

**PROCEEDING BEFORE THE HONORABLE MICHAEL D. RILEY
INSURANCE COMMISSIONER
STATE OF WEST VIRGINIA
IN RE:**

HEARTLAND EMPLOYMENT SERVICES LLC

**ADMINISTRATIVE PROCEEDING #
12-AP-MCSI-02011**

**AGREED ORDER ADOPTING REPORT OF
SELF-INSURED COMPLIANCE AUDIT**

NOW COMES The Honorable Michael D. Riley, Insurance Commissioner of the State of West Virginia, and issues this Agreed Order which adopts the Report of Self Insured Compliance Audit. The Agreed Order is a result of findings in the Report of Self Insured Compliance Audit for the examination of **HEARTLAND EMPLOYMENT SERVICES, LLC** (hereinafter "Company") for the audit period ending December 31, 2009 based upon the following, to wit:

PARTIES

1. The Honorable Michael D. Riley is the Insurance Commissioner of the State of West Virginia (hereinafter "Insurance Commissioner") and is charged with the duty of administering and enforcing, among other duties, the provisions of Chapter 33 and 23 of the West Virginia Code, as amended, including all Code of State Rules.

2. HEARTLAND EMPLOYMENT SERVICES, LLC is a corporation authorized to transact and conduct its workers' compensation affairs in a self-insured capacity in West Virginia pursuant to the provisions of West Virginia

Code §23-2-9.

3. This self insured audit was conducted and instituted as result and per the authority of W.Va. Code §33-2-9, W.Va. Code §23-2-9, W.Va. Code §23-2C-22, W.Va. Code §33-2-21 and West Virginia Code of State Rules §85-18-1, *et seq.*

FINDINGS OF FACT

1. A Self Insured Compliance Audit concerning the operational affairs of HEARTLAND EMPLOYMENT SERVICES, LLC for the period ending December 31, 2009, was conducted in accordance with W.Va. Code §33-2-9, W.Va. Code §23-2-9, W.Va. Code §23-2C-22, W.Va. Code §33-2-21 and West Virginia Code of State Rules §85-18-1, *et seq.* by auditors duly appointed by the Insurance Commissioner. The Self Insured Compliance Audit of the Company began on August 2, 2010 and concluded on August 13, 2010.

2. Upon completion of field work, a draft audit examination report was provided to the employer and third party administrator, and an opportunity was provided for comment.

3. The Self Insured Compliance Audit Report focused on the methods used by the Company to manage its operations for each of the business areas examined which includes how the Company complies with West Virginia statutes and rules. The examination covered twenty-five (25) standards derived from the NAIC Market Regulation Handbook, West Virginia Code and West Virginia Code of State Rules. The standards tested during the audit indicated that the Self-Insured Employer successfully "passed" twenty-three (23) standards and two (2)

standards were not applicable.

4. HEARTLAND EMPLOYMENT SERVICES, LLC has not responded to the Self Insured Compliance Audit Report.

5. HEARTLAND EMPLOYMENT SERVICES, LLC hereby waives additional notice and review of the Self Insured Compliance Audit Report, notice of administrative hearing, any and all rights to an administrative hearing and to appellate review of any matters contained herein this Agreed Order.

6. Any Finding of Fact that is more properly a Conclusion of Law is hereby adopted as such and incorporated in the next section.

CONCLUSIONS OF LAW

1. The Insurance Commissioner has jurisdiction over the subject matter of and the parties to this proceeding.

2. This proceeding is pursuant to and in accordance with W.Va. Code §33-2-9, W.Va. Code §23-2-9, W.Va. Code §23-2C-22, W.Va. Code §33-2-21 and West Virginia Code of State Rules §85-18-1, *et seq.*

3. That HEARTLAND EMPLOYMENT SERVICES, LLC has not incurred violations of West Virginia Code and/or West Virginia Code of States Rules as detailed in the Report of Self-Insured Compliance Audit.

4. The Insurance Commissioner is charged with the responsibility of verifying continued compliance with West Virginia Code and the West Virginia Code of State Rules by HEARTLAND EMPLOYMENT SERVICES, LLC as well as all other provisions of state law that HEARTLAND EMPLOYMENT SERVICES, LLC is subjected to by virtue of their self-insured workers'

compensation status in the State of West Virginia.

5. Any Conclusion of Law that is more properly a Finding of Fact is hereby incorporated as such and adopted in the previous section.

ORDER

Pursuant to West Virginia Code § **33-2-9(j)(3)(A)**, following the review of the Self-Insured Compliance Audit Report, the examination work papers, and HEARTLAND EMPLOYMENT SERVICES, LLC'S Response thereto, if any, the Insurance Commissioner and HEARTLAND EMPLOYMENT SERVICES, LLC have agreed to enter into this Agreed Order adopting the Self Insured Compliance Audit Report.

It is accordingly **ORDERED** as follows:

(A) The Self Insured Compliance Audit Report of HEARTLAND EMPLOYMENT SERVICES, LLC for the period ending December 31, 2009, is hereby **ADOPTED** and **APPROVED** by the Insurance Commissioner.

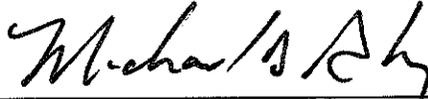
(B) It is **ORDERED** that HEARTLAND EMPLOYMENT SERVICES, LLC will take under advisement all recommendations, if any, made in the Report.

(C) It is further **ORDERED** that HEARTLAND EMPLOYMENT SERVICES, LLC shall continue to monitor its compliance with the West Virginia Code, the West Virginia Code of State Rules and all laws it is subject thereto.

(D) It is finally **ORDERED** that all such review periods, statutory notices, administrative hearings and appellate rights are herein waived concerning this Self Insured Compliance Audit Report and Agreed Order. All such rights are reserved by the Parties regarding any future action taken, if any, on such Agreed Order by the Insurance Commissioner against HEARTLAND

EMPLOYMENT SERVICES, LLC.

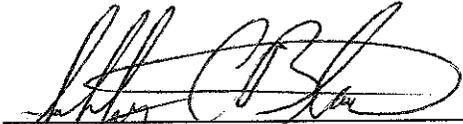
Entered this 22 day of February, 2013.



The Honorable Michael D. Riley
Insurance Commissioner
State of West Virginia

REVIEWED AND AGREED TO BY:

On Behalf of the WVOIC:



Jeffrey Black, Associate Counsel
Attorney Supervisor,

Dated: 2/22/13

On Behalf of HEARTLAND EMPLOYMENT SERVICES, LLC:

By: LISA Jurski
[Print Name]

Its: Director Worker's Comp Program

Signature: Lisa Jurski

Date: 2/19/2013