORDER


The undersigned Insurance Commissioner of the State of West Virginia hereby adopt and approve the Recommended Decision of the Hearing Examiner, appended hereto, as well as the findings of fact and conclusions of law therein contained. It is consequently ORDERED that the West Virginia Offices of the Insurance Commissioner proved that the Respondent, Jennifer Darabos, violated West Virginia Code §§ 33-12-24(b)(4), 33-12-24(b)(9), 33-12-24(b)(11) and W. Va. Code R. § 114-14-5.2.

Due to the proven violations and as authorized under West Virginia Code § 33-12-1 and § 33-12-24(b), it is **HEREBY ORDERED** that the resident producer license of the Respondent is hereby revoked, and the Respondent be fined \$2,000.00.

The objections of any party aggrieved by this Order and to the Recommended Decision herein adopted are preserved.

The Commissioner's final orders are subject to judicial review in the Intermediate Court of Appeals as set forth in W.Va. Code § 51-11-4(b)(4). Any person aggrieved by this Order may, **within 30 days of the entry of the judgment being appealed**, file an appeal as set forth in W.Va. Code § 33-2-14 and Rule 5(b) of the West Virginia Rules of Appellate Procedure.

ENTERED this 30th day of March, 2026.



ALLAN L. MCVEY, CPCU, ARM, AAI, AAM, AIS
INSURANCE COMMISSIONER

**BEFORE ALLAN L. MCVEY, INSURANCE COMMISSIONER
OF THE STATE OF WEST VIRGINIA**

In re: Jennifer Darabos

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**RECOMMENDED DECISION
OF THE HEARING EXAMINER**

On March 3, 2026, a hearing was held before Hearing Examiner Mark W. Carbone, Esquire, at the Offices of the Insurance Commissioner, Charleston, West Virginia. Appearing on behalf of the West Virginia Offices of the Insurance Commissioner was Andrew S. Ryan, Esq., Rob Grishaber, Assistant Commissioner for Regulatory and Director of Licensing and Education, and T.J. Morris, owner of Morris Insurance Services. No one made an appearance on behalf of Jennifer Ann Darabos. Following the hearing, the matter was deemed submitted for recommended decision.

Based upon a thorough review of the entire record in this case, the undersigned now makes the following Findings of Fact and Conclusions of Law.

Findings of Fact

1. A certified letter was sent to Jennifer Ann Darabos (hereinafter “Respondent”) by the West Virginia Offices of the Insurance Commissioner. The certified letter contained a copy of a Complainant filed against this resident producer and a Notice of Hearing. The Respondent received and signed for the packet. The Respondent currently holds a West Virginia Resident Producer License. (Tr. P. 16-10; Ex. 4)
2. The Respondent began working for Morris Insurance Services on March 6, 2023. She was eventually the person who was responsible for receiving payments from the Company’s clients and taking the payments to the bank. Once the payments were deposited in a sweep account, the

various insurance companies would withdraw the money and credit the individual client's premium payments. (Tr. P. 5-6)

3. T.J. Morris, owner of Morris Insurance Services, kept approximately \$5,000.00 dollars in the sweep account. Mr. Morris testified that at some point he began receiving overdraft charges for the sweep account. There were approximately eight overdrafts. Mr. Morris met with the Respondent to try to determine why the sweep account was being overdrawn. The Respondent swore that she had not taken any money out of that account. (Tr. P. 7)

4. Mr. Morris then put an additional \$5,000.00 into the sweep account. (Tr. P. 7)

5. On January 1, 2025, Mr. Morris installed new procedures to handle the sweep account. Once this was done there were no more overdrafts until June 2025. (Tr. P. 8, 11)

6. Neither Mr. Morris nor the Respondent had any explanation of why money was missing from the sweep account. Mr. Morris gave the Respondent an opportunity to come clean about the missing money, but she again denied any knowledge of the missing money. Mr. Morris then contacted the Saint Alban's Police Department. (Tr. P. 8-9)

7. Between June 16 and June 18, 2025, another \$2,000.00 disappeared from the sweep account totaling \$12,000.00 missing from the account. At that point, the Saint Alban's Police Department arrested the Respondent and charged her with an embezzlement felony. Once she was arrested, she admitted to embezzlement. The Respondent was fired by Mr. Morris on June 19, 2025. (Tr. P. 5, 11; Ex. 5)

8. Rob Grishaber testified that he examined the NAIC Licensee History Report for the Respondent. The Report did not indicate that the Respondent reported the criminal charge. In addition, Mr. Grishaber testified that the Respondent did not report the criminal charges to the West Virginia Offices of the Insurance Commissioner. (Tr. P. 14-15; Ex. 1)

9. Mr. Grishaber reviewed the National Warehouse Report,¹ to determine whether the Respondent submitted the criminal action taken against her. There was no record that the Respondent reported the criminal action. (Tr. P. 15: Ex. 2)

10. Once the West Virginia Offices of the Insurance Commissioner learned of the criminal charge against the Respondent, it sent a certified letter to the Respondent asking why she had not reported the criminal charges. The Respondent did not respond to this letter. (Tr. P. 16: Ex. 3)

Issue

Whether the Respondent violated West Virginia Code §§ 33-12-24(b)(4), 33-12-24(b)(9), 33-12-24(b)(2), 33-12-34(a), and/or West Virginia Code of State Rules § 114-14-5.2, if so, what is the remedy?

Burden of Proof

The West Virginia Offices of the Insurance Commissioner has the burden of proof to prove, by a preponderance of the evidence, that the Respondent violated the insurance laws of the State of West Virginia.

Jurisdiction

The West Virginia Offices of the Insurance Commissioner has jurisdiction over this matter under West Virginia Code § 33-12-1.

Analysis

The West Virginia Offices of the Insurance Commissioner issued an Administrative Complaint against the Respondent on January 14, 2026. In the Complaint it was alleged that the Respondent violated West Virginia Code §§ 33-12-24(b)(4), 33-12-24(b)(9), 33-12-24(b)(2), 33-12-34(a), and/or West Virginia Code of State Rules § 114-14-5.2.

¹The National Warehouse Report is contained in the National Insurance Producer Registry.

The first issue to address is whether the Respondent violated West Virginia Code § 33-12-24(b)(4) which states as follows:

(b) The Insurance Commissioner may place on probation, suspend, revoke or refuse to issue or renew an insurance producer's license, solicitor's license or excess line broker's license, or may levy a civil penalty or any combination of actions, for any one or more of the following causes:

(4) Improperly withholding, misappropriating or converting any moneys or properties received in the course of doing insurance business;

The basis of this allegation is that the Respondent misappropriated money from Morris Insurance Services' sweep account. While the Respondent first denied taking the money, once the Saint Alban's Police Department got involved and she was arrested, she admitted stealing the money. By her own admission and the investigation by the Saint Alban's Police Department, it was proven that the Respondent misappropriated money and violated West Virginia Code § 33-12-24(b)(4).

The next issue to analyze is whether the Respondent violated West Virginia Code § 33-12-24(b)(9), which states as follows:

(b) The Insurance Commissioner may place on probation, suspend, revoke or refuse to issue or renew an insurance producer's license, solicitor's license or excess line broker's license, or may levy a civil penalty or any combination of actions, for any one or more of the following causes:

(9) Using fraudulent, coercive, or dishonest practices, or demonstrating incompetence, untrustworthiness or financial irresponsibility in the conduct of business in this state or elsewhere.

As discussed above, the Respondent was taking money from Morris Insurance Services' sweep account. She failed to deposit client's payments to the sweep account and kept the money for herself. By doing this she used a dishonest business practice which demonstrated untrustworthiness. By proving that the Respondent stole money from the sweep account, the West Virginia Offices of the Insurance Commissioner proved that the Respondent violated West Virginia Code § 33-12-24(b)(9).

Count Three of the Complaint alleges that the Respondent violated West Virginia Code §§ 33-12-34(a) and 33-12-24(b)(2), which are as follows:

(a) A producer shall report to the Insurance Commissioner any administrative action taken against the producer in another jurisdiction or by another governmental agency in this state within thirty days of the final disposition of the matter. This report shall include a copy of the order, consent to order or other relevant legal documents.

(b) The Insurance Commissioner may place on probation, suspend, revoke or refuse to issue or renew an insurance producer's license, solicitor's license or excess line broker's license, or may levy a civil penalty or any combination of actions, for any one or more of the following causes:

(2) Violating any insurance laws, or violating any regulation, subpoena or order of the Insurance Commissioner or of another state's Insurance Commissioner.

The alleged violation of West Virginia Code § 33-12-24(a) is based on the fact that the Respondent failed to report that she had been arrested and charged with a felony by the Saint Alban's Police Department. Mr. Grishaber testified at the hearing that the criminal charge was not reported to the NAIC, to the National Warehouse Report or to the West Virginia Offices of the Insurance Commissioner within thirty days as required under this Code Section. By proving that the Respondent failed to inform anyone about her criminal charges, it proved that the Respondent violated West Virginia Code § 33-12-34(a).

In addition to this violation, being charged with embezzlement is a violation of West Virginia Insurance law under West Virginia Code § 33-12-24(b)(2). By proving that the Respondent embezzled money from Morris Insurance Services, it proved that she violated the Insurance Laws of the state of West Virginia.

The final allegation contained in the Complaint is whether Respondent violated West Virginia Code of State Rules § 114-14-5.2, which states as follow:

5.2. Answer of inquiries from Insurance Commissioner. -- Every insurer, producer,

or other licensee, upon receipt of any inquiry other than a notice of third-party administrative complaint from the Insurance Commissioner shall, within fifteen (15) working days of the date appearing on the inquiry, furnish the Commissioner with a complete written response to the inquiry. A "complete written response" addresses all issues raised by the claimant or the Commissioner and includes copies of any documentation requested. This subsection is not intended to permit delay in responding to inquiries by the Commissioner or his or her staff in conjunction with a scheduled examination on the insurer's premises.

Once the West Virginia Offices of the Insurance Commissioner learned of the felony charge against the Respondent, it sent a certified letter to the Respondent asking her why she had not reported the criminal charges. The Respondent failed to respond to the Commissioner's inquiry.

Under West Virginia Code of State Rules § 114-14-5.2, the Respondent had fifteen working days in which to respond. The West Virginia Offices of the Insurance Commissioner, by proving that the Respondent did not respond within the required fifteen working days, proved that the Respondent violated West Virginia Code of State Rules § 114-14-5.2.

Conclusions of Law

1. The West Virginia Offices of the Insurance Commissioner has jurisdiction over this matter under West Virginia Code § 33-12-1.

2. The West Virginia Offices of the Insurance Commissioner has the burden of proof to prove, by a preponderance of the evidence, that the Respondent violated §§ 33-12-24(b)(4), 33-12-24(b)(9), 33-12-24(b)(2), 33-12-34(a), and/or West Virginia Code of State Rules § 114-14-5.2.

3. The West Virginia Offices of the Insurance Commissioner proved, by a preponderance of the evidence, that the Respondent violated West Virginia Code § 33-12-24(b)(4) when it proved that the Respondent misappropriated money from Morris Insurance Services.

4. The West Virginia Offices of the Insurance Commissioner proved, by a

preponderance of the evidence, that the Respondent violated West Virginia Code § 33-12-24-(b)(9) when it proved that Respondent had engaged in fraudulent behavior.

5. The West Virginia Offices of the Insurance Commissioner proved, by a preponderance of the evidence, that the Respondent violated West Virginia Code § 33-12-24-(b)(11) when it proved that the Respondent failed to report that she had been charged with a crime.

6. The West Virginia Offices of the Insurance Commissioner proved, by a preponderance of the evidence, that the Respondent violated West Virginia Code of State Rules § 114-14-5.2 when it proved that the Respondent failed to timely respond to an inquiry from the Insurance Commissioner.

RECOMMENDED DECISION

It is the recommendation of the Hearing Examiner that the Complaint issued by the West Virginia Offices of the Insurance Commissioner against the Respondent is supported by the evidence and the Respondent should have her West Virginia Resident Producer License revoked and be fined \$500.00 for each count that she violated.



Mark Carbone
March 26, 2026