



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

**DIVISION OF INSURANCE**

Tel: 605.773.3563 | Fax: 605.773.5369

[dlr.sd.gov/insurance](http://dlr.sd.gov/insurance)

June 22, 2022

**SENT VIA CERTIFIED MAIL AND FIRST-CLASS MAIL**

Proximal LLC  
7500 Olson Memorial Drive  
Suite 225  
Minneapolis, MN 55427  
[bill@proximal.com](mailto:bill@proximal.com)

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:

Proximal LLC (hereafter "Proximal") submitted an application for a TPA registration to the Division on August 27, 2021. In reviewing the application, the Division found that Proximal failed to supply audited financials with their application.

Due to the missing financial information with the application, the Division wrote to your company on September 13, 2021. The Division received responses between September 16 and October 26, 2021, but the audited financials were not received. On October 26, 2021, the Division requested the audited financials again.

On November 10, 2021, Proximal reached out for an update regarding its application, and the Division resent its October 26, 2021, letter on December 1, 2021. Proximal acknowledged receipt of the letter on December 30, 2021. The Division sent an email stating the Division would allow an additional twenty (20) days to receive the audited financials. No response was received. A citation letter was sent via first class, certified mail, and email on February 2, 2022, due to the lack of response regarding the audited financials and requesting a response, as well as the requested documents. The cite letter requested a response within twenty (20) days and notified Proximal that if the requested information was not received with this timeline, administrative action would be pursued. On February 22, 2022, Proximal responded in an email stating the audited financials had not been completed. The Division responded to Proximal stating Proximal could submit the audited financials or withdraw its application in lieu of a denial. As of the date of this letter, the Division has not received a response from Proximal.



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Based on the above information, your company's TPA application is denied based upon SDCL §§ 58-29D-22, 58-29D-22.1, 58-29D-31(4) and (5), 58-30-167(1), (2), and (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; 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 for 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.

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*