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FILED 

NOV 02 2012

Department of Insurance
State of Idaho

BEFORE THE DIRECTOR OF THE DEPARTMENT OF INSURANCE

STATE OF IDAHO

In the Matter of:

PRAIRIE STATES ENTERPRISES, INC.,
Third Party Administrator License No. 142790,

Respondent.

Docket No. 18-2791-12

**STIPULATION RESOLVING
VIOLATIONS OF IDAHO
INSURANCE CODE**

The parties herein, namely the Idaho Department of Insurance (“**Department**”) and its counsel of record, Richard B. Burleigh, Deputy Attorney General, and PRAIRIE STATES ENTERPRISES, INC., Third Party Administrator License No. 142790 (“**PSEI**”), do hereby agree and stipulate to the following facts and conclusions of law:

1. That the Director of the Idaho Department of Insurance has jurisdiction over this matter pursuant to title 41, Idaho Code.
2. That PRAIRIE STATES ENTERPRISES, INC. (“**PSEI**”), was granted Third Party Administrator (“**TPA**”) License No. 142790 effective September 27, 2006, pursuant to the previous version of chapter 9, title 41, Idaho Code, which chapter was replaced in its entirety in 2010 by the current version of chapter 9, title 41, Idaho Code.

3. That PSEI's TPA License No. 142790 was renewed pursuant to the provisions of the previous version of chapter 9, title 41, Idaho Code, on or about January 1, 2012, and is scheduled to expire as of December 31, 2013.

4. That PSEI was notified by letter dated February 22, 2012, and sent by U.S. First Class Mail, postage prepaid, that it would be required to file either a home state license application pursuant to Idaho Code § 41-911 or a non-resident application pursuant to Idaho Code § 41-912. The notice informed PSEI that the filing fee for the application would be waived by the Department.

5. That PSEI failed to file an application for either a home state or non-resident TPA license pursuant to the requirements of chapter 9, title 41, Idaho Code, and the Department's February 2012 notice.

6. That, pursuant to Idaho Code § 41-914, all licensed TPAs are required to file an annual report with the Department on or before July 1 of each year.

7. That, on or about July 5, 2012, PSEI was notified by letter sent by certified mail that it had failed to file the required annual report and that no request for an extension of time had been received by the Department.

8. That the Department's July 5, 2012 letter required PSEI to file the annual report by July 26, 2012.

9. That PSEI received and signed for the certified July 5, 2012 letter on July 8, 2012.

10. That PSEI failed to file its annual report at any time prior to or after July 26, 2012.

11. That PSEI continues to operate as an administrator in Idaho notwithstanding its failure to comply with the requirements of the Idaho Code.

12. That, pursuant to Idaho Code § 41-915(2)(a), the Department may seek

suspension or revocation of PSEI's TPA license for failure to comply with the Idaho Code

13. That, pursuant to Idaho Code §§ 41-117 and 41-915(4), the Department may seek general penalties against PSEI of up to five thousand dollars (\$5,000.00) per violation of the Idaho Insurance Code.

14. That, in lieu of a contested enforcement action, the parties agree that this matter can be brought to a close by a negotiated and stipulated settlement.

15. PSEI therefore agrees as follows:

- a. PSEI shall pay a five hundred dollar (\$500.00) penalty to the Department within ten (10) business days following the execution of this Stipulation.
- b. PSEI shall file an application for either a home state license pursuant to Idaho Code § 41-911 or a non-resident license pursuant to Idaho Code § 41-912 within thirty (30) days from the execution of this Stipulation.
- c. In connection with the application in item (b) above, PSEI shall also pay a \$300 application fee to be submitted with the application.
- d. PSEI shall file an annual report as required by Idaho Code § 41-914 within thirty (30) days from the execution of this Stipulation.
- e. If PSEI fails to comply with the preceding, PSEI agrees that the Department may suspend or revoke PSEI's TPA license without further notice or hearing.

16. Nothing in this Stipulation shall affect the Department's review of PSEI's TPA license application, which review and approval, if appropriate, shall proceed in the Department's normal course.

17. PSEI acknowledges that it has had the opportunity to consult with counsel concerning this Stipulation. PSEI waives its right to notice and hearing at which it may be represented by counsel, present evidence and examine witnesses. PSEI waives its right to submit

this matter for review by a court of competent jurisdiction.

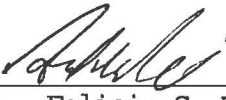
18. The parties agree that the terms of this Stipulation are appropriate and proper under the circumstances referenced herein, and that they have entered into this Stipulation knowingly, voluntarily and with full knowledge of any rights they may be waiving thereby.

19. The parties hereby waive the right to seek reconsideration and judicial review of this Stipulation or the violations of the Idaho Code referenced herein.

[Signatures on following pages.]

AGREED THIS 29 day of October, 2012.

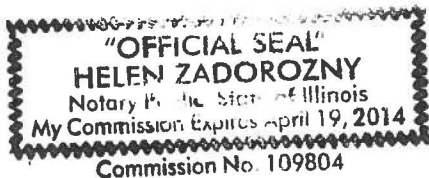
PRAIRIE STATES ENTERPRISES, INC.,
a(n) Illinois corporation

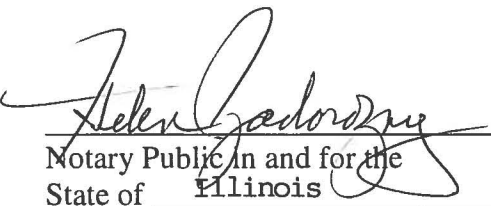
By: 
Name: Felicia S. Wilhelm
Its: CEO

STATE OF ILLINOIS)
) ss.
County of COOK)

On this 29 day of October, 2012, before me, the undersigned, a Notary Public in and for said State, personally appeared Felicia S. Wilhelm, the CEO of PRAIRIE STATES ENTERPRISES, INC., a(n) Illinois corporation, who executed the foregoing instrument on behalf of said company, and acknowledged to me that the said instrument is the free and voluntary act and deed of said company, for the uses and purposes therein mentioned.

WITNESS MY HAND and official seal hereto affixed the day, month and year in this certificate first above written.




Notary Public in and for the
State of Illinois
Residing at Chicago, IL
My commission expires: 04/19/2014

AGREED THIS 2nd day of November, 2012.

IDAHO DEPARTMENT OF INSURANCE

By: Georgia Siehl
Georgia Siehl, CPA, CFE
Bureau Chief, Chief Examiner
Idaho Department of Insurance

Approved as to Form:

OFFICE OF THE ATTORNEY GENERAL
STATE OF IDAHO

By: Richard B. Burleigh
Richard B. Burleigh
Deputy Attorney General
Attorney for the Idaho Department of Insurance

IT IS SO ORDERED.

DATED this 2nd day of November, 2012.

STATE OF IDAHO
DEPARTMENT OF INSURANCE

William W. Deal
WILLIAM W. DEAL
Director

CERTIFICATE OF SERVICE

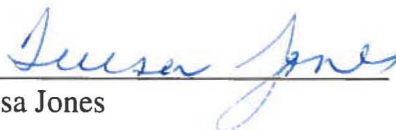
I HEREBY CERTIFY that on this 2nd day of November, 2012, I caused a true and correct fully-executed copy of the foregoing STIPULATION RESOLVING VIOLATIONS OF IDAHO INSURANCE CODE to be served on the following by the designated means:

Prairie States Enterprises, Inc.
Attn: Compliance Department
401 N. Michigan Avenue, Suite 2902
Chicago, IL 60611-5516

☒ first class mail
☐ certified mail
☐ hand delivery
☐ via facsimile

Richard B. Burleigh
Deputy Attorney General
Idaho Department of Insurance
700 W. State Street, 3rd Floor
P.O. Box 83720
Boise, ID 83720-0043

☐ first class mail
☐ certified mail
☒ hand delivery
☐ via facsimile



Teresa Jones