



January 20, 2023

SENT VIA CERTIFIED MAIL AND FIRST-CLASS MAIL

International Benefit Administrators, LLC
100 Garden City Plaza, Suite 110
Garden City, NY 11530

RE: Application Denial for TPA Registration

To whom it may concern,

This letter is to notify you that your company's application for registration as a Third-Party Administrator ("TPA") in South Dakota has been denied. The reason for the denial is as follows:

International Benefit Administrators, LLC ("IBA") submitted an application for a TPA registration to the South Dakota Division of Insurance ("Division") on March 28, 2022. IBA failed to supply any of the required documentation with their application. On April 14, 2022, the Division wrote to IBA asking for an explanation regarding the deficient application. On May 4, 2022, IBA responded, but still did not supply all the required documentation. Thus, On May 12, 2022, the Division again wrote to IBA asking for the missing documentation. Having failed to receive a response, on June 28, 2022, the Division sent IBA a cite letter for failing to timely respond and again asking for the missing documentation. On July 18, 2022, IBA finally responded, but still failed to provide the updated information. Thus, on July 19, 2022, the Division again requested the needed information. On July 27, 2022, IBA finally provided all of the information that was requested. After reviewing the information, it was discovered that IBA withheld information from the Division. Thus, on August 17, 2022, the Division wrote IBA asking for an explanation. On August 26, 2022, IBA provided the withheld information stating they were no longer providing services for the provider they left off in their previous responses.



IBA has continuously adjudicated claims in South Dakota without proper licensure. Additional, IBA has been the subject of at least 11 prior investigation files with the Division:

- 1000055 – IBA failed to file annual report in South Dakota. Fined \$250.
- 1000914 – IBA failed to report Wisconsin 2012 action to the Division. Received a Warning Letter.
- 1002466 – IBA failed to report Louisiana 2013 action to the Division. License became inactive and no response had been received.
- 1004917 – IBA acted as a an unlicensed TPA from 2014 to 2016. Fined \$20,000.
- 1007626 – IBA applied for a business entity license. On the application it was found that IBA failed to disclose administrative actions, and processed claims without proper licensure. License was granted. Fined \$30,000.
- 1007990 – IBA was part of multiple complaint due to delays in claim payments. It was found that IBA again processed claims without licensure. File was referred for market conduct exam.
- 1008987 – IBA failed to respond to several complaint investigations. IBA did respond to the cite letter. License denied. Complaint files:
 - 1008990 – IBA failed to respond to a complaint investigation.
 - 1010013 – IBA failed to respond to a complaint investigation.
 - 1010350 – IBA failed to respond to a complaint investigation.
 - 1010435 – IBA failed to respond to a complaint investigation.

Based on the above information, your company's TPA registration application is denied based upon SDCL 58-12-20, 58-29D-24, 58-29D-31(2) & (4), 58-30-167(1), (2) & (8), and 58-33-66, for using methods or practices in the conduct of its business which render its further transaction of business in this state hazardous or injurious to insured persons or the public including previously failing to timely settle/pay claims; violating any lawful rule or order of the director or any provision of the insurance laws of this state; using fraudulent, coercive, or dishonest practices, or demonstrating incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in this state or elsewhere; and failing to respond to an inquiry from or failing to supply documents requested by the Division within twenty days of receipt of such inquiry or request.

Please note that this denial is considered an administrative action which will be reported to the database maintained by the National Association of Insurance Commissioners. If an administrative action occurs, an insurance producer may be required to report the action to any and all states in which an insurance license is held and in accordance with the timeframes and requirements of each state.



SOUTH DAKOTA
DEPT. OF **LABOR**
& **REGULATION**

DIVISION OF INSURANCE

Tel: 605.773.3563 | Fax: 605.773.5369

dlr.sd.gov/insurance

You may make a written request to the Division of Insurance within thirty (30) days of the date of this denial for a hearing to determine the reasonableness of this decision to deny your application for licensure.

Sincerely,

Tony Dorschner
Assistant Director
South Dakota Division of Insurance
Department of Labor and Regulation

CC: licensing@IBATPA.com