



# CY2025 Annual Report

Allan L. McVey  
Insurance Commissioner

The information in this report reflects the current financial condition and economic importance of the overall insurance industry in West Virginia.



STATE OF WEST VIRGINIA

*Offices of the Insurance Commissioner*

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Allan L. McVey  
Insurance Commissioner

March 12, 2026

The Honorable Patrick Morrisey  
Governor of the State of West Virginia  
State Capitol Complex  
Charleston, WV 25305

Dear Governor Morrisey:

The Annual Report of the Insurance Commissioner of the state of West Virginia for the calendar year 2025 is hereby submitted in accordance with Chapter 33, Article 2, Section 15, of the Code of West Virginia. An Executive Summary immediately follows this memorandum.

The information contained in this report reflects the economic importance and current financial condition of the insurance industry in our state. The information and statements in this report align with the insurance statistics as well as the Offices of the Insurance Commissioner's functions, operations and activities occurring during 2025 as is required of this report.

Respectfully submitted,

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

ALM/trj

Enclosure



## EXECUTIVE SUMMARY

This report to the Governor of West Virginia provides details of the previous calendar year operations and activities of the West Virginia Offices of the Insurance Commissioner (OIC). The report is divided into three major sections. Each section is detailed below.

**Section 1** of this report highlights the organization of the office and provides detail for \$261.8 million in total revenue collected from the previous fiscal year. It includes an interdepartmental organizational chart, historical list of insurance commissioners, and proceeds to identify the individual revenue funds managed by the OIC.

**Section 2** of this report further identifies the functional divisions of this office and enumerates each division's individual activities during the past year. A summarization of those activities follows:

- The **Board of Review** (Workers' Compensation) exercises exclusive jurisdiction over all objections (also called protests) from decisions issued by the Insurance Commissioner, private carriers, and self-insured employers pursuant to W. Va. Code §23-5-11a.
- The **Office of Consumer Advocacy** assisted consumers with first- and third-party complaints which yielded financial awards totaling \$51,026.68 in 2025. The Office of Consumer Advocacy also participated in the review of 49 Certificate of Need applications.
- The **Financial Accounting Division** is responsible for the preparation of the agency's financial statements. In 2025, the Division received its twentieth consecutive unmodified or "clean" opinion on the audited financial statements. The Financial Accounting Division also prepares monthly financial reports, the agency's annual budget, and manages any federal grant funds. The Division is responsible for the agency's cash management and investment processing. During 2025, the Financial Accounting Division collected \$380,522,797 in revenues and issued \$207,851,194 in disbursements and provided fiscal oversight for \$1.2 billion in assets. The Division includes the Tax Unit which collects premium taxes and surcharges for approximately 3,858 insurance companies and surplus lines licensees licensed in West Virginia.
- The **Financial Conditions Division** is responsible for the licensing, financial monitoring, and financial examinations of the insurance companies/entities admitted to do business in West Virginia, ensuring that policyholders are secure in purchasing insurance products from financially solvent and compliant insurance companies. The Division oversaw a total of 3,021 separate insurance entities transacting business in West Virginia during 2025.
- The **Legal Division** provides legal counsel to the Insurance Commissioner and staff, drafts and promulgates statutes, investigates code/rule violations, responds to litigation, holds hearings and coordinates receivership activities. During 2025, the Division received 894 referrals to the Regulatory Compliance Unit which resulted in 103 orders issued totaling \$2,319,987 in fines.
  - The **Market Conduct Unit** performs analysis and examinations of insurance companies doing business in West Virginia for the purpose of determining statutory compliance. In 2025, the unit conducted forty-two (42) level one and twenty-nine (29) level two analysis reviews of licensed companies relating to compliance. Thirty-two (32) Signed Orders were entered by the Insurance Commissioner with assessed penalties totaling \$216,000.00 because of violations discovered during various examinations and other regulatory actions performed by the Market Conduct Unit.

- The **Licensing and Education Division** presides over licensing, processing, and maintaining records for more than 244,000 licensees transacting insurance business in West Virginia. In 2025, over 408,000 company appointments and appointment cancellations were processed and monitored by the Division. The Division maintains ongoing compliance with all Federal Bureau of Investigation (FBI) and West Virginia State Police criminal background search requirements. The Division monitors both professional bail bonds and surety bail bond license holders.
- The **Life and Health Division** is responsible for establishing policies and procedures, analyzing filings, and examining complaints related to the regulation of Life and Health insurance.
- The **Property and Casualty Division** handles inquiries and complaints from our consumers about their automobile, homeowners and other property and casualty lines of insurance. The Division also reviews and performs dispositions on proposed rates and forms for all regulated property and casualty lines of insurance in West Virginia.
- The **Special Investigations Division (Office of the Inspector General)** is responsible for facilitating a cooperative approach in the detection, investigation, and prosecution of insurance fraud as well as making the public aware of insurance fraud and providing a way to report instances of suspected insurance fraud. In 2025, the Division received a total of 1,094 insurance fraud referrals from the insurance industry, public and law enforcement. The Special Investigations Division conducted 340 field investigations, identified \$22.5M of fraudulent activity resulting in 96 indictments and warrants issued.
- The **State Agency Workers' Compensation (SAWC) Program** is a group insurance policy that provides workers' compensation coverage for approximately 100 state agencies and boards. The program includes over 900 locations throughout the state and provides coverage for approximately 25,000 state employees.
- The **Workers' Compensation Division** is comprised of four (4) workers' compensation units. This division receives, reviews, investigates, and processes applications for benefits from the West Virginia Uninsured Employer Fund. Regulatory duties also include Managed Health Care Plans and Professional Employer Organizations. The separate units are Claims Services, Employer Coverage, Revenue Recovery and Self-Insurance.
  - The **Claims Services Unit** provides oversight of the claims management of the State-run workers' compensation funds. Those funds include the Old Fund, the Coal Worker's Pneumoconiosis Fund, the Uninsured Employer Fund, the Self-Insured Guaranty Fund and the Self-insured Security Fund. In addition, the Claims Services Unit is responsible for supporting the Occupational Pneumoconiosis (OP) Board and for maintaining the claims index, which includes monitoring the claims data submitted by insurers and third-party administrators via Electronic Data Interchange (EDI).
  - The **Employer Coverage Unit** is the point of contact for other State agencies and individuals regarding confirmation of workers' compensation compliance. Additionally, the Unit is responsible for confirming coverage, or lack thereof, for claims filed against the Coal Workers' Pneumoconiosis Fund and the Uninsured Employer Fund.

- The **Revenue Recovery Unit** is responsible for the collection of all monies due to the Uninsured Employers' Fund and the Old Fund. Monies collected on behalf of the Uninsured Employers' Fund include fines imposed upon employers operating without the statutorily mandated workers' compensation coverage and reimbursements for the costs associated with injuries incurred by employees of uninsured companies.
- The **Self-Insurance Unit** is responsible for regulating 48 employers that currently self-insure their workers' compensation coverage in West Virginia and approximately 100 employers who no longer self-insure but continue to administer claims incurred during their periods of self-insurance. The Unit also monitors the claim data submitted by self-insured employers via Electronic Data Interchange (EDI). The Industrial Council approved five companies for self-insured status during their November 2025 meeting. The effective date of self-insurance for each of the new self-insured employers is January 1, 2026.

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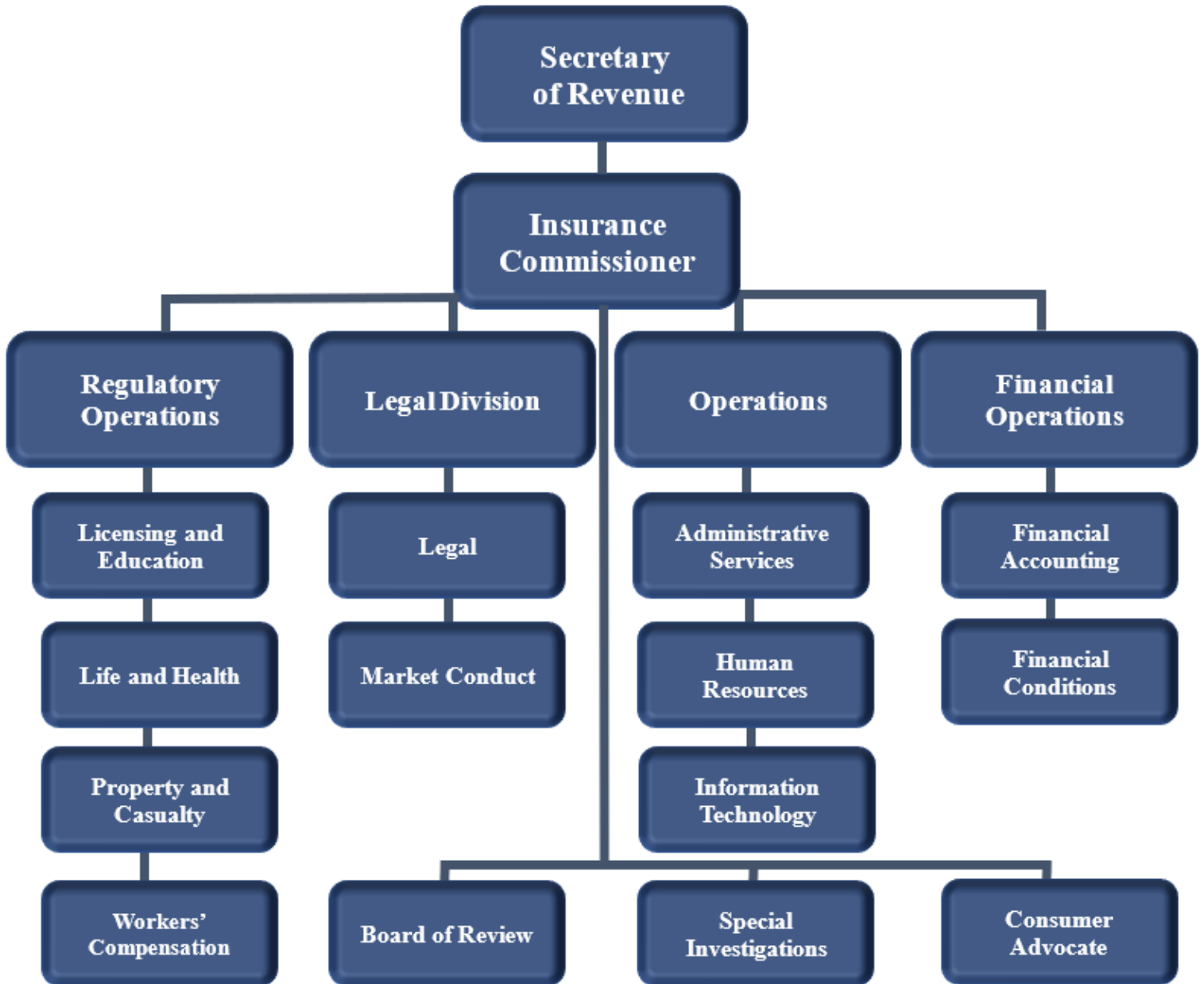
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SECTION 1: GENERAL

ORGANIZATIONAL CHART



## WEST VIRGINIA INSURANCE COMMISSIONERS

<b>D. S. Butler</b>	July 1, 1947 to April 30, 1948
<b>Robert A. Crichton</b>	May 1, 1949 to June 30, 1952
<b>Hugh N. Mills</b>	July 1, 1952 to June 30, 1953
<b>Thomas J. Gillooly</b>	July 1, 1953 to September 30, 1956
<b>Louis Miller, Jr.</b>	October 1, 1956 to June 30, 1957
<b>Harold E. Neely</b>	July 1, 1957 to February 5, 1958
<b>C. Judson Pearson</b>	February 7, 1958 to January 15, 1961
<b>Hugh N. Mills</b>	January 16, 1961 to May 16, 1961
<b>Virginia Mae Brown</b>	May 17, 1961 to September 3, 1962
<b>Harlan Justice</b>	September 4, 1962 to January 15, 1966
<b>Frank Montgomery</b>	January 16, 1966 to September 30, 1968
<b>Robert J. Shipman</b>	October 1, 1968 to January 30, 1969
<b>Samuel H. Weese</b>	January 31, 1969 to January 16, 1975
<b>Donald W. Brown</b>	January 16, 1975 to January 14, 1977
<b>Richard G. Shaw</b>	January 17, 1977 to January 11, 1985
<b>Fred L. Wright</b>	February 21, 1985 to June 30, 1988
<b>Hanley C. Clark</b>	July 1, 1988 to January 17, 1989*
<b>Hanley C. Clark</b>	January 18, 1989 to January 15, 2001
<b>Jane L. Cline</b>	January 15, 2001 to June 30, 2011
<b>Michael D. Riley</b>	July 1, 2011 to January 8, 2012*
<b>Michael D. Riley</b>	January 9, 2012 to January 31, 2017
<b>Andrew R. Pauley</b>	February 1, 2017 to March 31, 2017*
<b>Allan L. McVey</b>	April 1, 2017 to January 24, 2019
<b>Erin K. Hunter</b>	January 25, 2019 to March 1, 2019*
<b>James A. Dodrill</b>	March 2, 2019 to September 21, 2021
<b>Allan L. McVey</b>	September 22, 2021 to present

*\*Acting Insurance Commissioner during interim period*

## FINANCIAL INFORMATION

### FEES AND TAXES COLLECTED DURING THE LAST 5 FISCAL YEARS

	FY 2021	FY 2022	FY 2023	FY 2024	FY2025
<b><u>GENERAL REVENUE</u></b>					
INSURER EXAMINATION ASSESSMENT FEE	\$563,629	\$617,811	\$596,871	\$575,634	\$612,950
PENALTY FEE	\$196,667	\$894,283	\$1,069,667	\$858,989	\$2,668,422
INSURANCE TAX FUND	\$117,465,268	\$134,752,448	\$134,348,212	\$142,885,013	\$153,701,952
<b>TOTAL FOR GENERAL REVENUE</b>	<b>\$118,225,564</b>	<b>\$136,264,542</b>	<b>\$136,014,750</b>	<b>\$144,319,636</b>	<b>\$156,983,324</b>
<b><u>SPECIAL REVENUE</u></b>					
INSURER EXAMINATION ASSESSMENT FEES	\$975,800	\$1,042,300	\$998,200	\$952,700	\$1,028,300
FEES & CHARGES	\$36,749,322	\$36,906,012	\$39,683,096	\$38,416,832	\$40,215,089
FIRE MARSHAL	\$2,201,978	\$2,317,662	\$2,471,066	\$2,686,989	\$2,841,963
MUN. PENSION & PROTECTION FUND	\$27,602,477	\$32,985,428	\$35,945,430	\$38,163,430	\$41,995,626
VOL. FIREMEN & TEACHERS RETIREMENT	\$12,888,827	\$15,297,811	\$16,326,620	\$17,217,551*	\$18,991,853
WC DEBT REDUCTION SURCHARGE	\$(1,546,854)	(\$291,470)	(\$1,671,490)	(\$99,071)	(\$266,006)
<b>TOTAL FOR SPECIAL REVENUE</b>	<b>\$78,871,550</b>	<b>\$88,257,743</b>	<b>\$93,752,922</b>	<b>\$97,338,431</b>	<b>\$104,806,825</b>
<b>GRAND TOTAL COLLECTED</b>	<b>\$197,097,114</b>	<b>\$224,522,285</b>	<b>\$229,767,672</b>	<b>\$241,658,067</b>	<b>\$261,790,149</b>

\* During FY 2024, there was an additional \$12,000,000 received in the Fire Protection Fund in addition to the revenue collected by the OIC reported above. There was \$6,000,000 received in August 2023 per SB 1022 and \$6,000,000 in June 2024 per HB 5128, which was transferred to the Fire Protection Fund 1315 in August 2023 and June 2024, respectively. The above amount for FY 2024 does not include this additional revenue.

**APPROPRIATED EXPENDITURE SCHEDULE  
EXAMINATION FUND 7150  
FISCAL YEAR 2025  
JULY 1, 2024 - JUNE 30, 2025**

**APPROPRIATED**

Personal Services	-	
Increment	-	
Employee Benefits	-	
Other Expenses	<u>2,243,394</u>	
		<u>\$2,243,394</u>

**ACTUAL EXPENDITURES**

Personal Services	-	
Increment	-	
Employee Benefits	-	
Other Expenses	<u>146,357</u>	
TOTAL EXPENDITURES		146,357

**APPROPRIATION BALANCE**

Personal Services	-	
Increment	-	
Employee Benefits	-	
Other Expenses	<u>2,097,037</u>	
TOTAL FUNDS REMAINING		<u>2,097,037</u>
		<u>\$2,243,394</u>

**APPROPRIATED EXPENDITURE SCHEDULE  
 CONSUMER ADVOCATE FUND 7151  
 FISCAL YEAR 2025  
 JULY 1, 2024 - JUNE 30, 2025**

**APPROPRIATED**

Personal Services	430,476	
Increment	7,968	
Employee Benefits	164,143	
Other Expenses	<u>265,702</u>	
		<u>\$868,289</u>

**ACTUAL EXPENDITURES**

Personal Services	218,865	
Increment	2,160	
Employee Benefits	78,792	
Other Expenses	<u>29,218</u>	
TOTAL EXPENDITURES		329,035

**APPROPRIATION BALANCE**

Personal Services	211,611	
Increment	5,808	
Employee Benefits	85,351	
Other Expenses	<u>236,484</u>	
TOTAL FUNDS REMAINING		<u>539,254</u>
		<u>\$868,289</u>

**APPROPRIATED EXPENDITURE SCHEDULE  
INSURANCE COMMISSION FUND 7152  
FISCAL YEAR 2025  
JULY 1, 2024 - JUNE 30, 2025**

**APPROPRIATED**

Personal Services	15,791,762	
Increment	506,922	
Employee Benefits	7,189,481	
Other Expenses	<u>9,244,060</u>	
		<u>\$32,732,225</u>

**ACTUAL EXPENDITURES**

Personal Services	10,342,047	
Increment	163,191	
Employee Benefits	3,286,081	
Other Expenses	<u>7,193,113</u>	
TOTAL EXPENDITURES		20,984,432

**APPROPRIATION BALANCE**

Personal Services	5,449,715	
Increment	343,731	
Employee Benefits	3,903,400	
Other Expenses	<u>2,050,947</u>	
TOTAL FUNDS REMAINING		<u>11,747,793</u>
		<u>\$32,732,225</u>



# Basic Financial Statements

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To view the OIC's FY2025 Financial Statements in their entirety, as well as access prior years' Financial Statements, please refer to the [OIC website](#).

## West Virginia Offices of the Insurance Commissioner

### Statement of Net Position

June 30, 2025 (In Thousands)

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	\$ 73,635	\$ 1,171,334	\$ 1,244,969
Receivables, net:			
Statutory allocations	-	36	36
Assessments	187	114	401
Employer surcharge	3,402	-	3,402
Premiums	-	10	10
Other	4	363	367
Prepaid assets	342	1,473	1,815
Loss reserve fund	-	9,178	9,178
Total current assets	<u>77,670</u>	<u>1,182,508</u>	<u>1,260,178</u>
<b>NONCURRENT ASSETS</b>			
Other receivables	71	-	71
Net pension asset, restricted	888	-	888
Net OPEB asset, restricted	33	-	33
Capital assets, net	254	-	254
Lease assets-building, net	107	-	107
SBITA assets, net	758	-	758
Total noncurrent assets	<u>2,111</u>	<u>-</u>	<u>2,111</u>
Total assets	<u>79,781</u>	<u>1,182,508</u>	<u>1,262,289</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows related to pension	2,170	-	2,170
Deferred outflows related to OPEB	224	-	224
Total deferred outflows of resources	<u>2,394</u>	<u>-</u>	<u>2,394</u>
Total assets and deferred outflows of resources	<u>82,175</u>	<u>1,182,508</u>	<u>1,264,683</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Estimated liability for unpaid claims and claim			
Adjustment expense	-	104,300	104,300
Compensated absences	439	-	439
Accrued expenses and other liabilities	309	52	261
Short-term lease liability	56	-	56
Short-term SBITA liability	227	-	227
SBITA interest payable	3	-	3
Total current liabilities	<u>934</u>	<u>104,352</u>	<u>105,286</u>
<b>NONCURRENT LIABILITIES</b>			
Estimated liability for unpaid claims and claim			
Adjustment expense	-	846,200	846,200
Compensated absences	577	-	577
Long-term Lease liability	60	-	60
Long-term SBITA liability	78	-	78
Total noncurrent liabilities	<u>715</u>	<u>846,200</u>	<u>846,915</u>
Total liabilities	<u>1,649</u>	<u>950,552</u>	<u>952,201</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows related to pension	1,115	-	1,115
Deferred inflows related to OPEB	210	-	210
Total deferred inflows of resources	<u>1,325</u>	<u>-</u>	<u>1,325</u>
Total liabilities and deferred inflows of resources	<u>2,974</u>	<u>950,552</u>	<u>953,526</u>
<b>NET POSITION</b>			
Invested in capital, lease, and SBITA assets, net of related debt	695	-	695
Restricted for:			
Bail bondsmen	160	-	160
Pension and OPEB	921	-	921
WC old fund	-	77,126	77,126
Coal workers' pneumoconiosis	-	54,461	54,461
Uninsured fund	-	19,167	19,167
Self-insured funds	-	71,008	71,008
State entities workers' compensation			
Program fund	-	10,194	10,194
Unrestricted	77,425	-	77,425
Total net position	<u>\$ 79,201</u>	<u>\$ 231,956</u>	<u>\$ 311,157</u>

## West Virginia Offices of the Insurance Commissioner

### Statement of Activities

For the Year Ended June 30, 2025 (In Thousands)

Functions/Programs	Expenses and Claims Provisions	Program Revenues	Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Governmental Activities	Business-Type Activities	Totals
<b>Primary Government</b>					
Governmental activities					
General government	\$ 20,212	\$ 41,376	\$ 21,164	\$ -	\$ 21,164
Depreciation, unallocated	125	-	(125)	-	(125)
Lease amortization, unallocated	529	-	(529)	-	(529)
Total governmental activities	20,866	41,376	20,510	-	20,510
Business-type activities					
Workers' compensation	39,926	701	-	(39,225)	(39,225)
State entities workers'					
Compensation program fund	8,171	6,396	-	(1,775)	(1,775)
Total business-type activities	48,097	7,097	-	(41,000)	(41,000)
Total primary government	\$ 68,963	\$ 48,473	20,510	(41,000)	(20,490)
General revenues:					
Investment earnings			30	112,872	112,902
Severance tax			-	36	36
Total general revenues			30	112,908	112,938
Change in net position before on behalf payments					
			20,540	71,908	92,448
Payments on behalf of the WVIOC					
			55	-	55
Change in net position					
			20,595	71,908	92,503
Net position, beginning of year					
			58,606	160,048	218,654
Net position, end of Year					
			\$ 79,201	\$ 231,956	\$ 311,157

## SECTION 2: DIVISION REPORTS

### BOARD OF REVIEW (WORKERS' COMPENSATION)

The statutory role of the Workers' Compensation Board of Review is set forth in W. Va. Code §§23-5-9a and 23-5-11a. W. Va. Code §23-5-9a provides in part as follows: "Objections to a decision of the Insurance Commissioner, private carrier, or self-insured employer, whichever is applicable, made pursuant to the provisions of §23-5-1a of this code, shall be filed with the Workers' Compensation Board of Review."

Pursuant to W. Va. Code §23-5-11a, the Board is composed of five attorneys who are appointed by the Governor. In 2025, the Board moved to 112 California Avenue. Two Hearing Examiners retired, and one Hearing Examiner was hired in 2025.

The primary goal of the Board of Review is to resolve protests in a fair, efficient, and timely manner. The Board of Review is governed by procedural rules found in 102 CSR 1, Rules of Practice and Procedure. At the conclusion of the protest process, the Board issues a written decision, which may be appealed to the Intermediate Court of Appeals as set forth in W. Va. Code §23-5-12a.

## CONSUMER ADVOCATE DIVISION

In 2025, the Office of Consumer Advocate served the interests of the West Virginia insurance consumer and fulfilled the expanded duties conferred upon the Office in the tort reform measures passed in 2005 in Senate Bill 418. A large portion of the Office of the Consumer Advocate's time and resources were devoted to first- and third-party administrative cases.

During 2025, the efforts of the Office of the Consumer Advocate on behalf of West Virginia insurance consumers included:

- Yielded financial awards totaling \$51,026,68 which went directly into the pockets of the consumers.
- Reviewed 49 Certificate of Need applications.
- Participated in mandatory continuing legal education with a focus on insurance and consumer related education.
- Monitored legislation that may potentially affect West Virginia consumers.
- Stayed informed of any cases before the West Virginia Supreme Court of Appeals and the West Virginia Intermediate Court of Appeals regarding insurance law issues.
- Read any pertinent opinions and attended or watched via live web camera oral arguments at the Supreme Court and Intermediate Court when insurance related cases were on either Court's docket.
- Maintained progress toward the ongoing goal of consumer outreach and education, including fielding hundreds of calls and contacts from consumers.

### REPRESENTATION IN FIRST- AND THIRD-PARTY ADMINISTRATIVE HEARINGS

In 2025, the Office of the Consumer Advocate provided formal representation to insurance consumers in eighty-six (86) consumer complaints before the OIC.

### FIRST-PARTY COMPLAINTS

The Office of the Consumer Advocate worked forty-nine (49) first-party cases in 2025. The results of said cases are as follows:

- A total of \$1,646.77 was awarded directly to West Virginia consumers in the form of settlements in one (1) of the consumer complaints.
- In three (3) consumer complaint cases, the consumers retained private counsel.
- In thirty-one (31) consumer complaint cases, the consumer failed to request representation.
- In four (4) consumer complaint cases, the consumer opted to withdraw the complaint.
- In ten (10) consumer complaint cases, the matters were still pending at the end of 2025.

### THIRD-PARTY COMPLAINTS

The Office of the Consumer Advocate worked thirty-seven (37) third-party cases in 2025. The results of said cases are as follows:

- A total of \$49,379.91 was awarded directly to West Virginia consumers in the form of settlements in ten (10) of the consumer complaints.
- In eleven (11) consumer complaint cases, the consumer retained private counsel.
- In nine (9) consumer complaint cases, the consumer failed to request representation.
- In four (4) consumer complaint cases, the consumer opted to withdraw the complaint.
- In three (3) consumer complaint cases, the matters were still pending at the end of 2025.

### CERTIFICATE OF NEED REVIEWS

In 2025, the Office of the Consumer Advocate participated in the review of 49 Certificate of Need (CON) applications before the Health Care Authority.

## FINANCIAL ACCOUNTING DIVISION

The Financial Accounting (FA) Division is responsible for the preparation of the annual audited financial statements for the OIC which includes preparation of the trial balance, footnotes, required supplementary information, and other disclosures as required by Generally Accepted Accounting Principles (GAAP.) The FA Division works closely with consulting actuaries to assist with the annual reserve study of the OIC's claims liabilities. Work performed includes the preparation and coordination of data and the preliminary review and analysis of actuarial indications. The FA Division coordinates the information for the independent auditors and provides all supporting documentation for the financial statement.

The FA Division performs all daily cash management and investing activities of the OIC, and serves as the liaison with the Treasurer's Office, the Auditor's Office, the WV Investment Management Board, and the Board of Treasury Investments. The FA Division monitors investment performance and performs monthly investment analysis for all invested assets held by the OIC.

Daily operations of the FA Division include accounts payable processing through the State's accounting system. The FA Division coordinates with the OIC's contracted Third-Party Administrators and claims services to disburse the claims payments to beneficiaries of the insurance programs administered by the OIC, including the workers' compensation related funds. The FA Division is also responsible for handling and processing all the OIC's cash receipts through the State's accounting system and for depositing all non-lockbox checks with the Treasurer's Office.

The FA Division prepares and submits the OIC annual budget, as well as the appropriation and expenditure schedules as required for all OIC funds. The FA Division prepares and monitors budgets for sixteen separate OIC funds. An analysis of budget to actual expenditures is also prepared and analyzed.

The FA Division prepares and distributes monthly financial reports to the Commissioner. The OIC funds reported on a monthly basis consist of the Workers' Compensation Old fund, the State Entities Workers' Compensation fund, the Coal Workers' Pneumoconiosis fund, the Self-Insured Guaranty fund, the Self-Insured Security fund, the Uninsured fund, the Insurance Commissioner fund, the AccessWV fund, the Examination Revolving fund, the Consumer Advocate fund, the Unfair Claims Settlement Practice Trust fund, the Workers' Compensation Debt Reduction fund, the Consolidated Federal funds, the Insurance Fraud Prevention fund, the Bail Bondsmen Cash Security fund and the Closed Estate fund. These reports are used for internal analysis and for use at legislative interim meetings.

The FA Division is responsible for the management and administration of federal funds for the agency including preparation of required reports and the drawing down of funds on the federal payment management system.

The Tax Unit in the FA Division is responsible for ensuring that insurance companies and brokers operating in West Virginia report and pay the appropriate taxes levied by West Virginia statutes. This process involves the reconciliation of companies' quarterly reports and payments to their year-end tax returns. This function also includes tracking and collection of taxes generated by the surplus lines market. Surplus lines refer to business placed with companies that are not admitted in West Virginia. This occurs when certain lines of business are not readily available from companies licensed in West Virginia. Coverage is written with these surplus lines' insurers by a licensed insurance broker that has obtained an excess lines broker's license from the Licensing and Education Division. The surplus lines licensee must provide reports to the Tax Unit on individual policies written and remit the appropriate tax payment as detailed by the West Virginia Code.

The Tax Unit is responsible for the collection of the examination assessment which covers the cost of examining the activities, operations, financial conditions and affairs of all persons transacting the business of insurance in WV and all persons otherwise subject to the jurisdiction of the commissioner. The assessment must be paid by July 1st of each year. This examination is performed in accordance with the guidelines set by the National Association of Insurance Commissioners (NAIC).

## FINANCIAL ACCOUNTING ACCOMPLISHMENTS FOR 2025

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- Received a twentieth consecutive unmodified or “clean” opinion on the OIC’s financial statements.
- Performed year end work on an interim basis when possible and greatly reduced the amount of time necessary for the completion of the annual financial statement preparation.
- Prepared and distributed monthly financial reports for all OIC funds on a timely basis.
- Prepared the annual budget and all related documents on a timely basis.
- Collected \$255,220 for underpayment of taxes and \$329,957 in penalties and interest in 2025 for the prior calendar year.
- Achieved all formal staff training goals and objectives.

## FINANCIAL CONDITIONS DIVISION

The primary functions of the Financial Conditions (FC) Division include, but are not limited to:

- Licensing/Registration/Compliance Monitoring of Insurance Risk-Bearing Entities and Other Regulated Entities
- Financial Surveillance of Admitted Insurance Companies
- Financial Analysis and Financial Examinations of Domestic Insurance Companies

The types of insurance companies/entities licensed and monitored include, but are not limited to, traditional Life and Health and Property and Casualty insurers as well as health care corporations and Health Maintenance Organizations (HMOs). The FC Division is also responsible for registering, licensing and/or monitoring Risk Retention Groups, Risk Purchasing Groups, Managing General Agents, Third-Party Administrators, Reinsurance Intermediaries, Viatical Settlement Providers, Charitable Gift Annuities, and Surplus Lines Insurers planning to do business in the state of West Virginia.

Prior to being admitted, companies must file an application with the OIC. The FC Division utilizes the National Association of Insurance Commissioners (NAIC) Uniform Certificate of Authority Application (UCAA) process which is designed to allow insurers to file copies of the same application for admission in numerous jurisdictions. These applications, either foreign or domestic, are reviewed by the FC Division to ensure that all applicable insurance laws and regulations have been satisfied regarding the companies' general corporate organization and financial strength. Recommendations are then made to the Commissioner as to the admissibility of the applicant companies.

Companies admitted by the OIC are then monitored by the FC Division to ensure they maintain financial stability and solvency requirements necessary for the protection of West Virginia policyholders. Monitoring of the insurance industry is effectuated through complex analysis and/or financial examinations performed by Financial Analysts and Certified Financial Examiners.

The FC Division is also responsible for processing various corporate amendments submitted by a licensed entity. Corporate amendments include, but are not limited to, name changes, re-domestications, mergers, and amendments to articles of incorporation or bylaws.

2025 TOTAL CORPORATE AMENDMENTS	
Modifications/Address Changes	100
Amended By-Laws/Articles	75
New Applications	72
Withdrawal/Expired	49
Acquisitions (Change of Control)	39
Redomestications	27
Name Changes	21

2025 TOTAL CORPORATE AMENDMENTS	
Expansion Applications	16
Extension of Authority	15
Mergers	8
Deletion of lines of authority	5
Conversions	3
Assumptions	1

## LEGAL DIVISION

The OIC's Legal Division performs many functions including providing legal counsel to the OIC and all associated divisions thereof, as well as carrying out many day-to-day legal responsibilities entrusted to the Insurance Commissioner by the West Virginia Legislature. Responsibilities of the Legal Division include:

### LEGAL SUPPORT FOR ASSOCIATED DIVISIONS

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The Legal Division provides general legal support for all other divisions of the OIC, including all insurance and workers' compensation related regulatory functions. This involves attending meetings with the directors and staff of other divisions, consulting on legal issues relating to the activities of other divisions, and assisting with legal interpretations of statutes, rules, and case law, as appropriate.

### LEGISLATION AND RULES

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The Legal Division drafts proposed legislation and legislative rules that are submitted for Legislative approval. Some bills and rules are based on models promulgated by the National Association of Insurance Commissioners ("NAIC") and others are custom drafted. Further, the Legal Division drafts legislative exempt workers' compensation rules that are submitted to the Workers' Compensation Industrial Council for review and approval. During the legislative sessions, Legal Division attorneys attend committee meetings to respond to questions relating to the proposed bills and rules. The Legal Division attorneys also attend Workers' Compensation Industrial Council meetings to answer questions during the public hearing process for workers' compensation rules. During the rulemaking process, Legal Division attorneys receive and respond to public comments.

### INSURANCE BULLETINS

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When the Insurance Commissioner needs to provide information to the public and to regulated entities, an Insurance Bulletin, formerly called an Informational Letter, is drafted by the Legal Division. Insurance Bulletins are issued for many reasons, including the provision of guidance for compliance with laws or rules, or the introduction of clarity to an area that may be subject to differing legal interpretations. Other means of dissemination of policy and legal guidance from the Insurance Commissioner may also be drafted in the Legal Division.

### ADMINISTRATIVE HEARINGS

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Pursuant to W.Va. Code §33-2-13, the Insurance Commissioner may call and hold hearings for any purpose deemed necessary in the performance of his or her duties. The Legal Division investigates complaints relating to alleged violations of unfair claims settlement practices, provisions of the Unfair Trade Practices Act or other alleged violations of the West Virginia Code and determines whether merit exists to proceed with hearing on the complaint. The process is described respectively in W.Va. Code of State R. §114-13-1, *et seq.* and §114-76-1, *et seq.* The OIC may also hold administrative hearings regarding filings pursuant to W.Va. Code §33-27-1, *et seq.* regarding the acquisition and control of insurance companies, complaints filed against pharmacy benefit managers (PBMs) regarding alleged violations of W.Va. Code §33-51-1, *et seq.* and W.Va. Code of State R. §114-99-1, *et seq.*, and hearings on insurance premium tax disputes requested pursuant to

the *Insurance Tax Procedures Act*, W.Va. Code §33-44-1, *et seq.* The Legal Division participates on a committee to investigate and make recommendations on applications received from convicted felons for an 18 U.S.C §100 waiver and may hold hearings thereon if an applicant requests a hearing on the Insurance Commissioner's final order in regard to the waiver request. The Legal Division also annually solicits public comments regarding the Surplus Lines Export List and may hold hearings on requests for inclusion of insurance coverages and classes of insurance eligible for the Surplus Lines Export List, if needed.

## INVESTIGATIONS

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The Legal Division investigates complaints dealing with all aspects of insurance compliance contained in Chapters 33 and 23 of the West Virginia Code. The Legal Division receives referrals from various sources including the public, the insurance industry, and other divisions within the Insurance Commission, relating to possible misconduct by insurance industry representatives, insurance producers, and unauthorized insurers. These allegations are investigated to determine if West Virginia insurance laws or rules have been violated, and if so, the investigation will result in administrative action against the target of the investigation.

## ADMINISTRATIVE ACTIONS

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When necessary, the Legal Division files an administrative complaint against insurance companies seeking penalties and/or suspension or revocation of the Certificate of Authority, as appropriate. Administrative complaints may also be filed before the Insurance Commissioner to penalize an unauthorized insurer, or injunctive relief may be sought in Circuit Court to end the illegal operations of these entities. Administrative action may also be taken against insurance producers (agents), business entities (agencies), professional employer organizations (PEOs), third-party administrators, pharmacy benefit managers (PBMs), criminal bail bondsmen, and many other entities regulated by Chapter 33 of the West Virginia Code when violations of statutes or rules have been committed.

## LICENSURE ACTIONS

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The Legal Division assists in license suspensions, revocations and/or fines regarding insurance producers (agents) and other licensees including, but not limited to, insurers that are found to be financially insolvent or in hazardous financial condition as to render their continued transaction of insurance business hazardous to their policyholders, the people of West Virginia, pharmacy benefit managers (PBMs), and criminal bail bondsmen.

## APPEALS AND LITIGATION

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When an order entered by the Insurance Commissioner is appealed, a Legal Division attorney may appear in Circuit Court to defend the Insurance Commissioner's action. The Legal Division also files actions in the Circuit Court of Kanawha County against employers who fail to maintain workers' compensation insurance to enjoin the employer from operating until it complies with the law.

## FRAUD PROSECUTION

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The Legal Division can directly represent the OIC in prosecution of fraudulent insurance activity or provide support to state and federal prosecutors on similar criminal issues.

## WORKERS' COMPENSATION

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The Legal Division supports the “Old Fund” as created by workers’ compensation privatization legislation in 2005, as well as various other workers’ compensation funds administered by the OIC, including the Uninsured Employers’ Fund, the Self-Insured Employers’ Guaranty Risk Pool, the Self-Insured Employers’ Security Risk Pool, and the Coal Workers’ Fund. Assistance may include working with claimants and their counsel, outside defense counsel, and third-party administrators in all tribunals and courts including West Virginia circuit courts, the Board of Review, the West Virginia Intermediate Court of Appeals, and the West Virginia Supreme Court of Appeals. The Legal Division also provides legal support and representation to the OIC’s Employer Accounts Division, which, among other things, regulates and takes action against uninsured employers and licensed self-insured employers and PEOs. The Legal Division represents the agency in Rule 11 proceedings regarding an employer’s failure to maintain mandatory workers’ compensation insurance and may also handle National Council on Compensation Insurance (NCCI) appeals filed by employers and appealed to the OIC.

## CONSUMER, INDUSTRY AND OTHER STAKEHOLDER INQUIRIES

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While the Legal Division cannot provide legal advice to outside parties, it does endeavor to assist consumers and stakeholders, point inquiries in the appropriate direction where possible, provide analysis for the insurance and workers’ compensation market as a whole, and opine on issues of broad importance.

## FREEDOM OF INFORMATION ACT (FOIA) REQUESTS

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All FOIA requests are directed to, and processed by, the Legal Division. Legal Division staff gather all public records that are responsive to the request and provides them to the requester, pursuant to and in compliance with the Act.

## LEGISLATION

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The Insurance Bulletin, available through the hyperlink below, summarizes significant insurance and workers’ compensation legislation enacted during the 2025 Regular Session of the West Virginia Legislature. It does not necessarily include all legislation that may affect the insurance industry or insurance consumers and is only intended to highlight the major points in the more important regulatory bills. The explanations contained herein should in no way be construed as being indicative of the Insurance Commissioner’s views on, or interpretation of, the legislation.

The 2025 Legislative summary noted herein is available for review using the following hyperlink:

[2025 Legislation](#)

## INSURANCE BULLETINS

Four (4) Insurance Bulletins were issued by the Insurance Commissioner in 2025:

- 25 - 04 2025 WV Health Insurance Marketplace Data
- 25 - 03 Summary of 2025 Legislation
- 25 - 02 Use of Aerial Imagery by Homeowners Insurers
- 25 - 01 Prescription Drug Rebate Impact to Commercial Health Insurance

The Insurance Bulletins noted herein are available for review using the following hyperlink:

[Insurance Bulletins](#)

## FREEDOM OF INFORMATION REQUESTS AND RESPONSES

Ninety-three (93) requests for information were received and responded to by the Legal Division in accordance with the Freedom of Information Act in 2025.

## EMERGENCY ORDERS

There were no Emergency Orders issued by the Insurance Commissioner in 2025.

Emergency Orders are available for review using the following hyperlink: [Emergency Orders](#)

## REFERRALS OPENED

A total of 894 matters were opened by the Legal Regulatory Compliance Unit in 2025 upon referrals from various divisions within the OIC, the public, and outside state or federal agencies.

<b>TYPE OF REFERRAL</b>	<b>NUMBER OF REFERRALS</b>
Bail Bondsmen	3
Company	6
Financial Conditions	5
First-Party	193
General Inquiries	0
Market Conduct	44
PEO	0
Pharmacy Benefit Manager (PBM)	16
Producer	14
Third-Party	218
WC Compliance - Alive and Well Checks	20
WC Compliance - Failure to Timely Act	33
WC Compliance - Injunctions	46
WC Compliance - Postings	296
<b>TOTAL</b>	<b>894</b>

## ADMINISTRATIVE PROCEEDING CASES CLOSED

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A total of 826 administrative proceeding cases were closed by the Legal Regulatory Compliance Unit in 2025.

TYPE OF REFERRAL	NUMBER OF CASES CLOSED
Bail Bondsmen	3
Company	5
Financial Conditions	2
First-Party	178
Market Conduct	34
Market Conduct-Self Insured	3
Pharmacy Benefit Manager (PBM)	10
Producer	6
Third-Party	207
WC Compliance - Alive and Well Checks	20
WC Compliance - Failure to Timely Act	21
WC Compliance - Injunctions	41
WC Compliance - Postings	296
TOTAL	826

## HEARINGS

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A total of 78 hearings were scheduled in 2025 by the Legal Regulatory Compliance Unit and 14 hearings were held. The remaining 64 hearings that were scheduled, but not held, were settled and withdrawn resulting in a compromise that was satisfactory to the parties involved.

## POSTINGS AND COMPLIANCE CHECKS

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In 2025, 316 referrals were made to the Legal Regulatory Compliance Unit for employer postings or employer compliance checks in regard to employers that failed to maintain mandatory workers' compensation coverage or were suspected of having lapsed workers' compensation coverage.

## WORKERS' COMPENSATION SUBROGATION

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With respect to workers who suffered compensable injuries prior to July 1, 2005, resulting from the negligence of third parties, W. Va. Code §23-2A-1 creates subrogation liens in favor of the Insurance Commissioner against any amounts recovered by these workers from such third parties. In 2025, the OIC opened zero (0) and closed seventeen (17) subrogation cases. The OIC collected \$47,233.14 from settlements or awards.

## ORDERS AND COLLABORATIVE ACTIONS

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A total of 103 orders were prepared by the Legal Regulatory Compliance Unit in 2025.

TYPE OF CASE	FINAL ORDERS	COLLABORATIVE ACTION	FINE AMOUNT	RESTITUTION AMOUNT
Bail Bondsmen	1	-	\$300	-
Company	0	-	\$0	-
Financial Conditions	7	-	\$0	-
First-Party	9	-	\$0	-
Market Conduct	10	-	\$426,000	-
Market Conduct - Annual Statements	25	-	\$80,000	-
Market Conduct - Self-Insured	3	-	\$4,000	-
Pharmacy Benefit Manager (PBM)	4	-	\$1,758,250	-
Producer	8	-	\$8,000	-
Third-Party	7	-	\$0	-
WC Compliance - Failure to Timely Act	25	-	\$26,000	-
WC Compliance - Injunction	4	-	\$17,437	-
TOTAL	103	-	\$2,319,987	-

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## MARKET CONDUCT UNIT

The Market Conduct Unit performs market-wide research, analysis and examinations of insurance entities regulated by the OIC. In 2025, the Market Conduct Unit executed its primary activities as a section of the OIC Legal Division.

Market conduct examiners are charged with reviewing insurers on a regular basis as well as reacting to developments in the marketplace. Examiners validate the business operations of insurers to ensure compliance with all applicable laws and rules.

Market analysis consists of gathering large volumes of data from insurers that reveals how insurers are operating in the marketplace and, from that data, determining which companies may need further analysis or review. West Virginia cooperates with other jurisdictions in this process to foster possible collaborative actions.

Thirty-two (32) signed orders were entered by the Insurance Commissioner in 2025 because of market conduct examinations and other regulatory actions conducted in accordance with W. Va. Code §33-2-9. A total of \$135,000.00 in monetary penalties were assessed due to findings observed in six (6) completed market conduct examinations. West Virginia also recorded twenty-three (23) state-specific non-exam regulatory interventions, resulting in \$81,000.00 in penalties. Furthermore, the Market Conduct Unit completed three (3) comprehensive compliance examinations of employers which are self-insured for workers' compensation, resulting in \$4,000.00 being assessed in monetary penalties to these entities.

Additionally, the Market Conduct Unit conducted forty-two (42) level one and twenty-nine (29) level two analysis reviews on licensed companies concerning compliance with the West Virginia Code and the West Virginia Code of State Rules, as well as claims compliance analysis of employers that are actively self-insured for workers' compensation.

In 2025, the OIC also received a total of 719 market conduct annual statements per the National Association of Insurance Commissioners' (NAIC) guidelines, further broken down by the following lines of business: Life, 189 filings; Annuity, 106 filings; Other Health, 80 filings; Private Passenger Auto, 77 filings; Homeowners, 74 filings; Long-Term Care, 71 filings; Disability Income (DI), 52 filings; Pet, 21 filings; Travel, 20 filings; Lender-Placed Insurance (LPI), 13 filings; Health, 11 filings; and Short-Term Limited Duration (STLD), 5 filings.

One of our team members earned her Chartered Property Casualty Underwriter (CPCU) professional designation offered through the Institutes in April 2025.

## LICENSING AND EDUCATION DIVISION

The Licensing and Education Division is responsible for processing and maintaining records on individual producers and business entities licensed to transact business in West Virginia. Licenses include residents who must complete educational and testing requirements to obtain a license. Residents of other states who have completed similar requirements in their domicile states may apply for a West Virginia non-resident license by submitting the appropriate application and documentation for review. In addition to licensing of individual producers, the division oversees the licensing of Adjusters, Surplus Lines Licensees, Business Entities, Public Adjusting Firms, Independent Adjusting Firms, Viatical Settlement Brokers, Viatical Settlement Business Entities, Travel Insurance Business Entities, Professional Bail Bonds, and Surety Bail Bonds.

Producers must be appointed to represent each insurance company for which they are transacting business in West Virginia. Insurance companies are responsible for submitting appointment information and fees to our Licensing and Education Division for processing.

Resident producers must periodically complete continuing education to maintain their licenses. The continuing education program is governed by a six-member board appointed by the Insurance Commissioner. The representatives (all of whom are West Virginia resident insurance producers) of this Board represent various areas of the insurance industry as prescribed by law.

Administrative functions for the continuing education program are handled by Prometric. Prometric reviews provider and course applications under guidelines established by the Board of Insurance Agent Education. Additionally, Prometric banks applies the continuing education credits to the producers' records and, at compliance time, provides the Insurance Commissioner with data on compliant and non-compliant producers.

Continuing education is required for West Virginia resident adjusters and those non-resident adjusters designating West Virginia as the home state. The Licensing and Education Division continues to follow FBI and West Virginia State Police background requirements.

The OIC exams are administered by Pearson Vue and in 2025 over 6,900 exams were delivered.

The division continues to move toward more electronic applications and less paper. In 2025, over 97% of applications were processed electronically.

The following tables and graphs are current statistics for the various activities of the Licensing and Education Division.

## LICENSING ACTIVITY

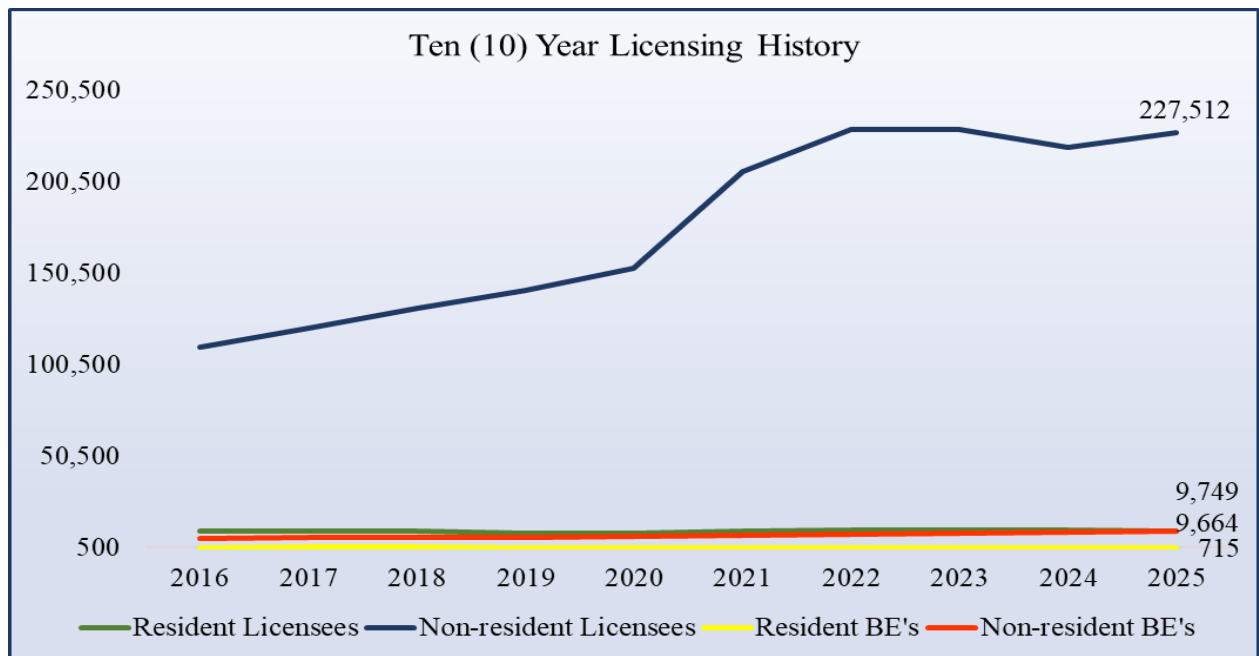
<b>NEW LICENSES ISSUED</b>	<b>2025</b>
Resident Producer	1,180
Non-Resident Producer	33,046
Resident Adjuster	89
Non-Resident Adjuster	8,472
Surplus Lines	432
Viatical Settlement Broker	1
Business Entities (Includes all Types)	1,277
Professional Bail Bonds	3
Surety Bail Bonds	6
<b>TOTAL</b>	<b>44,506</b>

<b>LICENSING TRANSACTIONS</b>	<b>2025</b>
Licenses Denied	257
License Suspended including for CE	1,462
Licenses Revoked	6
<b>TOTAL</b>	<b>1,725</b>

<b>LICENSING CONTACT</b>	<b>2025</b>
Telephone Activity	5,778
Office Visits	19
<b>TOTAL</b>	<b>5,797</b>

<b>COMPANY APPOINTMENTS</b>	<b>2025</b>
Companies with appointments	1,003
Number of company appointments	408,364

## TEN YEAR LICENSING HISTORY



## LIFE AND HEALTH DIVISION

The Life and Health Division was created in 2023 by combining three existing divisions: Consumer Services, Health Policy, and Rates and Forms. The creation of the Life and Health Division streamlined the process of conducting business in West Virginia as it relates to Life and Health Insurance and allows consumers to have a more seamless experience for any issue that may arise.

Division staff actively participate in various committees with the NAIC (National Association of Insurance Commissioners) to work on national solutions to issues that extend beyond our West Virginia borders. The NAIC has members from every state working together to protect consumers and stabilize insurance markets. The Life and Health Division Director is the Chairperson for the Pharmacy Benefit Manager (PBM) Working Group and participates in many of the B (Health) Committee activities.

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### CONSUMER SERVICES UNIT

The Consumer Services Unit acts as a regulatory body to protect consumers from unfair, deceptive, or illegal practices by insurance carriers. They provide direct assistance, investigate complaints, disputes, and all inquiries regarding life and health insurance. This encompasses claim denials, improper billing, agent misconduct, and all insurance matters.

The Unit operates a call center to help consumers understand their rights, navigate the complaint process, and provide educational support to resolve their issues. The unit employees have access to programs that offer specialized assistance and can provide information regarding these programs. Our call center is a free service for West Virginia consumers.

The Unit monitors the regulation of insurance companies to ensure compliance with the West Virginia Code and legislative rules. The Unit performs evaluations of each formal complaint by obtaining documentation, reviewing the facts, determining fulfillment of contractual obligations, and identifying any statutory violations, if applicable. Complaint types consist of, but are not limited to, Life, Annuities, Healthcare Claims, Medicare, Disability, and Long-Term Care. The unit employee acts as a liaison between the consumer and the insurance company.

Resolutions consist of refunding premiums, restoration of cancelled contracts, reversal of denied claims and/or payments, or benefits being approved. This section works closely with both the consumer and the insurance carrier to achieve an equitable resolution. If deemed appropriate, the specialist will refer a case to the OIC's Legal Team for further investigation.

Below is a summary of the calendar year 2025 inquiries and complaints.

Activity Type	Total
Email and Phone Call Consumer Inquiry	2,208
Complaints Opened	716
Complaints Closed	667
Walk-in Consumer Inquiry	23
External Review	31

Coverage Complaint Type	Total
Health	334
Life/Annuity	254
Life and Health	7
Dental/Vision	51
Medicare/Medicare Supplement	22
Disability	23
Long-Term Care	9
Medicare Advantage	16
Total	716

In addition, the Unit educates the public concerning insurance topics through conferences and presentations. The staff identifies problem areas and trends by collecting information gathered from complaints and conducts research and surveys about areas that require special attention.

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### HEALTH POLICY UNIT

The Health Policy Unit of the Life and Health Division digests and implements state and federal healthcare legislation. The Unit acts as a liaison between other parts of the Division and other Divisions within the OIC to educate and explain all facets of health policy. The Health Policy Unit includes a Pharmacy Benefit Managers Team.

### DISCOUNT PLANS

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A Discount Medical Plan Organization (DMPO) requires licensure per W. Va. Code §33-15E and Legislative Rule 114-83. A DMPO is an entity that contracts with providers, provider networks, or other discount medical plan organizations to offer access to medical or ancillary services at a discount to plan members.

A Discount Prescription Drug Plan Organization (DPDPO) is an entity that contracts with providers, pharmacy networks, or other discount prescription drug plan organizations to offer access to pharmacy services to plan members at a discount.

In 2025, the Life and Health Division renewed 28 DMPO licenses and completed registration renewals for seven (7) DPDPOs.

### MENTAL HEALTH PARITY

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During the 2020 Regular Legislative Session, SB 291 was enacted requiring health insurance carriers to provide mental health parity benefits. The required data call in 2024 for 2023 data continued to show deficiencies. In response, the Life and Health Division called targeted market conduct exams on the major health carriers to review Mental Health Parity and Addition Act (MHPAEA) practices.

In 2025, two exams were completed with a total regulatory penalty assessed of \$200,000. Examination work was completed on two other exams in late 2025 and are now pending final documentation.

## NETWORK ADEQUACY

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W. Va. Code §33-55-1, et seq. and W.Va. Code of St. R. §114-100-1, et seq. provides the OIC the authority to regulate Network Adequacy for all commercial health plans in West Virginia. In addition, the OIC partners with the Centers for Medicare and Medicaid Services to regulate network adequacy for Qualified Health Plans offered on the Health Insurance Marketplace.

Health insurers must provide information on projected enrollment and time and distance standards for all providers in their network. The insurer must also provide a publicly available Access Plan including, but not limited to, telehealth information, factors used by the health carrier to build the network, and criteria to select providers. After approval, networks must file any material changes within 15 business days. Provider Directories must be updated every 30 days and audited at least three times during an 18-month period.

In 2022, the Centers for Medicare & Medicaid Services (CMS) released its own set of guidelines for Network Adequacy, which were similar but not identical to the standard rules set forth in W.Va. Code of St. R. §114-100-1, et seq. To facilitate Network Adequacy filings and to eliminate conflict and redundancy, W.Va. Code of St. R. §114-100-1, et seq. was amended during the 2024 Legislative session to adhere to the CMS guidelines and to maintain state supremacy of reviews. On or before July 1, 2024, all health plans offering coverage in West Virginia were required to file updated network information with the Health Policy Unit. All networks were reviewed and certified prior to the beginning of the 2025 plan year.

Network adequacy work is ongoing as network changes are reviewed, as well as “secret shopping” to ensure accuracy of directories.

## PHARMACY BENEFIT MANAGERS

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Pharmacy Benefit Managers (PBM) have been regulated by the OIC since 2019 per W. Va. Code §33-51-1, et seq. and W.Va. Code St. R. §114-99-1, et seq. PBMs must apply for licensure biennially as well as submit quarterly and annual reporting to the OIC. The legislation requires that a PBM pay the national average drug acquisition cost (NADAC) plus a dispensing fee and does not permit a PBM to direct a consumer to a specific pharmacy. In addition, all rebates for a prescription drug must go directly to cost control for consumers, first at the point of sale, with any remaining rebates to be removed from the annual rates.

In 2025, the PBM Unit reviews led to five (5) regulatory actions, with a total of \$1,758,250 in penalties assessed. The unit approved licenses for eleven (11) new PBMs and renewed 3 licenses in 2025, bringing the total to 60.

<b>2025 PBM Complaint Summary</b>	
Cases Opened	53
Cases Closed	71

## PRIOR AUTHORIZATION

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W. Va. Code §§33-15-4s, 33-16-3dd, 33-24-7s, and 33-25A-8s provide for Prior Authorization Standards in the commercial medical insurance market. The legislation requires insurance carriers to create an electronic portal to receive prior authorization requests and delineates strict timelines for review.

As of July 1, 2024, all commercial carriers, PEIA and the Medicaid Managed Care Organizations began reporting prior authorization data via a secure shared file to the Life and Health Division quarterly. The Health Policy Unit, in conjunction with a contractor, reviews the data for compliance. This reporting also quantifies the Gold Card requirement across all health insurance carriers. A Gold Card is presented to a provider who receives a 90% approval rate for at least 30 procedures in a six-month period. Once a provider earns a Gold Card, they are not required to obtain a prior authorization from that insurance carrier for the next six months.

In the third quarter of 2025, West Virginia carriers reported 1,017 Gold Cards awarded. A provider is eligible for a Gold Card with each of his or her contracted carriers.

<b>Prior Authorizations by Quarter</b>	<b>Total</b>
Q4 2024	88,258
Q1 2025	133,742
Q2 2025	128,310
Q3 2025	138,918

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## RATES AND FORMS UNIT

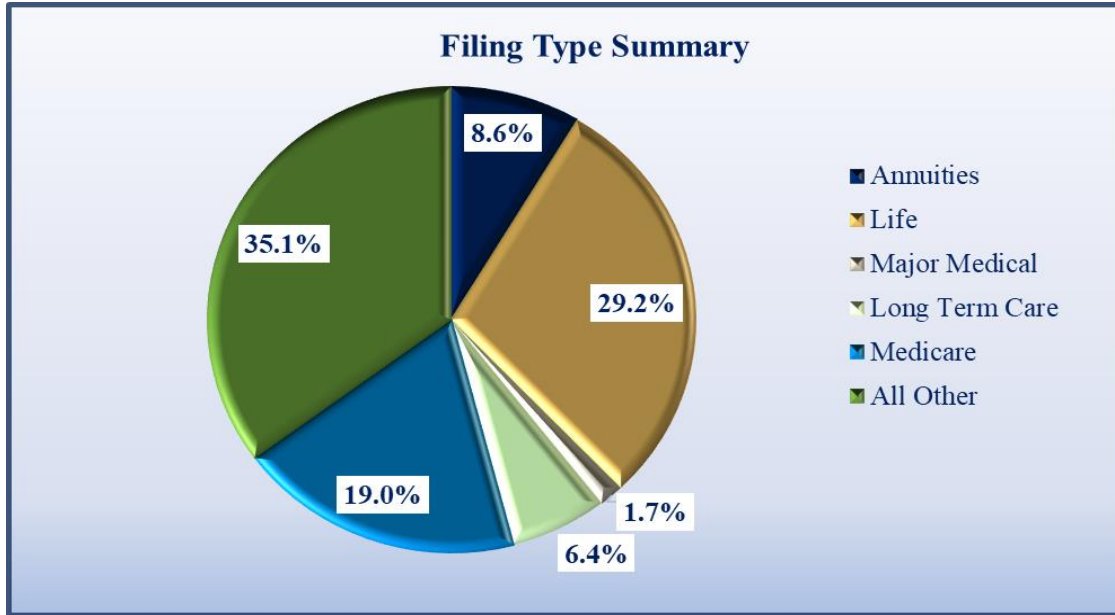
The Rates and Forms Unit analyzes all policy rate, form, and advertisement filings proposed by licensed insurance companies for use in the West Virginia insurance markets.

The analysts ensure that the proposed materials are in compliance with West Virginia State Code, legislative rules, and federal statutes. Filings are submitted through the System for Electronic Rate and Form Filings (SERFF) and divided among the OIC’s analysts. West Virginia is a “prior approval” state, which means rates, rules, and forms must be approved by the West Virginia Insurance Commissioner prior to marketing plans to West Virginia consumers for most product lines including life, annuities, major medical, Medicare, and long-term care.

Long Term Care rates have been a major challenge for not only West Virginia policyholders, but on a national level. The Rates and Forms Unit has been an active participant in an NAIC Long Term Care Working Group that is tasked with developing and adopting a method of actuarial review that will stabilize rates for consumers, allow carriers to maintain their long term care book of business, and solidify the long-term care market.

In addition, analysts review binders submitted by major medical and dental companies as part of the certification process for Qualified Health Plans (QHPs) within the statutes of the Patient Protection and Affordable Care Act (ACA). Binders are also submitted through SERFF and consist of a series of templates that are used to transfer the plan data to the federal marketplace ([www.Healthcare.gov](http://www.Healthcare.gov)). W. Va. Code §§33-6-8, 33-15-1b and 33-16B-1, is the primary authority for West Virginia to review and recommend Qualified Health Plans (QHPs) for certification.

Below is a graph of the 2025 filing type summary.

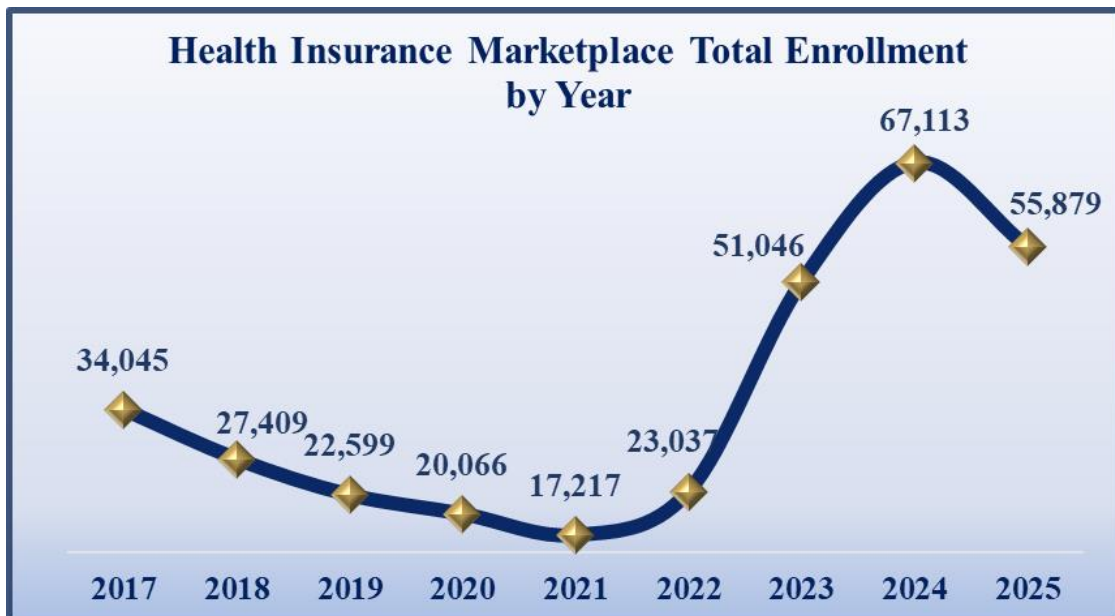


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### PATIENT PROTECTION AND AFFORDABLE CARE ACT HEALTH INSURANCE MARKETPLACE

West Virginia maintains a Partnership Exchange Model keeping local control of plans, rates and consumer services while leveraging the federal call centers and technology platforms ([www.healthcare.gov](http://www.healthcare.gov)). West Virginia has two (2) carriers available in every county.

Open Enrollment runs each year from November 1 – January 15, with any extensions controlled by the Centers for Medicare and Medicaid Services (CMS). West Virginia continues to leverage the state Navigator team and Certified Applications Counselors in the Federally Qualified Health Centers, as well as OIC Consumer Services Staff, to lead enrollment activities.



## PROPERTY AND CASUALTY DIVISION

The Property and Casualty Division is responsible for handling consumer assistance complaints and filings related to Property and Casualty insurance. The Division is composed of the Property and Casualty Consumer Services and Rates and Forms Units.

### CONSUMER SERVICES UNIT

The Consumer Services Unit receives consumer inquiries by mail, webmail, email, telephone, online complaint form, and public walk-ins. A complaint file is set up for each written inquiry. In 2025, a total of 1,369 open complaints were filed and 5,500 consumer assistance calls and emails were exchanged.

The Property and Casualty Consumer Services Unit assisted West Virginia consumers in 2025 by helping them collect over \$1.5 million in insurance settlements.

Below are summaries of the calendar year 2025 inquiries and complaints.

Activity Type	Total
Email, Phone Calls and Consumer Inquiry	5,523
Complaints Opened	1,353
Complaints Closed	1,437

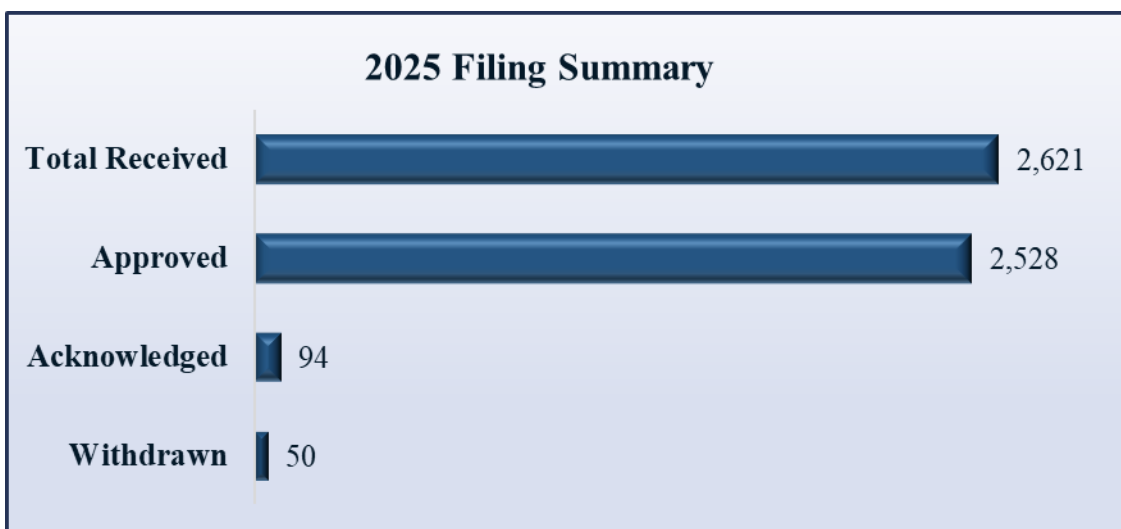
Coverage Complaint Type	Total
Private Passenger Auto	565
Homeowners	365
Workers' Compensation	73
All Other P&C Complaints	350
Total	1,353

### RATES AND FORMS UNIT

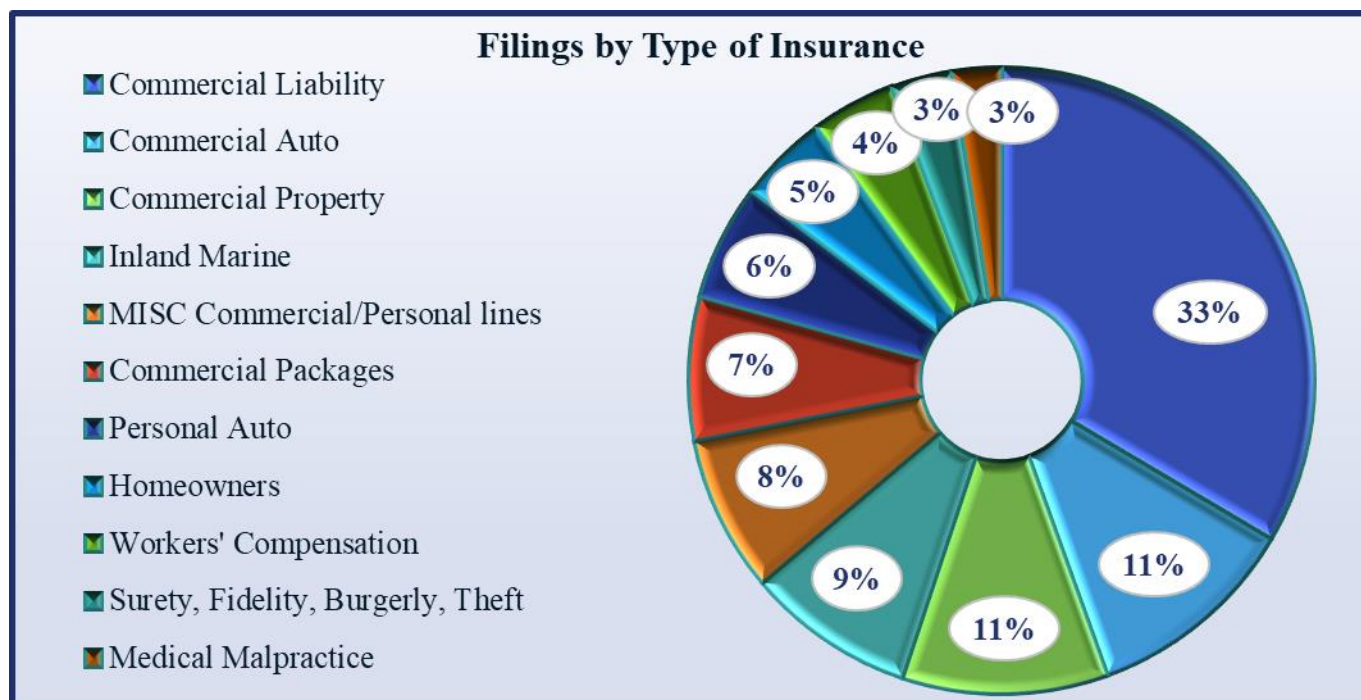
The Property and Casualty Rates and Forms Unit analyze all rate, rule, and form filings proposed by licensed insurance companies for use in the West Virginia insurance markets. Analysts review all such filings for automobile, homeowners, motorcycle, mobile homes, umbrella, business owners, inland marine, medical malpractice, credit, and workers' compensation insurance products. Filings are submitted through the System for Electronic Rate and Form Filings (SERFF) and divided among the OIC's analysts. West Virginia is a "prior approval" state, which means policy rates, rules and forms must be approved by the West Virginia Insurance Commissioner prior to marketing plans to West Virginia consumers for most products.

Filings for non-commercial lines must be filed with the Unit no less than 60 days in advance of the desired effective date as noted in W.Va. Code §§33-6-8(b)(1) and 33-16B-1, and unless more information is requested from the insurance company, will be deemed approved at the end of the 60-day timeframe. Commercial lines and casualty risks must be filed with the Rates and Forms Unit as noted in W.Va. Code §33-6-8(b)(2). The Commissioner may act on such forms within 30 days. W.Va. Code §33-6-9(e) requires the Insurance Commissioner to disapprove a form “if the coverages provided therein are not sufficiently broad to be in the public interest.”

Below is a summary of the 2025 filings.



The majority of filings are ultimately approved. However, many filings are incomplete and regularly require additional information, data, and time to complete a comprehensive review. The rate review process can involve several parties. Consulting actuaries and opinions from the Legal Department are often relied upon before a final determination is made.



The West Virginia Workers' Compensation residual market had 1,819 policies written as of December 31, 2025. These are policies that do not qualify for coverage in the voluntary market for multiple reasons. The Volunteer Fire Departments account for 384, or 21%, of the policies in the residual market.

Since the workers' compensation program was privatized in 2006, the market has experienced approximately \$501 million in premium savings. The most current filing, effective January 1, 2026, represents the 21<sup>st</sup> consecutive year of loss cost decreases and accounts for a cumulative 84.9% reduction from pre-reform workers' compensation levels.

<b>Top 5 Workers' Compensation Carriers by Policy Count for CY2025</b>		
<b>Company</b>	<b>Policy Count</b>	<b>Market Share</b>
15762 - BRICKSTREET MUTUAL INS CO	7,566	19.7%
10448 - HARTFORD ACCIDENT AND INDEMNITY CO	5,401	14.1%
18457 - ERIE INS EXCHANGE	4,984	13.0%
10804 - TRAVELERS INSURANCE CO	3,446	9.0%
10863 - ZURICH AMERICAN INS CO	1,833	4.8%

## SPECIAL INVESTIGATIONS DIVISION - OFFICE OF INSPECTOR GENERAL

The Special Investigations Division (SID) was established by the WV Legislature in its 2004 regular session. Its core mission involves a cooperative approach to detecting, investigating, and prosecuting insurance fraud. Furthermore, SID is responsible for raising public awareness about insurance fraud and providing a mechanism for reporting suspected instances. The Division is specifically tasked with investigating individuals suspected of engaging in insurance fraud and referring meritorious cases for criminal prosecution to the appropriate authorities.

The SID current staffing consists of eleven (11) allocated field investigators, four (4) field investigative supervisors (who also conduct investigations), one (1) WV State Police Trooper, three (3) allocated support analysts, one (1) Computer Forensic Specialist, one (1) Accountant Auditor, one (1) Investigations Manager, and one (1) Inspector General. Field Investigators currently occupy field offices in the following cities:

- Beckley
- Charleston
- Fairmont
- Martinsburg
- Wheeling

The strategic placement of these field offices enables investigators to respond swiftly to allegations of insurance fraud. This also facilitates the SID in cultivating crucial relationships with federal, state, and local law enforcement and prosecutors, which are essential for achieving successful prosecutions.

The public and the insurance industry have several options for reporting suspected insurance fraud to the SID:

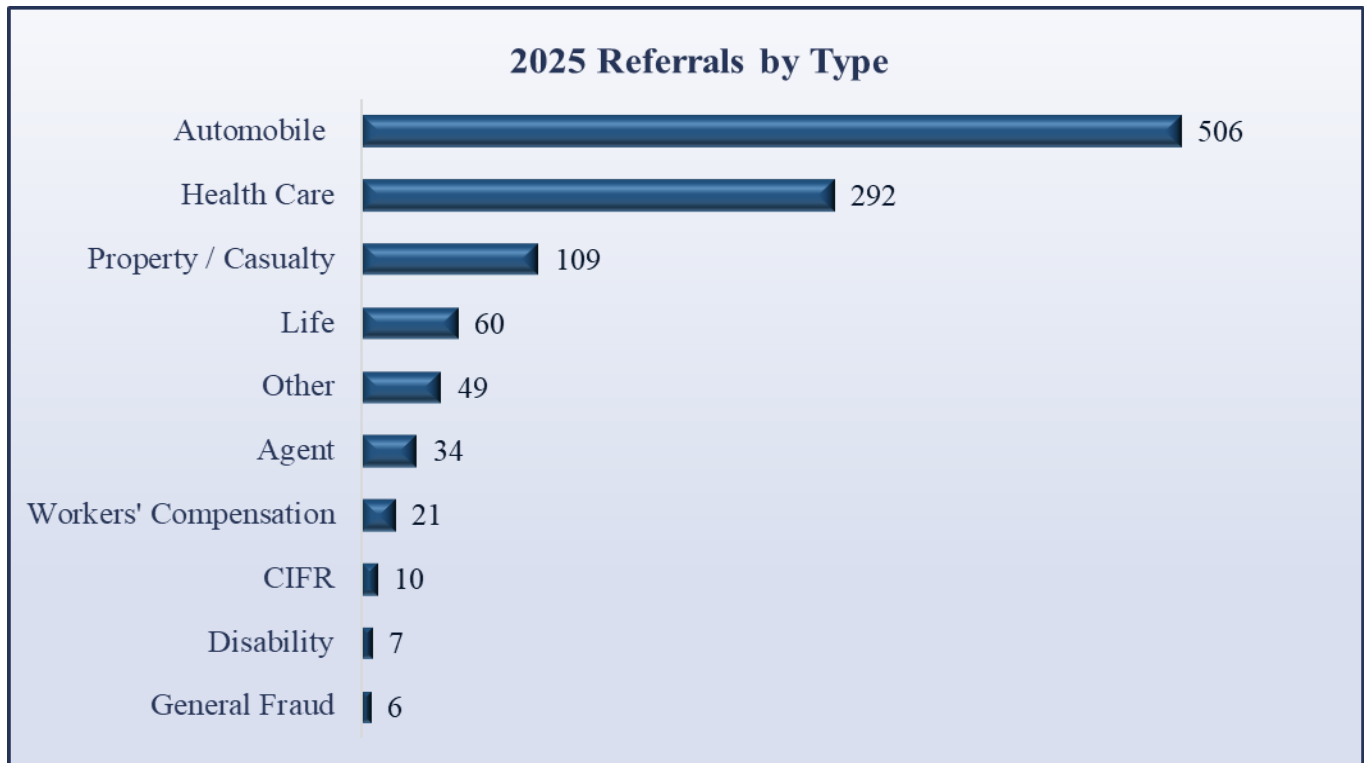
- **Toll-Free Phone:** 1-800-779-6853
- **Online Reporting:** [www.wvinsurance.gov](http://www.wvinsurance.gov)
- **Email:** OICFraud@wv.gov
- **NAIC:** Through the online reporting function
- **Mail:** 900 Pennsylvania Ave, 5th floor, Charleston, WV, 25302

The SID utilizes a case management and reporting application (I-Sight) for documenting received referrals. This system is highly effective in managing case files and generating investigative reports that meet the necessary standards for presentation to prosecutors.

The SID actively works to educate the public, industry, and our law enforcement partners concerning insurance fraud and reporting requirements. Division representatives attend various statewide functions, events, and meetings to provide this essential training.

In 2025, the SID of the OIC received 1,094 reports or referrals of suspected insurance fraud. These reports originated from the insurance industry, the public, and law enforcement.

The breakdown of these referrals is provided in the following chart:



The SID conducted 340 field investigations, submitting reports to both State and Federal Prosecutors. These efforts led to the identification of over \$22.5 million dollars in fraudulent activity and resulted in 96 indictments/warrants being issued.



## STATE AGENCY WORKERS' COMPENSATION (SAWC) PROGRAM

As the State Agency Workers' Compensation Program (SAWC) entered its fifteenth policy year in 2025, the program has had some volatility in frequency and severity of loss experience. The program currently includes ~100 agencies, boards and commissions with 900 locations across our state. It is estimated that approximately 25,000 public employees are covered under this consolidated policy.

As the plan administrator, the OIC continually monitors and evaluates loss trends and claim data to ensure injured state employees receive appropriate care and claim administration. The OIC also offers safety recommendations to all agencies to help mitigate workplace injuries to keep public employees safe. Encova Insurance Group (formerly BrickStreet Mutual Insurance Company) is the current insurance coverage provider.

### SAFETY AND RETURN TO WORK INITIATIVES

Many of the SAWC Program members have welcomed safety initiatives and have worked diligently in implementing suggestions for improvement from OIC and Encova safety professionals.

The initiatives include:

- Establishing safety committees
- Establishing transitional work assignments that provide employees with the opportunity to return to work on a limited basis (Return to Work Program)
- Incident and accident investigation training
- Defensive drivers' training
- Developing Emergency Action Plans
- Workplace violence training
- Enhanced patient observation by using cameras to reduce workplace violence
- Industrial hygiene studies were completed to address noise and air quality
- Industrial hygiene survey was completed related to airborne contaminants
- BRIM and OIC site visits to agencies to discuss strategies for reducing Motor Vehicle Accidents
- Personal protective equipment training
- Hazardous material training
- Chainsaw Safety Training
- Fall Prevention Training
- Ergonomic Assessments

### SAFETY VISIT SUMMARY

Safety visits and evaluations continue to play an important role in all aspects of the SAWC Program. Visits are determined based on loss leaders and agencies with high frequency and/or severity. The OIC and Encova Safety and Loss Control Consultants made 151 safety and loss control visits to SAWC members in 2025.

Many state agencies have implemented safety programs or are in the process of implementing safety committees, policies, and procedures.

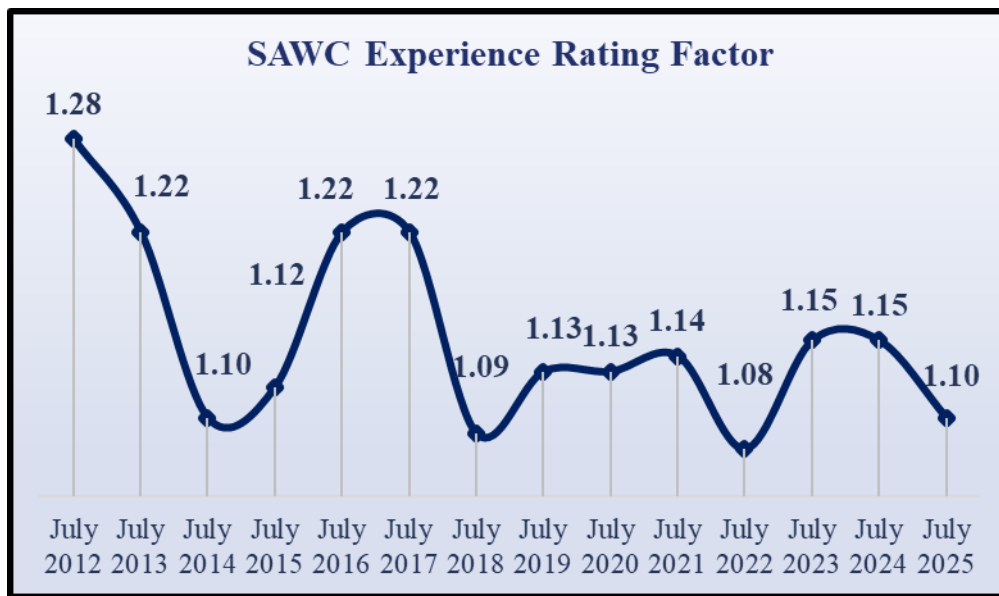
The OIC has worked extensively with SAWC Program members to develop Return to Work programs. The Return to Work programs have been finalized and implemented by several agencies. SAWC Program members have implemented functional Return to Work programs and continue to look for ways to improve the process for returning injured workers to the workplace. This is a critical area of success for the program and all agencies are encouraged to focus on implementing and maintaining an effective return to work program. The OIC is continuously monitoring the success of the program and is providing support to agencies that face challenges related to Return to Work program implementation.

### SAWC EXPERIENCE RATING FACTOR (EMOD)

An experience rating factor (emod) is an industry standard calculation that compares a policy’s expected losses to actual losses for a three (3) year period. An emod can increase or decrease premium based on a policy’s loss experience. If an insured has actual losses that are greater than the expected losses, a debit emod is applied to the policy. If an insured has fewer actual losses than expected losses, a credit emod is applied.

The experience is cyclical but the variability from 2018 to 2025 has less dispersion and has more consistency in the trend analysis. The OIC is monitoring the emod trends and is working with Encova to ensure the safety of all state employees is the number one priority.

The chart below shows the current and historical experience rating factor progression throughout the SAWC Program by policy year.



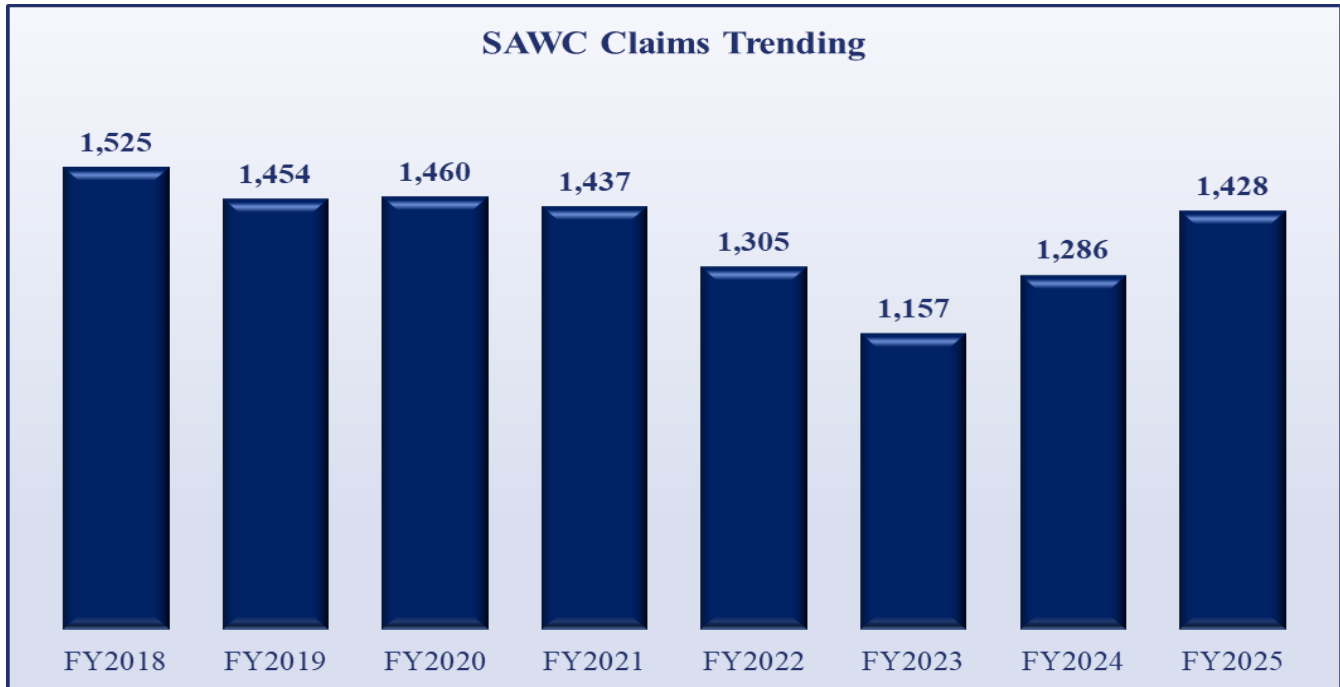
The aggregate policy emod is shown above and individual agency emods are actuarially calculated to allocate the premium by the risk, exposure and loss experience of each participating agency.

For the July 2025 policy, the individual agency emods summary is as follows:

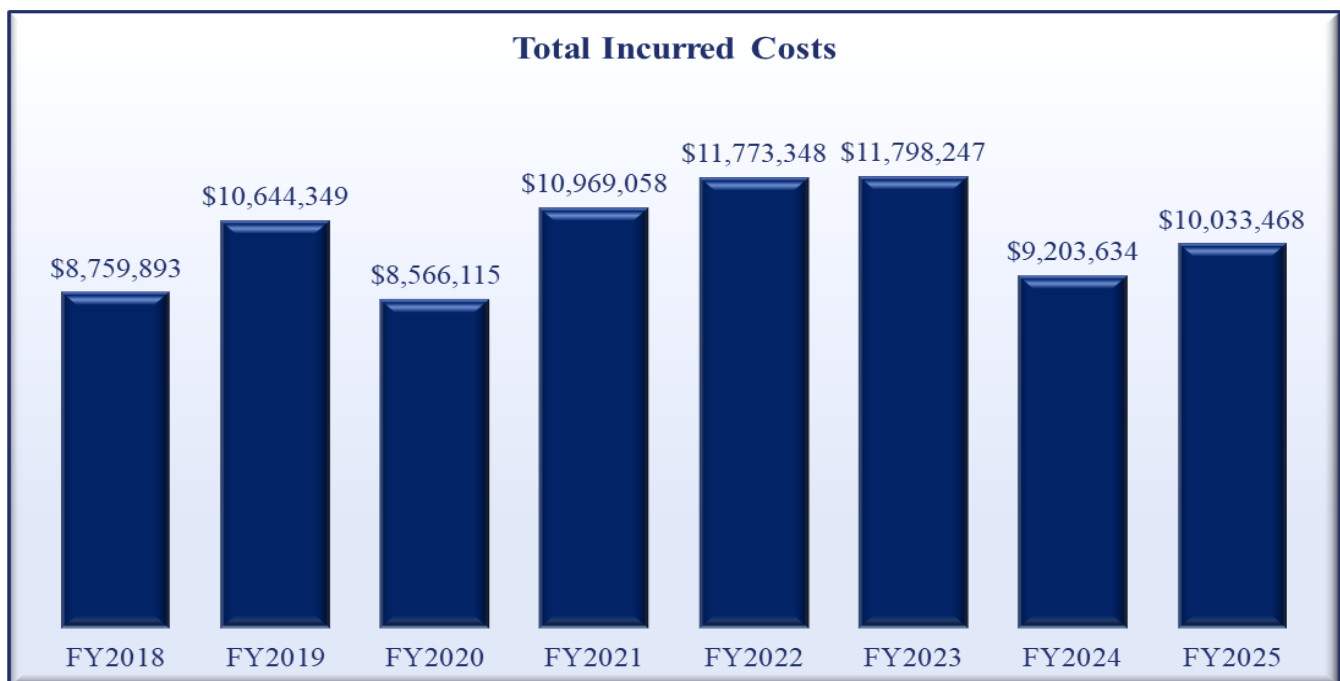
Emod Range	Agency Count
Less than 1.00	29
Equal to 1.00	51
Greater than 1.00	15

## SAWC CLAIMS SUMMARY

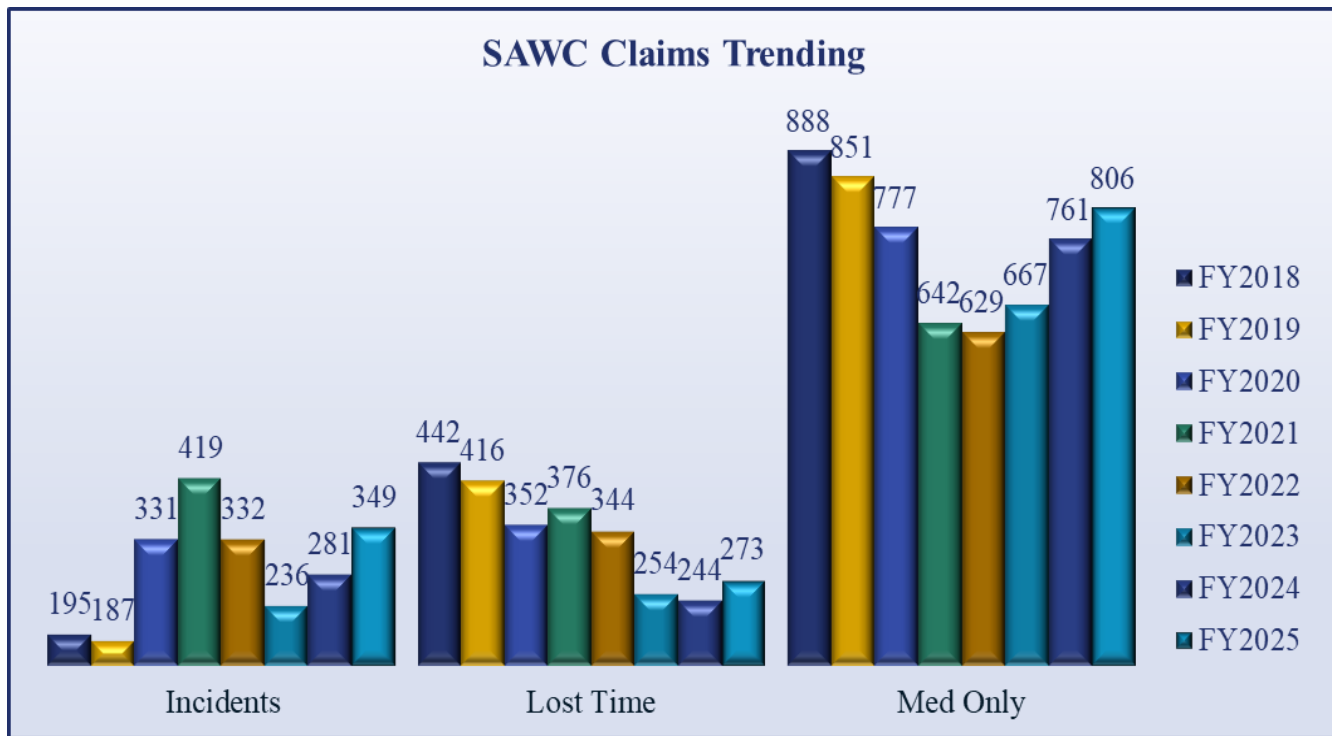
This section includes claims, losses and data analysis on Encova claims with dates of injury between July 1, 2017 through June 30, 2025. There were 11,052 claims filed with Encova within this timeframe.



As the trending charts indicate, the SAWC Program has shown decreasing or static frequency from FY2018 through FY2023. The last two (2) years realized increased frequency, but incidents account for the bulk of the increase. The severity continues to be volatile with significant fluctuations over the years. FY2025 had an increase of \$830K or 9% from FY2024 incurred amounts (paid + reserves) but the incurred total is still on the lower end compared to all other years.



Of the 11,052 total claims, 2,330 (21.1%) resulted in being closed with no payments (incidents); 2,701 (24.4%) are lost time claims requiring wage replacement benefits and 6,021 (54.5%) are medical only claims requiring medical payments but no lost wage replacement benefits.



The SAWC Program currently has 25 claims in excess of the \$250,000 deductible per claim limit. These 25 claims have a total incurred cost of \$17,335,447 or 20% of the aggregate costs of the entire SAWC program. Six (6) of the large loss claims are closed while 19 are open.

## SAWC SUMMARY

The SAWC Program has a complex workforce doing tasks that at times place employees in danger. Our employees are our greatest asset, and their safety is of the utmost importance. Safety policies and procedures have been developed for employees to follow to minimize risks and ensure these efforts are followed by all employees to prevent workplace injuries.

Major training campaigns continued throughout 2025 and will continue into 2026 for motor vehicle accident (MVA) prevention strategies, defensive driving training, Return-to-Work Implementation, workplace violence prevention, sprain, and strain reduction as well as fall prevention.

The OIC has partnered with BRIM in a shared services approach to provide motor vehicle accident (MVA) prevention techniques and strategies to agencies with a goal of reducing the frequency and severity of MVAs. MVAs account for 471 of the total 11,052 claims or 4.3% of the overall frequency. The same 471 claims account for \$8,897,974 incurred costs or 10.4% of the overall severity. One of the large loss MVA claims was a fatality with \$3.4M incurred costs.

The OIC conducted the SAWC Annual Conference on October 29, 2025, at Encova Headquarters in Charleston, West Virginia. A virtual attendance option was available. The information presented at the conference is now available to all members of the SAWC, even those who did not attend the conference. This information, and additional Program specific information is available on the OIC's dedicated website at [www.wvinsurance.gov/SAWC](http://www.wvinsurance.gov/SAWC).

## WORKERS' COMPENSATION DIVISION

The Workers' Compensation Division is responsible for the workers' compensation regulation of West Virginia employers and includes the following units:

- Claims Services Unit – manages the third-party administrator contract for the administration of the various workers' compensation claims funds, supports the Occupational Pneumoconiosis (OP) Board and regulates Electronic Data Interchange (EDI) reporting for insured claims.
- Employer Coverage Unit – acts as the point of contact for other State agencies and individuals regarding confirmation of workers' compensation compliance.
- Revenue Recovery Unit – calculates and collects fines in addition to the costs associated with claims administered by the Uninsured Employer Fund, from uninsured employers who are out of compliance with mandatory workers' compensation coverage requirements.
- Self-Insurance Unit – regulates self-insured employers and ensures compliance with West Virginia Code, monitors employers who no longer self-insure, but continue to administer claims incurred during their periods of self-insurance and regulates Electronic Data Interchange (EDI) reporting for self-insured claims.

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### CLAIMS SERVICES UNIT

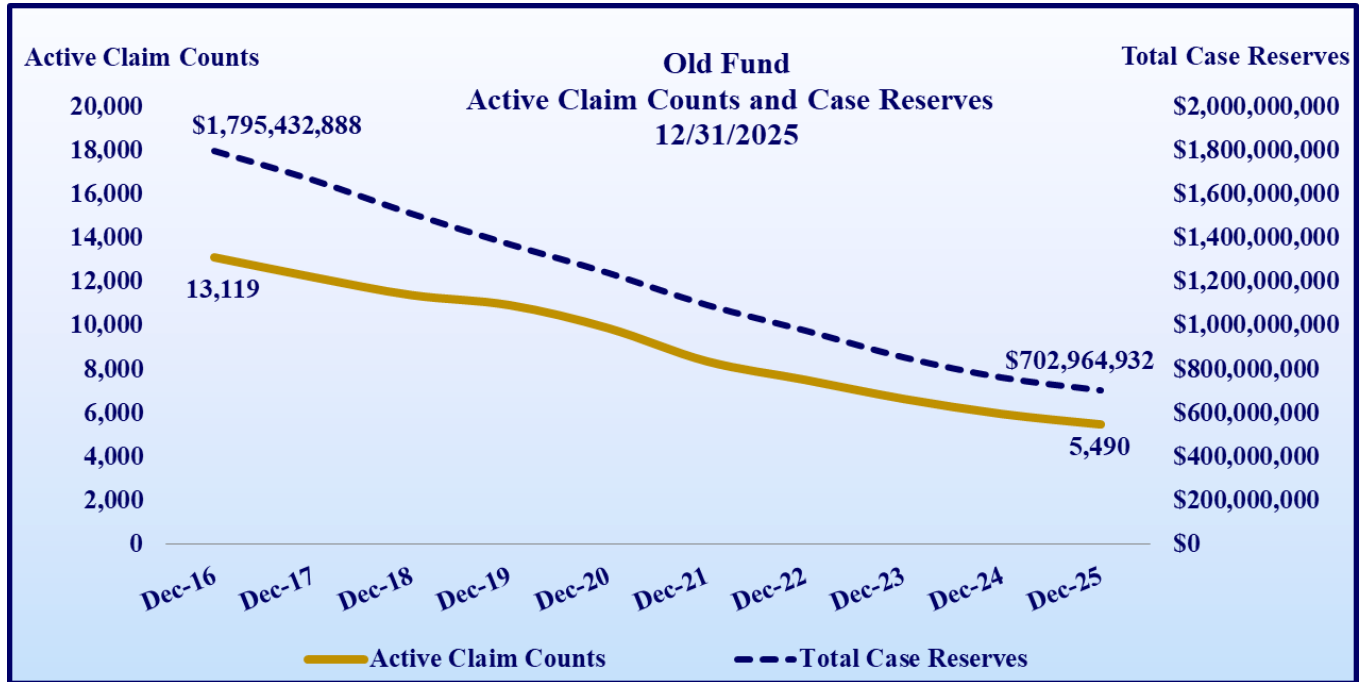
The Claims Services Unit provides oversight of the third-party administrator engaged to manage the State-run workers' compensation funds. The Old Fund consists of the legacy claim liability that existed at the time of the privatization of the State's formerly monopolistic workers' compensation program.

Effective December 1, 2021, the OIC contracted with the third-party administrator (TPA), Sedgwick CMS, to provide administrative claim services for the Old Fund, Uninsured Employer Fund (UEF), Coal Workers' Pneumoconiosis Fund (Federal Black Lung Program or CWP), Self-Insured Guaranty Fund and Self-Insured Security Fund. The primary objectives are to ensure that claims are properly reserved and administered according to the Best Claims' Practice standards and in compliance with statutory and regulatory provisions.

The Claims Services Unit seeks to ensure proper administration of claims by reviewing large reserve increases or decreases and approves indemnity settlements. The Claims Services Unit also reviews the TPA's monitoring of the eligibility status of claim beneficiaries.

Regulatory duties of the unit include maintaining the Occupational Pneumoconiosis (OP) Board docket and the Claim Index.

Annual active Old Fund claim counts are as follows in both graphical and data table formats:



Date	Claim Counts	Reserves
12/31/2016	13,119	\$1,795,432,888
12/31/2017	12,218	\$1,663,183,069
12/31/2018	11,398	\$1,509,753,087
12/31/2019	10,937	\$1,369,506,664
12/31/2020	9,886	\$1,238,681,036
12/31/2021	8,374	\$1,092,755,716
12/31/2022	7,524	\$975,925,191
12/31/2023	6,656	\$853,710,580
12/31/2024	5,964	\$761,055,489
12/31/2025	5,490	\$702,964,932

## QUALITY MEDICAL CARE AND COST CONTAINMENT INITIATIVES

Sedgwick sub-contracts with Coventry, a managed health care plan, for the Old Fund, UEF, Guaranty and Security Fund claims. Sedgwick is utilizing the OneCall Network for efficient and cost-effective services for hearing loss claimants. In addition, Sedgwick has streamlined their drug formulary thru the pharmacy benefits manager, Optum, eliminating opioids from the formulary. Advance notice of the elimination of opioids from the formulary was provided to the claimants prior to implementation. This initiative was implemented to further reduce the opioids in the State’s book of claims and significantly reduce the potential for abuse.

## OCCUPATIONAL DISEASE CLAIMS

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New occupational disease claims, such as OP and Hearing Loss (HL) claims with dates of last exposure prior to July 1, 2005, are submitted to the Claims Services Unit for entry and establishment of a new claim. The claim is then assigned to the TPA for administration. State OP claims are included in the Old Fund. Federal OP claims are included in the Coal Workers' Pneumoconiosis Fund; also known as the Federal Black Lung (FBL) Program. The CWP Fund accepts claims with a date of last exposure prior to January 1, 2006.

<b>New Claim Filings</b>	<b>FY2021</b>	<b>FY2022</b>	<b>FY2023</b>	<b>FY2024</b>	<b>FY2025</b>
State OP	35	14	43	33	42
HL & OD	4	0	1	3	1
FBL	385	248	339	320	313

## REGULATORY BOARDS

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Regulatory duties of the Claims Services Unit include maintaining the OP Board docket. The Claims Services Unit prepares the files, maintains the docket for the OP Board, and prepares the files for hearings before the Board of Review.

## CLAIMS INDEX AND ELECTRONIC DATA INTERCHANGE (EDI)

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The Claims Index is a method for indexing the claims of injured workers filing for West Virginia workers' compensation benefits that will make information concerning West Virginia's injured workers available to insurers or self-insured employers, as required by the Industrial Council pursuant to W. Va. Code §23-2C-5(c)(8). The Claims Index contains basic demographic data to assist insurers in obtaining information from other insurers regarding previously filed workers' compensation claims. The data utilized to populate the Claim Index is transmitted to the OIC by insurers, third-party administrators and self-insured employers (collectively referred to as trading partners) via EDI, a consistent method of data transmission developed by the International Association of Industrial Accident Boards and Commissions through a cooperative effort between participating states (jurisdictions) and the trading partners. The Claims Services Unit reviews and approves or denies applications for access to the Workers' Compensation Claims Index, maintains updated trading partner profiles for those entities submitting data via EDI and ensures that the claim data submitted via EDI is correct, complete and updated according to the specifications set forth in the EDI Implementation Guide.

## UNINSURED EMPLOYER FUND

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The UEF was established to accept claims with dates of injury, dates of death and dates of last exposure on or after January 1, 2006. New applications for benefits from the UEF are submitted to the Workers' Compensation Unit to determine if, on the alleged date of injury, death or last exposure, (1) the applicant was an employee of an employer who was statutorily required to carry West Virginia workers' compensation coverage, and, (2) if the employer was statutorily required to carry West Virginia workers' compensation coverage, was a policy in place on the alleged date of injury, death or last exposure. If the applicant is

determined to be eligible for benefits from the UEF, the Claims Services Unit establishes a new claim, which is then assigned to the TPA for administration. Nine applications for benefits from the UEF were received during calendar year 2025: five applications were accepted and assigned to the TPA for administration, three applications were not accepted because the employer provided proof of workers' compensation coverage and one application is still pending the receipt of additional information from the applicant.

<b>New Applications Received</b>	<b>CY2021</b>	<b>CY2022</b>	<b>CY2023</b>	<b>CY2024</b>	<b>CY2025</b>
UEF	10	12	7	5	9
Accepted into the UEF	7	6	2	2	5
Not Accepted into the UEF	3	6	5	1	3
Pending	0	0	0	2	1

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### **EMPLOYER COVERAGE UNIT**

The Employer Coverage Unit is responsible for confirming if West Virginia businesses with employees are in compliance with current workers' compensation coverage requirements as established by W. Va. Code Chapter 23.

#### COMPLIANCE WITH MANDATORY WORKERS' COMPENSATION COVERAGE

Workers' compensation compliance reviews begin by extracting canceled and expired policy data provided by the National Council on Compensation Insurance (NCCI) and researching various databases to determine if coverage is required. If an employer is found to be non-compliant, the unit establishes an account to assess a fine to the employer. 530 uninsured employer fine accounts were created in calendar year 2025.

#### VERIFICATION OF EXEMPTION FROM MANDATORY COVERAGE

Certain employers are not required to maintain workers' compensation coverage, although they may elect to do so: an employer of domestic services, some employers in the agricultural service, an employer deemed to be a casual employer, an employer who is a church, an employer engaged in professional sports activities, a volunteer rescue squad or volunteer police auxiliary, and an employer whose employees are provided workers' compensation benefits under the Long Shoremen and Harbor Workers' Compensation Act. Employers who fall within any of these categories may request that a verification of exemption from workers' compensation coverage letter be issued by the OIC. Employer Coverage reviews such requests and issues the letters where appropriate. 88 such requests were received during calendar year 2025 and 56 verifications of exemption from workers' compensation coverage letters were issued by Employer Coverage. Employers who are confirmed to be exempted from workers' compensation coverage are entered into the NCCI Proof of Coverage (POC) system for compliance verification purposes.

## PROOF OF COVERAGE

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Employer Coverage also has the responsibility of overseeing insurer compliance within the Proof of Coverage (POC) system. Insurers that fail to report information timely as required by the POC guidelines are reported to OIC Legal for further review.

Employer Coverage assists members of the public, as well as other State agencies, with the utilization of the POC system, which is available on the OIC's website. Employer Coverage staff provides guidance to third party users on how to search the POC database and verify whether specific employers are maintaining the statutorily mandated workers' compensation coverage or are exempt from the requirement to maintain workers' compensation coverage. Increased usage of the POC database improves the likelihood that employers who are not in compliance will be reported to the OIC to be brought into compliance.

CY2025 Statistics	
Compliance Requests Completed	1,386
DOL Reports Investigated	175
Uninsured Employer Accounts Established	530

## MANAGED HEALTH CARE PLANS

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Employer Coverage also regulates managed health care plans (MHCP's) and the medical provider networks of insurance carriers, third-party administrators, and self-insured employers. These plans provide managed care for West Virginia workers whose employers participate in an approved West Virginia MHCP. Regulation of these plans includes processing new and renewal certification applications as well as reviewing and approving modifications to existing plans and ongoing medical provider networks. Nine (9) MHCP's and three (3) medical provider networks are currently certified to operate in West Virginia.

## PROFESSIONAL EMPLOYER ORGANIZATION LICENSING

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Professional Employer Organizations (PEOs) operate under numerous descriptive names, the most common being staff leasing companies, employee leasing companies and administrative employers. Services provided by PEO's may include, but are not limited to employee benefits, payroll, workers' compensation coverage, recruiting, training and development, and risk/safety management. Licenses are renewed annually or, if not renewed, expire six months following the PEO's fiscal year-end. New applicants and renewal applicants are required to provide audited financial statements, among other documents, and must meet certain minimum financial requirements. 232 PEO's are licensed to do business in West Virginia.

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## REVENUE RECOVERY UNIT

The Revenue Recovery Unit is responsible for the collection of all monies due to the State for (1) past due balances related to the Old Fund, (2) expenditures from the West Virginia Uninsured Employer Fund, and (3) fines imposed upon employers who have not maintained statutorily required workers' compensation coverage.

Revenue Recovery contacts employers that have defaulted on their workers' compensation premium payments, and may take actions such as:

- Placement of employer on the Employer Violator System (EVS), and the Defaulted Employer Database.
- Compliance Posting (notice to inform employees of the employer's default on workers' compensation coverage).
- File liens (for fines and claims charges owed) against the business and its individual owners, officers, partners or members.
- Request revocation of state issued licenses.
- Seek to enjoin the employer's operations.

Revenue Recovery also works with the OIC's Regulatory Compliance (Legal) Division to enforce employer compliance with West Virginia workers' compensation laws, rules and regulations.

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## DEFAULT NOTIFICATIONS AND EMPLOYER CONTACT

Revenue Recovery sends written notification to all employers that are reported as not having mandatory workers' compensation insurance. During CY 2025, 1,181 such notices were sent to employers. Additionally, Revenue Recovery engaged in over 3,100 contacts by telephone with uninsured employers.

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## EMPLOYER VIOLATOR SYSTEM (EVS)

Revenue Recovery reviews all employers reported as out of compliance with the statutory requirement to carry workers' compensation insurance and places all confirmed uninsured employers and the individual owners, officers, partners or members of the business on the Employer Violator System (EVS). This electronic report allows other state agencies to search for and identify out of compliance businesses and the related officers, owners, partners or members when said businesses apply for other state licenses or permits. If the employer and its associated individual owners, officers, partners or members are on EVS, other agencies may not grant licenses or permits until the out of compliance status is cured and the business is appropriately insured. In calendar year 2025, an average of 1,359 businesses along with the individual owners, officers, partners and members were listed on EVS every month.

## LIENS, INJUNCTIONS, AND REGULATORY COMPLIANCE

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Liens are filed when an employer has not cured the fine or UEF claim related charges caused by uninsured periods and the lien releases are filed when amounts due to the State are paid. Revenue Recovery prepared and mailed 953 liens to West Virginia County clerks in calendar year 2025. The liens were placed on the businesses as well as on the individual owners, officers, partners or members of the business as listed on the West Virginia Secretary of State's website. During the same timeframe, 794 lien releases were prepared and mailed to the county clerk offices.

## REVENUE RECOVERY COLLECTIONS

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CY2025 Collections	
January	\$35,619.81
February	\$62,396.62
March	\$67,864.64
April	\$54,273.92
May	\$48,097.94
June	\$44,371.22
July	\$54,493.18
August	\$58,713.50
September	\$38,188.70
October	\$33,777.03
November	\$49,393.83
December	\$96,406.86
Total	\$643,597.25

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## SELF-INSURANCE UNIT

The Workers' Compensation Self-Insurance Unit is responsible for regulating 48 employers that currently self-insure their workers' compensation coverage in West Virginia and the approximately 100 employers that no longer self-insure but continue to administer claims incurred during their period of self-insurance.

Self-insured employers in West Virginia self-administer their claims. Ordinarily, the employer hires a third-party administrator (TPA) to manage and process claims, although a small number of self-insured employers truly self-administer through an internal claim management department or a subsidiary company. Self-administration provides the self-insured employer with a greater degree of control over the claim management process than participation in guaranteed cost or deductible programs.

Regulation of the self-insured employers focuses primarily on two areas: maintenance of the risk pools and annual financial condition reviews. W. Va. Code St. R. §85-19-1 et seq. establishes two risk pools in which the self-insured employers participate: the Security Risk Pool that covers claims with dates of injury, last exposure or death prior to July 1, 2004 (the date self-administration began) and the Guaranty Risk Pool that covers claims with dates of injury, last exposure or death on or after July 1, 2004. Active and inactive self-insured employers participate in the risk pools, which are dependent upon each employer's exposure base since self-insured employers are joint and severally liable for defaults of other self-insured employers. The purpose of the risk pools is to provide the means to pay claims for defaulted self-insured employers without placing the burden on the taxpayers of West Virginia.