



BULLETIN B 16-12

**TO: ALL COMPANIES AUTHORIZED TO TRANSACT
INSURANCE BUSINESS IN THE STATE OF ALASKA
AND OTHER INTERESTED PARTIES**

**RE: TPA REGISTRATION REQUIREMENTS FOR ADMITTED
INSURERS**

The Alaska Division of Insurance (division) received an inquiry concerning whether an admitted insurer, acting as a Third Party Administrator (TPA) in this state, is required to additionally register with the division as a TPA.

Alaska Statute (AS) 21.27.630(a) requires a person, who acts as, or represents to be, a TPA in this state or relative to a subject resident, located, or to be performed in this state, to be registered under this chapter or in another jurisdiction. Further, the statute requires a person, who acts as, or represents to be, a TPA representing an insurer domiciled in this state regarding a risk located outside this state, to be registered in this state.

AS 21.27.630 exempts certain entities from the TPA registration requirement. AS 21.27.630 (k) states "An insurer that holds a certificate of authority issued by the director and is in good standing under this title is not required to be registered as a third-party administrator in this state." However, AS 21.27.630 (l) provides: "A person that is not required to be registered as a third-party administrator under (e) - (k) of this section must file a certification with the director that the person meets the requirements for exemption."

Therefore, an admitted insurer in good standing with the division acting as, or representing to be, a TPA in this state, is not required to additionally register as a TPA in this state, however, the insurer is required to file a certification with the division indicating the insurer meets the requirements for exemption under AS 21.27.630(k). If the division determines the insurer meets the requirements for exemption, the exemption certification will be approved and the certification will continue in perpetuity or until such time the insurer no longer is eligible for the exemption. Any admitted insurer acting as, or representing to be, a TPA in this state without having obtained an approved exemption certification from the division may be subject to enforcement actions and fines.

Note also, the division's exemption certification approval is specific to an insurer meeting the requirements under AS 21.27.650(I). Even if an insurer obtains an exemption certification approval from the division, the insurer must still meet all other applicable TPA statutory requirements including the operating requirements for TPAs under AS 21.27.650. Notwithstanding the exemption certification approval, the division maintains its regulatory authority over an insurer's TPA transactions in this state.

The TPA exemption filing form, along with instructions on how to file, can be found on the DOI website at <https://www.commerce.alaska.gov/web/portals/11/pub/Licensing/Forms/08-243.pdf>.

If you have questions regarding this bulletin, please contact the Division of Insurance at, P. O. Box 110805, Juneau, AK 99811-0805; (907) 465-2515; or at insurance@alaska.gov.

Dated November 30th, 2016.



Lori Wing-Heier
Director