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THIRD PARTY ADMINISTRATOR (TPA) LICENSING INSTRUCTIONS

A TPA is defined as: a person who directly or indirectly solicits or effects coverage, underwrites, collects charges or premiums from, or adjusts or settles claims on residents of this state or residents of another state from offices in this state, in connection with life or health insurance coverage or annuities.

- (1) The Third Party Administrator (TPA) application must be completed in its entirety (all questions answered, signed and dated).
- (2) Privilege tax payment (license fee) for initial license is \$200.00. Renewal fee is \$100.00 and is payable annually on the date of issuance.
- (3) Non-resident administrators are no longer required to submit a letter of certification from their home state insurance department. The MID staff will verify home state licensure on the national producer database (PDB).
- (4) Renewal invoices and licenses are emailed to the business email address on record.
- (5) All administrators must enclose the following:
 - (A) All basic organizational documents of the administrator, including any articles of incorporation, articles of association, partnership agreement, trade name certificate, trust agreement, shareholder agreement and other applicable documents and all amendments to such documents;
 - (B) The bylaws, rules, regulations or documents regulating the internal affairs of the Administrator;
 - (C) The names, addresses, official positions and professional qualifications of the individuals who are responsible for the conduct of affairs of the administrator; 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 the case of a partnership or association; shareholders holding directly or indirectly ten percent (10%) or more of the voting securities of the administrator; and any other person who exercises control or influence over the affairs of the administrator;
 - (D) Annual financial statements or reports for the two (2) most recent years which prove that the applicant is solvent. These statements must include a balance sheet and income statement and be accompanied by an affidavit containing original signatures of two officers of the TPA verifying that the financial statements are true and correct and have been prepared on the GAAP or SAP basis of accounting. Certified Audited Financials of the licensed TPA also may be submitted. If the financial statements are filed on a consolidated basis, they must include a breakout of the licensed TPA. The Commissioner may require additional information in order to review the current

financial condition of the applicant;

- (E) A statement describing the business plan including information on staffing levels and activities proposed in this state and nationwide. The plan must provide details setting forth the administrator's capability for providing a sufficient number of experienced and qualified personnel in the areas of claims processing, record keeping and underwriting;
- (F) If the applicant will be managing the solicitation of new or renewal business, proof that it employs or has contracted with an agent licensed by this state for solicitation and taking of applications. Any applicant which intends to directly solicit insurance contracts or to otherwise act as an insurance agent must provide proof that it has a license as an insurance agent in this state;
- (G) The applicant shall complete the TPA Contact Information Form and submit it with the application.

NOTE: All licensed administrators are required to file an Annual Report pursuant to Miss. Code Ann. § 83-18-27 for the preceding calendar year with the Commissioner on or before March 1st of each year. The filing instructions for the Annual Reports are located on our website on the Company Filing and Registration Page at <http://www.mid.ms.gov/companies/company-filing-registration.aspx>.

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