

Recent TPA Regulatory Developments



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Nevada

The Nevada Division of Insurance is in the process of adopting proposed insurance regulation R087-17 (the “Regulation”) which is entitled “Third Party Administrator Parental Guaranty and Notification Requirements.” The Regulation will allow Administrators to submit parent company financial statements and a parental guaranty in lieu of the requirement for administrators to submit their own financial statements. This allows TPAs an alternative method of providing evidence of sound financial condition to the Division.

The Regulation also requires TPAs to notify the Commissioner of any change in mailing address or physical location within 30 days of a change. In addition, the Regulation requires that a TPA submit biographical affidavits for any changes in members, officers, owners, or directors within 30 days after the change. The hearing for proposed Regulation R087-17 is scheduled for May 21st.

Kansas

The Kansas Insurance Department (“Department”) sent out a notification letter on April 19, 2018, to the industry regarding some of the changes occurring to TPA admissions, TPA renewals, and TPA Annual Reports as a result of the changes in Kansas’ TPA laws in 2017. Per the Department, these changes include:

- Annual reports are due by July 1st of each year.
- Renewals are biennial and are due by December 31st of the appropriate year (a renewal form will be provided online and renewals will be accepted from November 1 through December 31).
- Non-resident administrators must have a home state license in a state with a substantially similar law as that of Kansas or they may be licensed with Kansas as the Home State. The Department has determined those states with TPA laws substantially similar to Kansas include Alaska, Delaware, Idaho, Indiana, New Hampshire, and West Virginia.
- Current non-resident administrators that have not yet completed a Non-Resident TPA Application must do so before renewal.

- Current Kansas resident administrators must also complete a Kansas Home State TPA Application before renewal.
- In certain cases, current administrators of self-funded only plans (with the exception of church or government plans) may be able to convert their current certificate to one applicable only to these types of self-funded plans.

Iowa

The Iowa Insurance Division (“Division”) published a Bulletin (the “Bulletin”) on April 30, 2018, indicating the Division has implemented and mandated OPTins (Online Premium Tax for Insurance) for the submission of TPA annual report filings in Iowa. OPTins is a product of the NAIC, and the Division reports it was developed to facilitate payment of annual report fees, along with submission of audited financial statements and verification forms.

Additionally, per the Bulletin, TPAs are instructed to notify the Division when there has been a change in a TPA’s email address and/or contact person. The Bulletin also instructed

TPAs to not submit financial statement verification forms, or remit payments prior to 60 days before the due date of July 1, 2018.

For More Information on our TPA Team

Polsinelli’s TPA team provides TPA licensing services, legislative monitoring services, drafting and negotiating of administrative services agreements, and a number of other TPA regulatory and compliance services. Our TPA team includes attorneys who were former in-house counsel for TPAs, as well as attorneys who were formerly insurance regulators.

By leveraging its extensive experience representing TPAs, the Polsinelli team helps clients avoid the learning curve and related cost implications that can be experienced by working with companies or attorneys less familiar with regulatory and compliance needs of TPAs.

For questions regarding this information, please contact one of the authors, a member of Polsinelli’s Third Party Administrators practice, or your Polsinelli attorney.

For More Information

For questions regarding this alert or to learn more about how it may impact your business, please contact one of the authors, a member of our Third Party Administrator (TPA) Licensing and Compliance Services practice, or your Polsinelli attorney.

To learn more about our **Third Party Administrator (TPA) Licensing and Compliance Services** practice, or to contact a member of our TPA team, visit our website at www.polsinelli.com/industries/third-party-administrators

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