

THIRD PARTY ADMINISTRATOR ACT (EXCERPT)
Act 218 of 1984

550.912 Application for certificate of authority; form, verification, and contents; filing notice of modification.

Sec. 12. (1) An application for a certificate of authority to operate as a TPA shall be in a form prescribed by the commissioner, shall be verified by an officer or authorized representative of the TPA, and shall include all of the following:

(a) All basic organizational documents of the TPA, such as the articles of incorporation, bylaws, articles of association, trade name certificate, and other similar documents and all amendments to those documents.

(b) The names, addresses, official positions, and professional qualifications of the individuals who are responsible for the conduct of the affairs of the TPA, including all administrative services managers, members of the board of directors, board of trustees, executive committee, or other governing board or committee; the officers and shareholders owning stock representing 10% or more of the voting shares of the TPA in the case of a corporation; and the partners or members in the case of a partnership or association.

(c) A description of the TPA, its services, facilities, and personnel.

(d) A power of attorney duly executed by the TPA if not domiciled in this state, appointing the commissioner, the commissioner's successors in office, and the commissioner's duly authorized deputies as the attorney of the TPA in and for this state, upon whom process in any legal action or proceeding against the TPA on a cause of action arising in this state may be served. The fee for such service shall be \$5.00, payable at the time of service.

(e) Recent financial statements showing the third party administrator's assets, liabilities, and sources of financial support sufficient in the opinion of the commissioner, upon the advice of the board, to show financial viability of the third party administrator. If the third party administrator's financial affairs are prepared by independent public accountants, a copy of the most recent regular financial statement shall satisfy this requirement unless the commissioner determines that additional or more recent financial information is required for the proper administration of this act.

(f) Such other information as the commissioner may reasonably require. The commissioner may not demand trade secret information from a TPA.

(2) Within 30 days following any significant modification of information submitted with the application for a certificate of authority, a third party administrator shall file a notice of the modification with the commissioner.

History: 1984, Act 218, Eff. Jan. 1, 1985.