

BEFORE JAMES A. DODRILL, INSURANCE COMMISSIONER
OF THE STATE OF WEST VIRGINIA

FILED

In the Matter of:

2020 SEP 21 A 8:39

LYNN PATINO (NP # 11894464)

OFFICE WEST VIRGINIA
SECRETARY OF STATE

Administrative Proceeding No: 20-PLTER-02015

CONSENT ORDER

James A. Dodrill is the Insurance Commissioner of the State of West Virginia ("Commissioner") and is charged with enforcing the provisions of Chapter 33 of the *West Virginia Code*, as amended. Serg Panfilov ("Licensee"), a surplus lines licensee, is licensed to transact the business of surplus lines insurance in the State of West Virginia, pursuant to *W.Va. Code* §§33-12C-1 through 29, under a surplus lines producer license issued by the Insurance Commissioner. Licensee is subject to licensing under Article 12C, Chapter 33 of the *West Virginia Code*, as amended, related legislative rules and the authority of the Commissioner, as a nonresident surplus lines licensee.

The Commissioner notified Licensee of his intent to initiate, pursuant to *W.Va. Code* §33-12C-9, an administrative proceeding to determine whether Licensee has failed to make and file required reports and/or failed to transmit required tax on surplus lines premiums to this state or a reciprocal state to which a tax is owing. The Commissioner is authorized by *W.Va. Code* §33-12C-9 to refuse to renew, or may revoke or suspend the license of a surplus lines licensee, or require the licensee to pay to the State of West Virginia a penalty in a sum not exceeding five thousand dollars, if a licensee has violated any provision of *W.Va. Code* §33-12C-9 or *W.Va. Code* §33-12-24.

FINDINGS OF FACT

1. Licensee is a licensed surplus lines licensee, NP# 181017667, pursuant to *W.Va. Code* §33-12C-8.
2. Licensee is subject to quarterly tax filings pursuant to *W.Va. Code* §33-12C-7(f).
3. The Commissioner emailed the Licensee, on November 1, 2019 and November 6, 2019, informing the Licensee of the failure to file the required quarterly surplus lines tax form.
4. The Commissioner, by registered mail on November 14, 2019, informed the Licensee of the aforementioned failure to file.
5. Licensee failed to file the required quarterly surplus lines tax forms for the second and third quarters of 2019.

CONCLUSIONS OF LAW

1. The Insurance Commissioner has jurisdiction over the subject matter and the parties to this proceeding.
2. This proceeding is pursuant to and in accordance with *W.Va. Code* §§33-12C-1 through 29.
3. The Commissioner is charged with the responsibility of verifying continued compliance with the *West Virginia Code*, as amended, and the *West Virginia Code of State Rules* by Licensee as well as all other provisions of the law to which Licensee is subject by virtue of his/her License to operate in the State of West Virginia.
4. Under *W.Va. Code* §33-12C-7(f), each licensee is required to remit the surplus lines tax on a calendar year basis and in quarterly estimated installments on or before the twenty-fifth day of the month succeeding the close of the quarter in which they accrued, except for the fourth

quarter, which said fourth quarter taxes shall be due and payable and final computation of actual total liability for the prior calendar year shall be made, less credit for the three quarterly estimated payments prior made, and filed with the annual return to be made on or before the first day of March of the succeeding year.

5. Licensee violated *W.Va. Code* §§33-12C-7 and 33-12C-9 by failing to file the second and third quarter surplus lines tax filings for calendar year 2019.

6. Under *W.Va. Code* §33-12C-9 the Commissioner may examine and investigate the business affairs of every individual applying for or holding a surplus lines insurance license, and the Commissioner may place on probation, suspend, revoke or refuse to issue or renew the license of a surplus lines licensee, or may levy a civil penalty in a sum not to exceed Five Thousand Dollars (\$5,000.00), or any combination of actions, after notice and hearing pursuant to section thirteen, article two of chapter thirty-three upon one or more of the specified grounds.

7. Any Conclusion of Law that is more properly a Finding of Fact is hereby incorporated as such.

ORDER

It is accordingly AGREED and ORDERED as follows:

1. Licensee will CEASE AND DESIST from failing to timely file quarterly surplus lines tax reports in the State of West Virginia and will provide timely and complete required filings.

2. Licensee shall ensure her full compliance with the West Virginia law.

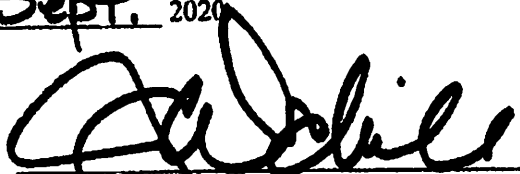
3. Licensee shall pay an administrative penalty to the State of West Virginia in the amount of One Thousand Dollars (\$1,000.00) for her non-compliance with the West Virginia law

as described herein. The payment of this administrative penalty is in lieu of any other regulatory penalty or remedy and shall be paid immediately upon execution of this Consent Order.

4. All such statutory notices, administrative hearings and appellate rights are herein waived concerning this Consent Order. All such rights are preserved by the Parties regarding implementation or further action taken on such Order by the Commissioner against Licensee.


5. Upon the failure of Licensee to pay the penalty as set forth in this Consent Order, the Commissioner may take other appropriate action against Licensee pursuant to *W.Va. Code* §33-12C-9 or other available provisions.

ENTERED this 14th day of Sept., 2020



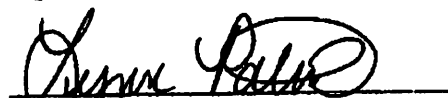
JAMES A. DORRILL
Insurance Commissioner

Prepared by:



Gregory A. Elam (WVSB #6926)
Associate General Counsel
Legal Division
West Virginia Offices of the Insurance Commissioner
Post Office Box 50540
Charleston, West Virginia 25305-0540

Agreed to by:



Lynn Patino
(NP # 11894464)

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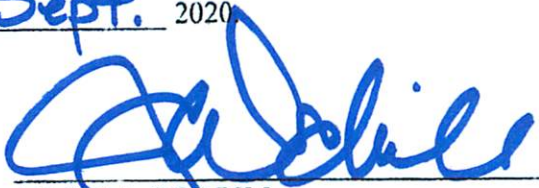
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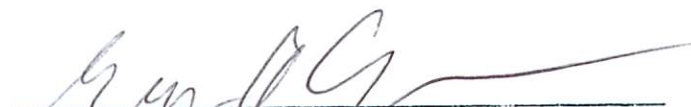
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JAMES A. DODRILL
Insurance Commissioner

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