



KIM HOLLAND

OKLAHOMA INSURANCE COMMISSIONER
P.O. BOX 53408, OKLAHOMA CITY, OK 73152
(405) 521-2828
www.oid.ok.gov

TO: ALL THIRD PARTY ADMINISTRATORS

FROM: KIM HOLLAND, INSURANCE COMMISSIONER

RE: Third Party Administrator (TPA) Licensing Requirements

DATE: October 12, 2009

In Oklahoma, a Third-Party Administrator is defined as any person who collects premiums for an insurer or trust, or who adjusts or settles claims for the insurer or trust in connection with life or health insurance coverage, annuities or employee benefit stop loss in this state. 36 O.S. § 1442.

36 O.S § 1450 provides: No person shall act or represent himself or herself to be an administrator, as defined by the provisions of the Third-Party Administrator Act, in this state, unless the person holds a valid license as an administrator which is issued by the Insurance Commissioner.

Late application for renewal of a license shall require a fee of double the amount of the original license fee. 36 O.S. § 1450(E). In addition thereto, any person who is acting as or presenting himself or herself to be an administrator without a valid license shall be subject to a fine of not less than One Thousand Dollars (\$1,000.00) nor more than Ten Thousand Dollars (\$10,000.00) for each occurrence.

Third Party Administrators are also required to file an annual report on or before June 1 of each year for the previous calendar year, prepared by a certified public accountant, independent of the administrator, and which shall be subscribed and sworn by the president and attested by the secretary or other proper officers substantiating that the information is true and factual concerning each of the plans they administer. 36 O.S. §1452.

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Failure of any Third Party Administrator to execute and file such reports as required, shall constitute cause, after notice and opportunity for hearing, for censure, suspension or revocation of administrator licensure to transact business in this state, or a civil penalty of not less than One Hundred Dollars (\$100.00) nor more than One Thousand (\$1,000.00) for each occurrence, or both censure, suspension, or revocation and civil penalty. 36 O.S. § 1452.

The Oklahoma Insurance Department encourages Third Party Administrators (TPAs) to renew TPA licenses and file annual TPA reports in a timely fashion. Failure to do so will result in the above disciplinary action.

Questions or comments applicable to this bulletin should be directed to: shelly.ondiak@oid.ok.gov of the Financial Division, or julie.delluomo@oid.ok.gov of the Legal Division of the Oklahoma Insurance Department, P. O. Box 53408, Oklahoma City, OK 73152-3408.

The Oklahoma Insurance Department encourages readers of this notice to periodically check the Department's web site <http://www.oid.ok.gov/> for news and updates to Bulletins and other relevant material.