

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

IN THE MATTER OF
WILLIAMS-MANNY 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:

WILLIAMS-MANNY INC., (“WILLIAMS-MANNY”), whose address of record was 555 Perryville, Rd., Rockford, IL, 61108, previously held a business entity license in the State of South Dakota at all times relevant to this proceeding;

WILLIAMS-MANNY is aware that the South Dakota Division of Insurance (“Division”) has conducted an investigation relating to conduct occurring while WILLIAMS-MANNY held a business entity license in the State of South Dakota;

WILLIAMS-MANNY ceased to exist as corporate entity on December 27, 2017. The assets of WILLIAMS-MANNY were sold to Arthur J. Gallagher, and as part of that transaction, WILLIAMS-MANNY was dissolved and merged into WMI Liquidation II, LLC, which is not an operating company. Neither WILLIAMS-MANNY nor WMI Liquidation II, LCC currently hold a business entity license in the State of South Dakota, and neither WILLIAMS-MANNY nor WMI Liquidation II, LLC are currently operating entities transacting any business in South Dakota.

The Division alleges the following:

- 1) WILLIAMS-MANNY sold, solicited, or assisted in the sale of a multiple employer welfare arrangement to a South Dakota employer, without conducting a duly diligent investigation to ensure that the health benefit plan in question was not unauthorized health insurance, a violation of SDCL § 58-33-102;
- 2) WILLIAMS-MANNY failed to notify the Division’s MEWA contact when it knew or should have known that an unauthorized health insurance product was being offered for sale in South Dakota, a violation of SDCL §§ 58-33-98;
- 3) Many South Dakota consumers were harmed when the Multiple Employer Welfare Arrangement sold by WILLIAMS-MANNY became insolvent and could not pay the claims of the South Dakota consumers;
- 4) Any of the above-cited conduct constitutes grounds for the revocation or suspension of WILLIAMS-MANNY’s business entity license pursuant to SDCL § 58-30-167(2) and (8);

WILLIAMS-MANNY is aware of and understands the nature of the allegations and has been informed that it has the right to a Notice of Hearing, counsel and appeal and that by agreeing to sign this Consent Order, waives these rights;

By the execution of this Consent Order and the payment of the monetary penalty pursuant to this Consent Order, WILLIAMS-MANNY neither admits to nor denies the alleged violations of the laws of the State of South Dakota, but WILLIAMS-MANNY does waive its right to contest the allegations contained in this Consent Order;

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

WILLIAMS-MANNY, through WMI Liquidation, LLC II, further agrees to pay \$10,000 pursuant to SDCL §§ 58-30-167 and 58-4-28.1, in lieu of an administrative hearing and Final Decision;

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

WILLIAMS-MANNY 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;

WILLIAMS-MANNY waives its right to contest the allegations contained in this Consent Order in any future actions or licensing procedures;

Wherefore, good cause appearing from the foregoing, it is hereby ORDERED that WILLIAMS-MANNY pay a monetary penalty in the amount of \$10,000 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 WILLIAMS-MANNY abide by the agreements made in this Consent Order; 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 16th day of April, 2018.



Larry Deiter, Director
South Dakota Division of Insurance

The undersigned, on behalf of WILLIAMS-MANNY, now known as WMI Liquidation II, LLC represents it understands the terms of this Consent Order and the waiver of its due process rights and voluntarily enters into this Consent Order.

Dated this 4th day of April, 2018.



Signature of Authorized Representative
Dave Ross

Printed Name
President

Title