

BEFORE THE DIVISION OF INSURANCE  
DEPARTMENT OF LABOR AND REGULATION  
STATE OF SOUTH DAKOTA

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IN THE MATTER OF )  
HAMMERMAN & GAINER INC. )

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CONSENT ORDER

In resolution of the above matter and in lieu of issuance of a Notice of Hearing and a formal hearing, the undersigned parties do hereby agree to the following:

HAMMERMAN & GAINER, INC. ("HAMMERMAN"), whose address of record is 120 S Central Ave., Suite #400, Clayton, MO 63105 is a third party administrator licensed to transact business in the State of South Dakota:

HAMMERMAN is aware the South Dakota Division of Insurance ("Division") has conducted an investigation;

The Division alleges the following:

- 1) HAMMERMAN failed to timely report an administrative action taken by the State of Louisiana in violation of SDCL §§ 58-29D-22 and 58-29D-28;
- 2) HAMMERMAN was issued Warning Letters in June 2011 and November 2014 for failing to timely report administrative actions;
- 3) HAMMERMAN signed a Consent Order in October 2015 in which HAMMERMAN agreed to conduct itself in accordance with the insurance laws of South Dakota;
- 4) HAMMERMAN violated the October 2015 Consent Order by failing to timely report the Louisiana administrative action;
- 5) Pursuant to SDCL §§ 58-58-29D- 22, 58-29D-28, and 58-29D-31, the Director of the Division of Insurance may revoke HAMMERMAN's TPA license.

HAMMERMAN is aware of and understands the nature of the charges and has been informed that it has the right to notice, hearing, and appeal, and that by agreeing to and signing this Consent Order waives these rights;

In return for HAMMERMAN agreeing to the provisions of this Consent Order, the Division agrees not to proceed to hearing and agrees that this Consent Order will constitute an informal disposition of this licensing matter pursuant to SDCL § 1-26-20;

HAMMERMAN agrees to a monetary penalty in the amount of \$2,500 pursuant to SDCL § 58-4-28.1, in lieu of contesting this matter formally; and

HAMMERMAN further agrees to conduct itself in accordance with the insurance laws and regulations of the State of South Dakota;

HAMMERMAN further agrees that this Consent Order may be considered for the purpose of determining the appropriate sanction in any future actions with the Division for any violations of the laws or regulations of the State of South Dakota or for failing to abide by any order of the Director;

Wherefore, good cause appearing from the foregoing, it is hereby ORDERED that HAMMERMAN pay a monetary penalty in the amount of \$2,500 payable to "South Dakota Division of Insurance" for deposit in the general fund of the State of South Dakota; and it is further

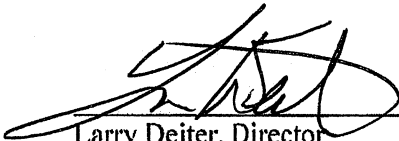
ORDERED that HAMMERMAN abide by the agreements made by it in this Consent Order; and it is further

ORDERED that should HAMMERMAN fail to comply with the provisions of this Order, the Division may seek the suspension or revocation of HAMMERMAN Certificate of Authority at hearing pursuant to SDCL § 58-6-46, or seek other remedies available at law; and it is further

ORDERED that the use of this Consent Order for competitive purposes by an insurance agent or third-party administrator holding a license in the State of South Dakota, or by any company holding a Certificate of Authority, or by anyone on their behalf, may be deemed unfair competition and be grounds for suspension or revocation of said license or authority; and it is further

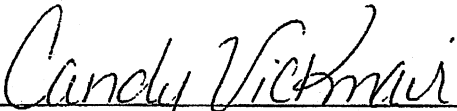
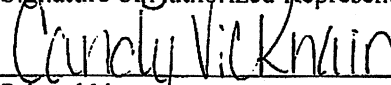
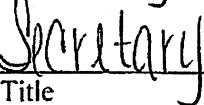
ORDERED that the provisions of this Consent Order shall be effective from the date the Director signs this Order.

Dated at Pierre, South Dakota this 8<sup>th</sup> day of JUNE, 2016.

  
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Larry Deiter, Director  
South Dakota Division of Insurance

The undersigned, on behalf of HAMMERMAN, represents it understands the terms of this Consent Order and the waiver of its due process rights and voluntarily enter into this Consent Order.

Dated this 6<sup>th</sup> day of June, 2016.

  
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Signature of Authorized Representative  
  
\_\_\_\_\_  
Printed Name  
  
\_\_\_\_\_  
Title