Annual Certification of Third Party Administrator Audit

North Carolina General Statute 58-56-26(c) requires in cases where a TPA administers benefits for more than 100 certificate holders** on behalf of an insurer, the insurer shall, at least semiannually, conduct a review of the operations of the TPA. At least one semiannual review shall be an on-site audit of the operations of the TPA. On July 1 of each year every insurer shall file with the Commissioner a certification of completion of the audits.

As required by 11 NCAC 12.0332(b), the following is hereby certified:

** Insurer’s Name: ________________________________

** Insurer’s FEIN” ________________________________

This Certification is being made of the year: ______________________

Title and signature of an officer of the insurer making the certification.

Name: ________________________________

Title: ________________________________

Signature: ________________________________

Date: ________________________________

** In this instance “certificate holders would be North Carolina policy or certificate holders pursuant to N.C.G.S. 58-56-2(5) which defines a TPA as providing services to North Carolina Residents.
Provide the name and federal tax identification number for every TPA with which the insurer has a written administrative agreement under G.S. 58-56-6. For each TPA identified, the insurer shall certify that the insurer’s review and on-site audit include:

(1) Assessment of the TPA’s business practices and procedures and evaluations of all of the following:

(A) The TPA’s compliance with provisions of the written agreement with the insurer;

(B) The TPA’s compliance and adherence to the TPA’s internal policies and procedures for contract management, claims administration, and general administration, if applicable;

(C) The TPA’s performance of claims adjudication and payment, if applicable;

(D) The TPA’s performance of underwriting services, if applicable; and

(E) The TPA’s performance of collecting premiums or other monies; and

(2) Provide a written summary of the objectives and scope of the review or on-site audit and the results of the review or on-site audit, including a corrective action plan addressing any deficiencies found during the review or on-site audit.

An on-site audit shall include an inspection of the TPA’s place of business and shall verify the accuracy, integrity, and completeness of the information received during a review conducted by the insurer under GS 58-56-26(c). An on-site audit shall also include a written assessment of the reliability of the information provided to the insurer by the TPA.

An on-site audit may be performed by either the insurer or the insurer’s designated representative. The designated representative shall not be an employee of or independent contractor with the TPA and shall be an independent, disinterested person or entity [see T11 NCAC 12.0332(h)].

Identify each TPA, for which there was an exception to the certification, identifying the TPA by name and federal tax identification and an explanation for the exception of the TPA: