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Requirements and Procedures for becoming Licensed or Registered as a Third Party Administrator in West Virginia

W. Va. Code §23-2-9 (i) states, “An employer may not hire any person or group to self-administer claims under this chapter as a third-party administrator unless the person or group has been determined to be qualified to be a third-party administrator by the Insurance Commissioner pursuant to rules adopted by the board of managers or industrial council.”

W. Va. Code §23-2C-17 (c) states, “A private carrier or self-insured employer may enter into a contract to have its plan of insurance administered by a third-party administrator if the administrator is licensed...with the Insurance Commissioner and who, directly or indirectly, underwrites or collects charges or premiums from, or adjusts or settles claims on residents of this state, in connection with workers compensation coverage..”

W. Va. Code §33-46-2(a) defines “administrator” and “third party administrator” as “a person who directly or indirectly underwrites or collects charges or premiums from, or adjusts or settles claims on residents of this state, in connection with life, annuity or accident and sickness coverage offered or provided by an insurer, except for any of the following: ...” This subsection lists thirteen exceptions.

Any administrator that does not qualify as a listed exception in W. Va. Code §33-46-2(a) or that does not only administer self-funded plans pursuant to W. Va. Code §33-46-13 must obtain either a resident or non-resident third party administrator license from the Insurance Commissioner.

W. Va. Code §33-46-13 states, “A person who directly or indirectly underwrites, collects charges or premiums from, or adjusts or settles claims on residents of this state, in connection with life, annuity or accident and sickness coverage provided by a self-funded plan other than a governmental or church plan shall register with the commissioner annually, verifying its status as in this article described.”

Complete the following to become licensed or registered in West Virginia and submit to the address above. All of the information must be received in its entirety or the application may be returned unprocessed.

For West Virginia Home State Administrators

- 1) Fully completed National Association of Insurance Commissioners’ Uniform Application for Third Party Administrator License;
- 2) Organizational documents of the applicant, including but not limited to articles of incorporation, articles of association, partnership agreement, trade name certificate, trust agreement, shareholder agreement and other applicable documents along with all amendments to the documents (require original certification);
- 3) Bylaws, rules, regulations or similar documents regulating the internal affairs of the applicant (require original certification);
- 4) Names, addresses, official positions, professional qualifications and biographical affidavit of the individuals who are responsible for the conduct of the affairs of the applicant including all members of the board of directors, board of trustees, executive committee or other governing board or committee, the principal officers in the case of a corporation or the partners or members in case of a partnership or association, shareholders holding directly or indirectly ten percent or more of the voting securities of the applicant and any other person who exercises control or influence over the affairs of the applicant;
- 5) Audited annual financial statements or reports for the two most recent fiscal years that prove that the applicant has a positive net worth, and such other information as the commissioner may require;

- 6) Statement describing the business plan including information on staffing levels and activities proposed in this state and nationwide. The plan shall provide details setting forth the applicant's capability for providing a sufficient number of experienced and qualified personnel in the areas of claims processing, recordkeeping and underwriting;
- 7) Surety bond, as required by W. Va. Code §33-46-12(h), if the administrator will administer governmental or church self-insured plans in its home state or any other state;
- 8) Fully completed TPA Affidavit attesting to abide by the requirements of W. Va. Code §33-46-1 et. seq.;
- 9) Plans administered, which include:
 - a. A list of **all** plans administered by the company nationwide (indicate type), including self-funded, fully insured, MEWAS, commercial self-insurance funds, spending accounts associated with Section-125 Flexible Benefit plans, etc.;
 - b. The number of covered lives nationwide, the annual premiums collected nationwide, the annual claims paid nationwide, the number of West Virginia covered lives, the West Virginia premiums collected, and the West Virginia annual claims paid; and,
 - c. For the self-insured ERISA plans, provide the contact person, title, address, and telephone number for each plan (indicate single employer or multiple employer); and
- 10) Remit a non-refundable check in the amount of \$300 (\$100 for filing statements preliminary to admission; \$200 for annual fee for each license) made payable to the WV Offices of the Insurance Commissioner.

For Non-Resident Administrators

- 1) Fully completed National Association of Insurance Commissioners' Uniform Application for Third Party Administrator;
- 2) Original Letter of Certification from the resident state insurance department dated within ninety (90) days of the application (copies of your resident license/registration are not acceptable). An administrator is not eligible for a nonresident administrator license if it does not hold a certificate of authority or license as a resident in a state that has adopted the National Association of Insurance Commissioners' Model Third Party Administrator Act or a substantially similar law governing administrators. If applying for a license to administer workers' compensation, then the applicant shall supply evidence that the home state license has adopted the National Association of Insurance Commissioners' Model Third Party Administrator Act or a substantially similar law governing workers compensation administrators;
- 3) Fully completed TPA Affidavit attesting to abide by the requirements of W. Va. Code §33-46-1, et. seq.;
- 4) Plans administered, which include:
 - a. A list of **all** plans administered by the company nationwide (indicate type), including self-funded, fully insured, MEWAS, commercial self-insurance funds, spending accounts associated with Section-125 Flexible Benefit plans, etc.;
 - b. The number of West Virginia covered lives, West Virginia premiums collected (dollar amount), and the West Virginia annual claims paid (dollar amount); and,
 - c. For the self-insured ERISA plans, provide the contact person, title, address, and telephone number for each plan (indicate single employer or multiple employer); and
- 5) Remit a non-refundable check in the amount of \$300 (\$100 for filing statements preliminary to admission; \$200 for annual fee for each license) made payable to the WV Offices of the Insurance Commissioner.

For Self-Funded Plan Administrators

- 1) Fully completed TPA-1 for Registration;
- 2) Complete name, contact person, address, and telephone number of **all** insurers, or who has covered individuals (including self-funded plans, church plans, government plans, etc.) in West Virginia with which the administrator had agreements during the preceding fiscal year (indicate the plan type); and,
- 3) Number of West Virginia covered lives, West Virginia premiums collected (dollar amount), and the West Virginia annual claims paid (dollar amount).