



BEFORE THE IOWA INSURANCE COMMISSIONER

IN THE MATTER OF	)	Division Case No. 123701
	)	
BENEFIT MANAGEMENT, LLC,	)	<b>ORDER AND</b>
NPN 7535840	)	<b>CONSENT TO ORDER</b>
	)	
	)	
Respondent.	)	

**NOW THEREFORE**, upon motion of the Iowa Insurance Division (“Division”) and by the consent of Respondent Benefit Management, LLC, pursuant to the provisions of Iowa Code chapter 510—Managing General Agents and Third-Party Administrators, and Iowa Administrative Code chapter 191—58, the Commissioner enters the following Order and Consent to Order (“Consent Order”):

**I. PARTIES AND JURISDICTION**

1. The Commissioner of Insurance, Douglas M. Ommen, directly and through his designees, administers and enforces of Iowa Code chapter 510 pursuant to Iowa Code § 505.8.
2. Benefit Management, LLC (“Respondent”), is an entity with a last known address of 2015 16th Street, Great Bend, Kansas 67530.
3. Respondent has held a certificate of registration in Iowa as a third-party administrator (“TPA”) since November 18, 2004. Respondent is registered under National Producer Number 7535840.
4. Pursuant to Iowa Code § 505.28, Respondent consented to the jurisdiction of the Commissioner of Insurance by committing acts governed by chapter 510.
5. From on or about July 1, 2023, to present, Respondent engaged in acts and practices within the state of Iowa constituting cause for suspension, or revocation of Respondent’s TPA

certificate of registration; cease and desist orders; and civil penalties or other relief under Iowa Code chapter 510 and rules adopted pursuant to this chapter.

## II. FINDINGS OF FACT

6. Respondent applied for a certificate of registration as a TPA with the Division by submitting an application for a certificate of registration through the National Insurance Producer Registry. In submitting its application, Respondent designated the Commissioner as an agent for service of process.

7. The Division issued Respondent a certificate of registration as a TPA on November 18, 2004, and assigned to Respondent National Producer Number 7535840.

8. As a TPA, Respondent was engaged in the business of insurance in Iowa pursuant to Iowa Code § 507A.3.

9. Pursuant to Iowa Administrative Code rule 191—58.11(1), a registered TPA is required to file an annual report with the Division by July 1 of each year that, among other requirements, must include audited financial statements prepared by an independent certified public accountant using generally accepted accounting principles and separately break out its accounts by each subsidiary entity.

10. On April 30, 2024, the Division's Product and Producer Registration ("PAPR") Bureau sent Respondent an email reminder of its obligation to file its annual TPA report by July 1, 2024.

11. Respondent submitted a TPA report on July 11, 2024, ten days after the deadline, by a licensing coordinator for First Consulting & Administration. That day, PAPR notified Respondent through the OPTins online reporting system that the annual TPA report submission was deficient. Specifically, PAPR informed Respondent that: the report was submitted for a

different entity, "Benefit Administrator, LLC," and not for Respondent;<sup>1</sup> the report only included one verification signature for "Brandon Farthing," an individual who was not identified to the Division as an officer of Respondent; and the report included audited financial statements for Benefit Administrator, LLC, and did not include such statements for Respondent prepared by an independent certified public accountant, including an audited balance sheet or statement of operations sheet.

12. The licensing coordinator responded that day and indicated he was working with the auditor on the audit but indicated that Respondent "currently has no officers . . . they got another employee to sign the form."

13. On July 18, 2024, PAPR sent Respondent an email indicating it was still waiting for the updated information requested through OPTins.

14. On August 13, 2024, the Division received notice that Respondent filed for Chapter 7 bankruptcy on August 7, 2024, in the United States Bankruptcy Court for the District of Kansas.

15. Following additional email exchanges with the Division between August 20 and September 12, 2024, the licensing coordinator indicated that they no longer had contact with Respondent.

16. Respondent's bankruptcy proceeding is currently underway.

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<sup>1</sup> Benefit Administrator, LLC, is not registered in Iowa as a TPA. The documents provided for this entity indicate that it operates out of Great Bend, Kansas, but does not appear to be an alias for Respondent. The Division received no notice from Respondent of a change in name, and Respondent did not respond to multiple communications from the Division seeking audited financials for Respondent.



### III. CONCLUSIONS OF LAW

#### COUNT I

##### **Failure to Submit Compliant Annual TPA Report**

17. Pursuant to Iowa Administrative Code rule 191—58.11, a registered TPA in Iowa is required to submit to the Division an annual report by July 1 of each year in a form and manner prescribed by the Commissioner, and must conform to the following requirements:

- a. Be verified by at least two officers of the third-party administrator;
- b. Include audited financial statements prepared by an independent certified public accountant using generally accepted accounting principles;
- c. Be prepared on a consolidated basis; and
- d. Include a columnar consolidating or combining worksheet that shall be filed with the report and include the following:
  - (1) Amounts shown on the consolidated audited financial report shall be shown on the worksheet;
  - (2) Amounts for each entity shall be stated separately; and
  - (3) Explanations of consolidating and eliminating entries shall be included.

18. On July 11, 2024, Respondent submitted an annual TPA report to the Division that did not conform to rule 191—58.11. The report was submitted for a different entity named “Benefit Administrator, LLC,” not for Respondent, only included one verification signature and it was not by an officer of Respondent, and did not include audited financial statements for Respondent prepared by an independent certified public accountant. As of the date of this Consent Order, Respondent has not provided the requested documentation to the Division.

19. Respondent’s acts and practices violated Iowa Administrative Code rule 191—58.11 subjecting Respondent to suspension, or revocation of Respondent’s TPA registration, the imposition of a civil penalty, an order requiring Respondent to cease and desist from engaging in

such acts or practices, the imposition of costs of the investigation and prosecution of the matter, and any other corrective action the Commissioner deems necessary and appropriate pursuant to Iowa Code § 510.23 and Iowa Administrative Code rule 191—58.16.

**COUNT II**  
**Impaired Financial Condition**

20. Pursuant to Iowa Administrative Code rule 191—58.16(2)(a), the Commissioner shall deny, suspend, revoke, or refuse to renew a TPA's certificate of registration if the TPA is of unsound financial condition.

21. Pursuant to Iowa Administrative Code rule 191—58.16(3)(b), the Commissioner may deny, suspend, revoke, or refuse to renew a TPA's certificate of registration if the TPA has a financial condition that has deteriorated to the degree that it may adversely affect the TPA's ability to operate as a TPA.

22. Respondent has filed for Chapter 7 bankruptcy and is currently undergoing a bankruptcy proceeding. Respondent is of unsound financial condition and is unable to continue operations as a TPA in Iowa.

23. Respondent's acts and practices violated Iowa Administrative Code rule 191—58.16 subjecting Respondent to denial, suspension, revocation, or non-renewal of Respondent's TPA registration, the imposition of a civil penalty, an order requiring Respondent to cease and desist from engaging in such acts or practices, the imposition of costs of the investigation and prosecution of the matter, and any other corrective action the Commissioner deems necessary and appropriate pursuant to Iowa Code § 510.23 and Iowa Administrative Code rule 191—58.16.

**IV. ORDER**

**WHEREFORE, IT IS ORDERED** pursuant to the powers granted to the Commissioner of Insurance by Iowa Code chapter 510:

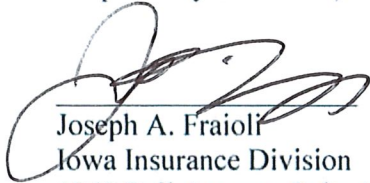
- A. Respondent's Iowa third party administrator certificate of registration is immediately revoked.
- B. Respondent, pursuant to Iowa Code § 510.23, shall immediately cease and desist from engaging in the business of insurance in this state.
- C. These orders may be enforced under Iowa Code chapters 510.

**SO ORDERED** on this 21<sup>st</sup> day of November, 2024.



DOUGLAS M. OMMEN  
Iowa Insurance Commissioner

Respectfully submitted,



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Iowa Insurance Division  
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**ATTORNEYS FOR THE DIVISION**

**Copy to:**

Benefit Management, LLC  
2015 16th Street  
Great Bend, Kansas 67530  
**RESPONDENT**

CERTIFICATE OF SERVICE

The undersigned certifies that the foregoing instrument was served upon all parties to the above cause, or their attorney, at their respective addresses disclosed on the pleadings on November 21, 2024.

By:  First Class Mail  Personal Service  
 Restricted certified mail, return receipt  Email  
 Certified mail, return receipt  \_\_\_\_\_

Signature: Brooke Hohn  
Brooke Hohn



### **NOTICE OF PENALTIES FOR WILLFUL VIOLATION OF THIS ORDER**

**YOU ARE NOTIFIED** that acting as a third-party administrator as defined in Iowa Code chapter 510 in violation of this Order, is a felony under Iowa Code § 507A.10, subjecting you to punishment of imprisonment, jail, fines, or any combination of custody and fines.

**YOU ARE ALSO NOTIFIED** that if you violate this Order, you may be subject to administrative and civil penalties pursuant to Iowa Code § 507B.7(4). Pursuant to Iowa Code § 505.8(13), the Commissioner may petition the district court to enforce the order as certified by the Commissioner.

### **NOTICE REGARDING REISSUANCE**

Upon entry of this Order, your certificate of registration as a third party administrator will become inactive due to revocation. While your registration is inactive, you are prohibited from conducting the business of insurance in Iowa. Your registration will not become active again until the Division makes the determination to reissue your certificate of registration by order pursuant to Iowa Administrative Code rule 191—58.3.

Reissuance of your certificate of registration is subject to the discretion of the Commissioner. Additionally, it will not be granted unless and until you have complied with the terms of this Order, made the appropriate Application for Reissuance with the Division, and paid all applicable fees. If applicable, you may also be required to apply for licensure through the National Insurance Producer Registry (NIPR) and pay all applicable fees.

### **NOTICE OF FINAL ORDER IMPACT**

A final order of revocation or a cease and desist order may adversely affect other existing business or professional licenses and may result in license revocation or disciplinary action.

A final order in an administrative action does not resolve any potential criminal or civil violations or causes of action that might arise from the same or similar conduct that is the subject of this this order. It may result in criminal law enforcement authorities, including the fraud bureau of the Iowa Insurance Division, pursuing a criminal investigation or prosecution of potential criminal law violations.



**CONSENT TO ORDER AND AGREEMENT**

I, Daniel R. Tasset, authorized representative for Respondent in this matter, have read, understood, and do knowingly consent to this Order in its entirety. I understand and acknowledge I have the right to consult with an attorney on this matter if I choose to do so, and I acknowledge that the Division cannot provide me an attorney, nor can the Division provide me legal advice. By executing this Consent, I understand that I am waiving Respondent's rights to a hearing, to confront and cross-examine witnesses, to produce evidence, and to judicial review.

I further understand this Order is considered a final administrative action that will be reported by the Division to the National Association of Insurance Commissioners and to other regulatory agencies. I also understand this Order is a public record under Iowa Code chapter 22 and information may be shared with other regulatory authorities or governmental agencies, pursuant to Iowa Code § 505.8(8)(d). I also understand this Order will be posted to the Division's website and a notation will be made to the publicly available website record that administrative action has been taken against me.

*Daniel R. Tasset*

11/07/2024  
Date

\_\_\_\_\_  
Signature of Authorized Representative for Respondent

Daniel R. Tasset, Authorized Agent  
Printed Name & Title of Signatory

7500 College Boulevard, Suite 1400, Overland Park, KS 66210  
Address of Signatory

Subscribed and sworn before me by Scott Palecki on this 11<sup>th</sup> day of November, 2024.



*Scott Palecki*  
\_\_\_\_\_  
Notary Public for the State of Kansas