

Annual Certification of Third Party Administrator Audit

Due July 1

NCGS 58-56-26(c) requires insurers utilizing a Third Party Administrator (TPA) to administer benefits for more than 100 certificate holders on behalf of the insurer, at least semiannually, to conduct an audit of the operations of the TPA. At least one semiannual audit shall be an on-site or virtual audit of the operations of the TPA. As required by 11 NCAC 12.0332(b), the following is hereby certified:**

I am familiar with the requirements of G.S. 58-56-26(c), and hereby certify that the insurance company has performed a review of the operations of the TPA, and an onsite or virtual audit, in accordance with G.S. 58-56-26(c) for every third party administrator identified in this certification for calendar year _____.

In addition, I certify that the review and on-site or virtual audit included the following:

(1) An 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

(E) The TPA's performance of collecting premiums or other monies

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

Insurance Company Name: _____

Insurance Company FEIN: _____

Officer of the Insurance Company: _____

Title of Officer: _____

Signature of Officer: _____

Date of this certification: _____

**** for the purposes of this certification, "certificate holders" are North Carolina residents who are policy or certificate holders pursuant to NCGS 58-56-2(5) which defines a TPA as providing services to North Carolina residents.**

- TPA audits may be conducted on the premises of the TPA or at another location designated by the insurer and may be conducted virtually. A TPA audit may be performed by either the insurer or the insurer's designated representative. The insurer's designated representative shall not be an employee of, or independent contractor with, the TPA and shall be an independent, disinterested person or entity per T11 NCAC 12.0332(h).
- A TPA 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). A TPA audit shall also include a written assessment of the reliability of the information provided to the insurer by the TPA.

Per T11 NCAC 12.0332(b), identify each TPA with which the insurer has a written administrative agreement under NCGS 58-56-6 to which NCGS 58-56-26(c) applies because the TPA administers benefits for more than 100 certificate holders on behalf of the insurer.

Name of TPA

TPA FEIN

Per T11 NCAC 12.0332(b), identify each TPA, with which the insurer has a written administrative agreement under NCGS 58-56-6, to which NCGS 58-56-26(c) does not apply and provide a reason for the exception of the TPA.

Name of TPA

TPA FEIN

Reason for exception

Note: Both pages of this form are required to be included for a complete certification submission. FEINs provided for this certification must match licensing documentation on file with NCDOL.