

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

DEBRA RICHARDS
Complainant,

v.

ADMINISTRATIVE PROCEEDING NO.:25-IC-181654

STATE FARM MUTUAL AUTOMOBILE INSURANCE COMPANY,
Respondent.

FINAL ORDER


The undersigned Insurance Commissioner of the State of West Virginia, does 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. The Complainant failed to prove that the Respondent violated any West Virginia Code Section or any West Virginia Code of State Rules. Therefore, the Complainant's complaint should be dismissed.

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.

THEREFORE, it is **HEREBY ORDERED** that the Complaint by Debra Richards is denied.

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

ENTERED this 13th day of November, 2025.



Allan L. McVey, Insurance Commissioner
CPCU, ARM, AAI, AAM, AIS

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**RECOMMENDED DECISION
OF THE HEARING EXAMINER**

On September 16, 2025, a hearing was held before Hearing Examiner Mark W. Carbone, Esquire, at the Office of the Insurance Commissioner, Charleston, West Virginia. Debra Richards (hereinafter "Complainant") appeared pro se and by telephone. Sabrena Olive Gillis, Esquire and Wendy Riggs-Ritchie appeared on behalf of State Farm Mutual Automobile Insurance Company (hereinafter "Respondent") 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. The Complainant lives at [REDACTED] Glade Hill, Virginia and had a 2017 Nissan Rogue automobile insured by the Respondent. (Tr. P. 6, 9)
2. The Complainant first obtained insurance coverage from the Respondent on December 7, 2022. There was a down payment of \$73.72 on December 6, 2022. Her first premium

was due on December 28, 2022. The premiums were automatically deducted on the twenty-eighth of every month. (Tr. P. 10, 30-31)

3. On March 17, 2025, the Complainant cancelled her policy with the Respondent. A premium of \$129.65 had been paid on February 28, 2025, and again a premium payment of \$129.65 was deducted from the Complainant's bank account on March 28, 2025. (Tr. P. 7)

4. The Respondent refunded the Complainant \$82.18 after the cancellation. The Complainant alleges that she was entitled to a refund of \$185.81. The basis of the Complainant's assertion is that the Respondent should not have taken the premium on March 28, 2025, and that the Complainant was entitled to a refund for the period of March 17, 2025, until March 28, 2025. (Tr. P. 6-8)

5. The Respondent's position is that the premium paid on February 28, 2025, paid for coverage from February 7, 2025, until March 7, 2025. The premium paid on March 28, 2025, covered a period from March 7, 2025, until April 7, 2025. Therefore, the Complainant was only entitled to a refund for the period of March 18, 2025, until April 7, 2025. The refund for that period would be \$82.18. (Tr. P. 17-18)

6. It used to be standard practice for the Respondent to have insureds pay for the month ahead. In other words, if a payment were made on the first day of the month, the premium would be in effect until the end of the month. (Tr. P. 24)

7. The Respondent changed its standard practice several years ago to allow the insured to have more flexibility. This change allowed the Complainant to pick the date that her premium would be paid. The Complainant chose to have her payment withdrawn from her account on the twenty-eighth of the month. Under this new practice, the premium payment made by the Complainant would cover a period prior to and after the date the payment was made. (Tr. P. 22,

24-25)

8. This practice was explained to the Complainant during the hearing, however, the Complainant still insisted that her premium payment covered the period from February 28, 2025, until March 17, 2025. (Tr. P. 31-32)

9. On April 8, 2025, the Respondent sent the Complainant an Acknowledgement of Cancellation Request. The Request stated that the cancellation was effective on March 18, 2025, at 12:01 a.m. This was done to ensure that the Complainant had coverage for the entire day of March 17, 2025. (Tr. P. 19-20; Ex. 2)

10. During the hearing, the Respondent provided the hearing examiner a breakdown of the premium payments from May 28, 2023, until cancellation. The Hearing Examiner asked for a breakdown of all premium payments from the inception of the policy, December 7, 2022, until cancellation. This information was provided after the hearing and is incorporated into this decision. (Tr. P. 33-34; Ex. 3, 4)

11. It appears, from the two breakdowns, that the premium paid on the twenty-eighth of the month paid for coverage beginning on the seventh of the month until the seventh of the next month. (Ex. 3, 4)

Issue

Whether the Respondent violated the insurance laws of the State of West Virginia? If so, what is the remedy?

Burden of Proof

The Complainant 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 § 33-11-1.

Analysis

This dispute arises from the belief of the Complainant that she is entitled to larger refund than was sent to her by the Respondent after she cancelled her policy on March 17, 2025.

The Complainant makes her claim for a larger refund because she believes that her payment of February 28, 2025, provided her coverage until March 28, 2025. She believes that she is entitled to a refund for the period of March 17, 2025, until March 28, 2025. In addition, the Complainant believes that the Respondent erroneously took another premium on March 28, 2025, to cover the period of March 28, 2025, until April 28, 2025.

The Respondent asserts that the payment of February 28, 2025, paid premium for February 7, 2025, until March 7, 2025. The premium payment made on March 28, 2025, covered the premium from March 7, 2025, until April 7, 2025. Since the policy was cancelled March 17, 2025, the Complainant is only entitled to a refund for the period from March 17, 2025, until April 7, 2025. This amount is \$82.18.

The Complainant has the burden of proof to prove, by a preponderance of the evidence, that she is entitled to more refund than what was provided by the Respondent. The only proof that was offered by the Complainant is her belief that she paid her premium on the twenty-eighth of the month and that payment provided coverage until the twenty-eighth of the next month. No documentation was presented in support of her contention.

The Respondent presented evidence, both by Ms. Riggs-Ritchie and through documentation, that it is the current procedure to let the insured pick the premium payment date

which may result in the premium payment providing coverage for a period of time before the premium payment and for a period of time after the premium payment.

In this case, the first premium payment was made on December 28, 2022, but coverage began on December 7, 2022. Therefore, from the very inception of the policy, the premiums covered the period from December 7, 2022, until January 7, 2023. This means that the first premium provided coverage for twenty-one days before the premium was paid and for ten days after the premium was paid.

The chart provided by the Respondent supports the contention that the premium payments provided coverage for twenty-one days before it was paid and for ten days after the premium payment.

It is understandable that the Complainant believes that the payment on twenty-eighth of a month would provide coverage for the next thirty or thirty-one days. However, as was proven by the Respondent, it has not been the practice of the Respondent to pre-pay the premium for several years.

The Complainant failed to meet her burden of proof.

Conclusions of Law

1. The West Virginia Offices of the Insurance Commission have jurisdiction over this matter by virtue of West Virginia Code Chapter 33-11-1.
2. The Complainant has the burden of proof to prove, by a preponderance of the evidence, that the Respondent violated any West Virginia Code or West Virginia State Rule.
3. The Complainant failed to prove that the Respondent violated any West Virginia Code Section or any West Virginia Code of State Rules, by a preponderance of the evidence.

RECOMMENDED DECISION

It is the recommendation of the Hearing Examiner that the Complainant failed to prove that the Respondent violated any West Virginia Code Section or any West Virginia Code of State Rules. Therefore, the complaint should be dismissed.

Respectfully recommended,


MARK W. CARBONE