



**State of New Jersey  
Department of Banking and Insurance  
Third Party Administrator (TPA)  
APPLICATION FOR LICENSURE FORM**

**Instructions**

The information required by this Application is based upon the Third Party Administrator Act, **N.J.S.A. 17B:27B-1 et seq.** and **N.J.A.C. 11:23-1 et seq.** Additional information may also be required by the Commissioner of Banking and Insurance as deemed necessary in the course of reviewing the information submitted.

**Submit the application electronically via email.** With the email, have each item on the checklist saved separately and titled Checklist Item 1 through 8. Please list each biographical affidavit as Checklist Item 5a, 5b ... Please also separate as much of Checklist Item 8 as you can. Please email it to [Tim.Stroud@dobi.nj.gov](mailto:Tim.Stroud@dobi.nj.gov).

**Include with the email a letter stating that this is a TPA application.** Please also include the original of the TPA cover sheet, all biographical affidavits, and the appointment of attorney. The original copy is to ensure that the signature and notary are valid.

The TPA application can be sent to the:

New Jersey Department of Banking and Insurance  
Office of Solvency Regulation  
Attn: Third Party Administrator License

**Regular Mail:**  
P.O. Box 325  
Trenton, NJ 08625-0325

**Over-Night Service:**  
20 West State St.  
Trenton, NJ 08608-1206

There is no fee to file a Third Party Administrator application.

**Checklist of Documents And/Or Information Required with the  
Application for a Third Party Administrator  
Application for Licensure**

1. The completed Application Cover Sheet (form enclosed).
2. A copy of the applicant's basic organizational documents, which shall include articles of incorporation, articles of association, partnership agreement, management agreement, trust agreement or other documents governing the operation of the applicant that are applicable to the applicant's form of business organization.
3. A copy of the executed bylaws, rules and regulations, or other documents relating to the operation of the applicant's internal affairs.
4. 4. A list of the names, addresses and official positions of the persons responsible for the conduct of the affairs of the applicant, including, but not limited to if applicable:
  - a) the members of the board of directors, executive committee or other governing board or committee;
  - b) the principal officers or partners;
  - c) shareholders owning or having the right to acquire 10% or more of the voting securities of the corporation or partnership interest of a partnership, or equity interest, in the case of another form of business organization; and
  - d) any person or entity who has loaned funds to the applicant for the operation of the business.
5. A fully completed and notarized Biographical Affidavit for each of those persons identified in response four (4) above. The affidavit, NAIC Form 11, can be found at [http://www.naic.org/industry\\_ucaa.htm](http://www.naic.org/industry_ucaa.htm)
6. A statement of any criminal convictions and civil, regulatory or enforcement action, including actions related to professional licensing, taken or pending against any principal officer or owner of the applicant; and the relationship with any other business entity, including a parent corporation.
7. A copy of the applicant's most recent financial statements audited by an independent certified public accountant. If the financial affairs of the applicant's parent company are audited by an independent certified public accountant, but those of the applicant are not, then a copy of the most recent audited financial statement of the applicant's parent company, audited by an independent certified public accountant, shall be sub-mitted. A consolidated financial statement of the applicant and the parent company shall satisfy this requirement unless the Commissioner determines that additional or more recent information is required for the proper administration of the Act. If providing a consolidated financial statement, include a consolidating income statement clearly showing the applicant's activity. **Please note that once approved, annual audited financial statements must be filed on a calendar year basis.**

8. A copy of the applicant's business plan, including:
  - a) A statement generally describing the applicant, its facilities, personnel, and the services to be offered by the third party administrator;
  - b) Information on activities undertaken or to be undertaken in New Jersey;
  - c) A statement of the applicant's capability for providing a sufficient number of experienced and qualified personnel in the areas of claims processing and record keeping and information on staffing levels, including but not limited to training, hiring requirements, experience of staff;
  - d) A description of the applicant's fraud prevention plan;
  - e) A description of the applicant's prompt pay plan;
  - f) A description of the applicant's turn around time on claim payments; **[In the case of application for registration, the information required shall apply only to services provided to benefit payers other than an insurer.]**
  - g) A description of the applicant's record retention policy;
  - h) Evidence of establishment of a separate account for each benefits payer for payment of claims with a description of controls the applicant has put in place for it;
  - i) Copy of the entire fidelity bond [minimum amount of \$100,000 on each director, officer, partner or employee];
  - j) A description of the applicant's proposed method of marketing its services in New Jersey;
  - k) A statement setting forth the means by which the applicant will be compensated; **[In the case of application for registration, the information required shall apply only to services provided to benefit payers other than an insurer and may not result in the assumption of financial risk by the applicant].**
  - l) A description of the complaint and appeals procedures instituted by the applicant;
  - m) A description of the quality assurance procedures established by the applicant;
  - n) Three year projections of anticipated operating results;
  - o) A description of the assumptions used in the projections that shall include an explanation of each line item;
  - p) A statement of the sources of working capital and any other sources of funding;
  - q) A description of the provision of contingencies that enable the applicant to perform the work for which it has contracted;
  - r) A list of the benefit payers under contract with the applicant **and** a copy of the standard contract or contracts used by the applicant in the course of business. To be in compliance with N.J.A.C. 11:23-3.1, the provisions of the agreement shall include:
    - N.J.A.C. 11:23-3.1(c)2i – provision of enrollment and eligibility information;
    - N.J.A.C. 11:23-3.1(c)2ii – arrangement for a preliminary or escrowed deposit of funds by the benefits payer, if any;
    - N.J.A.C. 11:23-3.1(c)2iii – the method used for the transmittal of funds from the benefits payer to the administrator;
    - N.J.A.C. 11:23-3.1(c)2iv - notification by the benefits payer of modifications in the benefits payer's benefits plan
    - N.J.A.C. 11:23-3.1(c)2v – provisions setting forth the respective liability of the administrator and benefits payer for payment of ineligible claims;
    - N.J.A.C. 11:23-3.1(c)2vi – liability for claim payments that are overdue;
    - N.J.A.C. 11:23-3.1(c)2vii – provisions regarding the procurement of reinsurance or stop-loss insurance.

- N.J.A.C. 11:23-3.1(c)3.i – the maintenance of appropriate back-up systems against the loss of records;
- N.J.A.C. 11:23-3.1(c)3.ii – establishment and maintenance of appropriate financial controls;
- N.J.A.C. 11:23-3.1(c)3.iii – provisions regarding the benefits payer’s rights with respect to the conducting of claims audits by an outside auditor;
- N.J.A.C. 11:23-3.1(c)3.iv – the maintenance of appropriate insurance coverage, which shall include general liability insurance, valuable papers insurance and errors and omissions coverage and such other coverage as is appropriate to the form of organization and nature of the business of the third party administrator;
- N.J.A.C. 11:23-3.1(c)3.v – appropriate access by the benefits payer to the administrator’s records;
- N.J.A.C. 11:23-3.1(c)3.vi – procedures for making available the claims experience and other claims-related information to the benefits payer at its request, including, but not limited to, monthly reports; and
- N.J.A.C. 11:23-3.1(c)3.vii – preparation or provision of data required for prompt-pay reports and payment of any penalties payable under the contract.

**The Contract shall be marked to show each provision above.**

- s) A list of subcontractors with whom the applicant does business and copies of the contract or contracts used by the applicant in the course of business with subcontractors.
- t) A list of reinsurers with whom the applicant does business and copies of the contract or contracts used by the applicant in the course of business with reinsurers.
- u) A list of all administrative, civil or criminal actions and proceedings to which the applicant, or any of its affiliates, have been subject and the resolution of those actions and proceedings. If a license, certificate or other authority to operate has been refused, suspended or revoked by any jurisdiction, the applicant shall provide a copy of any orders, proceedings and determinations relating thereto.
- v) A power of attorney, duly executed by the applicant, if not domiciled in this State, appointing the Commissioner and his successors in office as the true and lawful attorney of the applicant in and for this State upon whom all lawful process in any legal action or proceeding against the organization on a cause of action arising in this State may be served (form enclosed).



**Certification**

I \_\_\_\_\_ certify that I am authorized to file this certification on  
(Name and Title)

behalf of the applicant, the information set forth in the enclosed application and herein is true to the best of my knowledge, belief and information and that the Commissioner of Banking and Insurance may rely on the information set forth in the application and herein in determining whether to grant a license or certification pursuant to N.J.S.A. 17B:27B-1 et seq.

I further certify that \_\_\_\_\_ is familiar and will comply  
(Name of Applicant)

with the requirements set forth at N.J.S.A. 17B:27B-1 et seq. and N.J.A.C. 11:23-1. et seq. and all other applicable law.

\_\_\_\_\_  
Signature of Officer or Director

\_\_\_\_\_  
Full Legal Name ( Type or Print )

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

State of \_\_\_\_\_

County of \_\_\_\_\_

Personally appeared before me the above named \_\_\_\_\_ personally known to me, who, being duly sworn, deposes and says that he executed the above instrument and that the statements and answers contained therein are true and correct to the best of his knowledge and belief.

Subscribed and sworn to before me this \_\_\_\_\_ of \_\_\_\_\_ 20\_\_\_\_.

\_\_\_\_\_

(Notary Public)

Seal

My Commission Expires \_\_\_\_\_

**Appointment of Attorney for the State of New Jersey**

KNOW ALL MEN BY THESE PRESENTS: That the \_\_\_\_\_ (the "COMPANY") of the \_\_\_\_\_ of \_\_\_\_\_ in the \_\_\_\_\_ of \_\_\_\_\_, desiring to do business in the State of New Jersey in conformity with the laws thereof, hereby, constitutes and appoints the Commissioner of Banking and Insurance of New Jersey, and his or her successor in office, to be its true and lawful Attorney, upon whom all original process in any action or legal proceeding against said COMPANY may be served. And the said COMPANY hereby stipulates and agrees that any original process against it, which is served upon said Attorney, shall be of the same legal force and validity as if served upon said COMPANY, and that the authority of said Attorney shall continue in force irrevocable so long as any liability of said COMPANY remains outstanding in New Jersey.

IN WITNESS WHEREOF, the said COMPANY has caused these presents to be subscribed by its President, and attested by its Secretary, and its corporate seal to be hereunto affixed, this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_.

(Corporate Seal--if applicable)

\_\_\_\_\_  
President (or authorized representative)

\_\_\_\_\_  
(Print or Type Name)

Attest:

\_\_\_\_\_  
Secretary (or authorized representative)

\_\_\_\_\_  
(Print or Type Name)