BEFORE ERIN K. HUNTER, INSURANCE COMMISSIONER OF WEST VIRGINIA

In re: STEPHEN JOHN CROWLEY (NPN 18486921)

Admin. Proceeding No. 26-IC-188241

FINAL ORDER

The undersigned Insurance Commissioner of the State of West Virginia hereby adopts and approves 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, Stephen John Crowley, violated W.Va. Code § 33-12C-7.

Due to the proven violations and as authorized under W.Va. Code § 33-12C-9(b)(4), it is **HEREBY ORDERED** that the nonresident surplus lines license of the Respondent is hereby revoked and the Respondent be fined $5,000.00.

The objections of any party aggrieved by this Order and 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 3rd day of August, 2026.

ERIN K. HUNTER
INSURANCE COMMISSIONER

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In Re: STEPHEN JOHN CROWLEY (NP# 18486921)

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RECOMMENDED DECISION OF THE HEARING EXAMINER

On June 15, 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., Rhonda Hartwell, Manager of the Financial Accounting Unit and Karen Callison, Senior Tax Clerk with Financial Accounting. Stephen John Crowley did not make an appearance. 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. On April 23, 2026, a certified letter was sent to Stephen John Crowley (hereinafter "Respondent ") by the West Virginia Offices of the Insurance Commissioner. The address on the letter was [redacted]. This is the same address listed with the West Virginia Offices of the Insurance Commissioner. (Tr. P. 5, 6: Ex. 1, 2)

2. The certified letter contained a copy of a Complaint filed against this licensee and a Notice of Hearing. The Respondent currently holds a West Virginia nonresident surplus lines license in West Virginia, NP # 18486921. (Ex. 2)

3. The United State Postal Service tracking document for the Administrative Complaint and Notice of Hearing indicated that the documents were received at the address on file

for the Respondent on May 2, 2026. (Tr. P. 6: Ex. 2, 3)

4. Ms. Hartwell testified that as part of her job as the Manager of the Financial Accounting Unit she oversees the tax returns for surplus line licensees. She stated that surplus line licensees are required to file quarterly tax returns even if they are zero filers. (Tr. P. 7)

5. Ms. Hartwell testified that the Respondent was late filing his annual filing for 2024. It was due on March 1, 2025, but was not submitted until March 14, 2025. The Respondent was assessed a penalty which he paid. (Tr. P. 8)

6. Returns for the first quarter, second quarter and third quarter for 2025 were not submitted until November 10, 2025. Each of these quarters were zero filings. Ms. Callison sent the Respondent an email with an assessment of $8,292.50 for the late filings of the three quarters. The Respondent asked that the penalty be waived due to excusable neglect. Ms. Drema Goolsby, Tax Unit Supervisor 1, did not waive the assessment but reduced it to $2,867.50. As of the time of the hearing the reduced assessment had not been paid. (Tr. 8-10)

7. The Respondent failed to file the annual report for 2025, which was due on March 1, 2026, and failed to file the first quarterly report which was due on April 25, 2026. (Tr. P. 10)

8. As of June 15, 2026, the day before the hearing, the Respondent owed $2,867.50 for the failure to pay the assessment for the first, second, third quarters of 2025. In addition, he has been assessed $9,391.79 for failing to file the 2025 annual report and the first quarter report for 2026. (Tr. P. 10)

9. The West Virginia Offices of the Insurance Commissioner is seeking the revocation of the Respondent's nonresident surplus lines license and a fine for late tax return. (Tr. P. 11)

Issue

Whether the Respondent violated W.Va. § 33-12C-7. 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 W.Va. Code § 33-12C-2.

Analysis

The West Virginia Offices of the Insurance Commissioner issued an Administrative Complaint against the Respondent on or about April 23, 2026. In the Complaint it was alleged that the Respondent violated W.Va. Code 33-12C-7(f)(1). This Code Section states as follows:

> (f)(1) This tax is imposed for the purpose of providing additional revenue for municipal policemen's and firemen's pension and relief funds and additional revenue for volunteer and part-volunteer fire companies and departments. This tax is required to be paid and remitted, on a calendar year basis and in quarterly estimated installments due and payable on or before the twenty-fifth day of the month succeeding the close of the quarter in which they accrued, except for the fourth quarter, in respect of which taxes shall be due and payable and final computation of actual total liability for the prior calendar year shall be made, less credit for the three quarterly estimated payments prior made, and filed with the annual return to be made on or before March 1 of the succeeding year. Provisions of this chapter relating to the levy, imposition and collection of the regular premium tax are applicable to the levy, imposition and collection of this tax to the extent that the provisions are not in conflict with this section.

The evidence at the hearing was that the Respondent filed quarterly reports for the first quarter, second quarter and the third quarter of 2025 late and was assessed a penalty for the late filing. The Respondent requested a waiver of the assessments which was denied. However, the West Virginia Offices of the Insurance Commissioner reduced the assessment from $8,292.50 to $2,867.50. As of the date of the hearing, the Respondent has not paid the reduced assessment.

In addition to the late filing for the first, second, and third quarters of 2025, the Respondent did not file the annual report for 2025 or the report for the first quarter of 2026.

By proving that the Respondent failed to pay the assessments for three quarters of 2025 and failed to file the annual report for 2025 and failed to file the report for the first quarter of 2026, the West Virginia Offices of the Insurance Commissioner proved that the Respondent violated W.Va. Code § 33-12C-7(f)(1).

Once a violation of W.Va. Code § 33-12C-7(f)(1) is proven, we must then look at W.Va. Code § 33-12C-9(b) which states as follows:

> (b) The commissioner may place on probation, suspend, revoke or refuse to issue or renew the license of a surplus lines licensee or may levy a civil penalty in a sum not to exceed $5,000 or any combination of actions after notice and hearing pursuant to section thirteen, article two of this chapter upon one or more of the following grounds:
>
> (1) Removal of the resident surplus lines licensee's office from this state;
> (2) Removal of the resident surplus lines licensee's office accounts and records from this state during the period during which the accounts and records are required to be maintained under section sixteen of this article;
> (3) Closing of the surplus lines licensee's office for a period of more than thirty business days, unless permission is granted by the commissioner;
> (4) Failure to make and file required reports;

It is clear from the evidence that the Respondent violated W.Va. Code § 33-12C-9(b)(4). Therefore, the Respondent's nonresident surplus lines license may be placed on probation, suspended or revoked or be subjected to a civil penalty.

It is the recommendation of the undersigned that the Respondent's nonresident surplus lines license should be revoked and be levied a civil penalty of $1,000.00 for each violation.

Conclusions of Law

1. The West Virginia Offices of the Insurance Commissioner has jurisdiction over this matter under W.Va. Code § 33-12C-2.

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 W.Va. Code § 33-12C-7.

3. The West Virginia Offices of the Insurance Commissioner proved, by a preponderance of the evidence, that the Respondent violated W.Va. Code § 33-12C-7 when it proved that the Respondent failed to pay the assessments for the first, second, and third quarters of 2025 and when it proved that the Respondent failed to file the 2025 annual report and the first quarter of 2026.

4. W.Va. Code § 33-12C-9(b)(4) authorizes the West Virginia Offices of the Insurance Commissioner to revoke the Respondent's nonresident surplus lines license and to levy a fine when there are violations of W.Va. Code § 33-12C-7.

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 his nonresident surplus lines license revoked and be fined $1,000.00 for each count of the Complaint that he was found to have violated.

Mark W. Carbone
July 22, 2026