BEFORE ERIN K. HUNTER, INSURANCE COMMISSIONER OF THE STATE OF WEST VIRGINIA

In re: CARLI REED **Admin. Proceeding No. 26-IC-189897**

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. The Insurance Commissioner hereby finds that the decision to deny the Respondent's application was based on her recent felony conviction for voluntary manslaughter and finds that that basis was reasonable due to the circumstances more fully contained in the Hearing Examiner's adopted findings of facts and conclusions of law.

It is **HEREBY ORDERED** that the Respondent's application for a resident producer license is denied.

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 17th day of August, 2026.

ERIN K. HUNTER
INSURANCE COMMISSIONER

BEFORE ERIN K. HUNTER, INSURANCE COMMISSIONER OF THE STATE OF WEST VIRGINIA

In Re: CARLI REED **Admin. Proceeding No. 26-IC-189897**

RECOMMENDED DECISION OF THE HEARING EXAMINER

On July 14, 2026, a hearing was held before Hearing Examiner Mark W. Carbone, Esq., at the Offices of the Insurance Commissioner, Charleston, West Virginia. Appearing on behalf of the West Virginia Offices of the Insurance Commissioner were Andrew S. Ryan, Esq. and Brittany Moles, Director of Licensing and Education. Carli Reed and Stephanie Reed appeared on behalf of Carli Reed. Following the hearing, the matter was deemed to be 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. Carli Reed (hereinafter "Respondent") applied for a resident producer license with the West Virginia Offices of the Insurance Commissioner. On her application she indicated that she had been convicted of a felony for voluntary manslaughter of her husband. The Respondent attached a statement to her application explaining the basis of her felony conviction. (Tr. P. 20, 23: Ex. 7, 8)

2. The Respondent testified that she had been involved in an abusive relationship with her husband. She stated that the relationship had reached a point where she tried to commit suicide. She went on to say that when she had a gun that she was going to use to kill herself, it went off and killed her husband. (Tr. P. 6: Ex. 1)

3. The Respondent originally was convicted of second-degree murder by jury; however, the West Virginia Supreme Court of Appeals overturned this verdict. (Tr. P. 11, 22-23: Ex. 9, 10)

4. To avoid a retrial, the Respondent agreed to enter an Alford plea to the crime of voluntary manslaughter on September 26, 2023, and sentenced for the conviction on March 4, 2024, to a definite term of fifteen (15) years of incarceration with credit given to time served. The Respondent was released on parole at the beginning of 2026. The Respondent stated that she had spent six years in prison. (Tr. P. 11, 12: Ex. 6, 11)

5. During the hearing, the Respondent acknowledged that intent to kill is an element of the crime of voluntary manslaughter. (Tr. P. 11)

6. During the hearing the Respondent presented four letters with character references. The letters were from Erin Hollen, Respondent's parole office; Elizabeth Hall, her supervisor when she worked at the FBI Fingerprint Center; James Oates, an instructor at the Central Regional Jail; and Will Gregory, a family friend and a former insurance producer. (Tr. P. 8, 13-14: Ex. 2, 3, 4, 5)

7. The West Virginia Offices of the Insurance Commissioner sent a certified letter to the Respondent denying her application for a West Virginia resident producer license. The letter stated that the license was denied because she had pled nolo contendere to the felony of voluntary manslaughter. (Tr. P. 24-25: Ex. 12)

8. Brittany Moles, Director of Licensing and Education, testified that an insurance producer, when licensed, is put into a position of trust. When there is evidence of a violent crime in an applicant's recent history that is an important factor in considering whether to approve the application. Ms. Moles considered all the core documents when deciding whether to approve the

Respondent's application. She determined that based on all the information available the license should be denied. (Tr. 22, 25)

Issue

Whether the West Virginia Offices of the Insurance Commission was unreasonable when it denied the Respondent's application for a resident insurance producer license. If so, what is the remedy?

Burden of Proof

The Respondent has the burden of proof to prove, by a preponderance of the evidence, that the West Virginia Offices of the Insurance Commissioner acted unreasonably in denying the Respondent's application for a resident insurance producer license under W. Va. Code §33-12-24(c).

Jurisdiction

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

Analysis

The Respondent's application for a resident producer license was denied by the West Virginia Offices of the Insurance Commissioner because she had entered a nolo contendere plea for voluntary manslaughter. The Respondent asserted that the application should not be denied because the felony was not a crime of dishonesty or breach of trust.

W. Va. Code § 33-12-24(c) is the code section that governs whether the Insurance Commissioner can deny an application for a producer license. In relevant part it states as follows:

> (c) In the event that the action by the Insurance Commissioner is to nonrenew or to deny an application for a license, the Insurance Commissioner shall notify the applicant or licensee and advise, in writing, the applicant or licensee of the reason for the denial or nonrenewal of the applicant's or licensee's license. The applicant

> or licensee may make written demand upon the Insurance Commissioner within ten days for a hearing before the Insurance Commissioner to determine the reasonableness of the Insurance Commissioner's action. The hearing shall be held within forty-five days and shall be held pursuant to section thirteen, article two of this chapter.

Under W. Va. Code § 33-12-24(c) the Commissioner has discretion on whether to grant an insurance producer's license as long as the decision was reasonable. In the instant matter, the Respondent pled nolo contendere to the felony of voluntary manslaughter. The West Virginia Offices of the Insurance Commissioner determined that the crime the Respondent pled nolo contendere was a violent crime and was relatively recent. Per W. Va. Code § 33-12-24(b), the Commissioner may "refuse to issue . . . an insurance producer's license" upon finding that the applicant has "been convicted of or pleaded nolo contendere to any felony."

The Respondent argues that she served six years in prison and has been rehabilitated. In support of the Respondent's assertions, she presented four character references along with the testimony of her mother. She also explained the circumstances of her crime. Namely, that she was in an abusive relationship and that she was intending to kill herself when the gun she was holding went off, killing her husband. She stated that it was an accident.

The most concerning part of the felony conviction is that the Respondent pled nolo contendere to voluntary manslaughter. Under West Virginia law in *State v. Beegle*, 188 W. Va 681, 685, 425 S.E.2d 823, 827 (1992), the West Virginia Supreme Court of Appeals held that "[t]his Court has rather consistently defined voluntary manslaughter as a sudden, intentional killing upon gross provocation and in the heat of passion."

The undersigned was surprised that the Respondent pled to voluntary manslaughter since an element of that felony is "intentional killing." While she argued at the hearing that the killing of her husband was an accident, the records clearly indicated that she pled to a charge that requires

an intention to kill. At the very least, one would think that she would have pled to involuntary manslaughter, which does not require intent.

As stated above, the Commissioner has discretion on whether to grant a producer license when the applicant has pled nolo contendere to a felony as long as the decision was reasonable. Due to the severity and recency of the conviction, the Commissioner denied the Respondent's application. This decision was reasonable based on the recent violent nature of the plea to voluntary manslaughter. That decision is well within the Commissioner's discretion and is valid under the law.

Conclusions of Law

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

2. The Respondent has the burden of proof to prove, by preponderance of the evidence, that the West Virginia Offices of the Insurance Commissioner's decision to deny the Respondent's application for a resident producer license was unreasonable under W. Va. Code § 33-12-24(c).

3. The Respondent failed to prove, by a preponderance of the evidence, that the West Virginia Offices of the Insurance Commissioner's decision to deny the Respondent's application for a resident producer license was unreasonable as required under W. Va. Code § 33-12-24(c).

4. W. Va. Code § 33-12-24(c) authorizes the West Virginia Offices of the Insurance Commissioner to deny an application for a resident producer license when the decision was reasonable.

RECOMMENDED DECISION

It is the recommendation of the Hearing Examiner that the denial of the Respondent's application for a resident producer license be upheld.

Mark W. Carbone
August 6, 2026