



**JAMES J. DONELON
COMMISSIONER OF INSURANCE
STATE OF LOUISIANA**

P.O. Box 94214
Baton Rouge, Louisiana 70804-9214
Phone (225) 342-5900
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<http://www.lidi.state.la.us>

**INSTRUCTIONS FOR
APPLICATION TO ACT AS A
THIRD PARTY ADMINISTRATOR
IN THE STATE OF LOUISIANA**

GENERAL INSTRUCTIONS

This packet is designed to assist the individual preparing the application in complying with our requirements and procedures. The forms and procedures of the application process are designed to facilitate our review of the application. Therefore, it is extremely important that all applicants comply fully with the instructions and requirements set forth in this packet.

All communication should be directed to:

Louisiana Department of Insurance
Company Licensing Division
P.O. Box 94214
Baton Rouge, LA 70804-9214
Phone: (225) 342-0897
Fax: (225) 342-3078

While our Department will be happy to assist you and answer any questions you may have, we ask that you thoroughly review all instructions and forms before contacting us.

- 1) All submittals in association with this application must reach us via the United States Postal Service. Express Mail is acceptable; however, any information arriving in this Office by commercial carrier will be returned without review. In addition, all correspondence must be sent to the attention of the Company Licensing Division to assure prompt receipt and handling.
- 2) Submit only a fully completed application. Submittal of a partially completed application will cause processing delays and may result in disapproval.
- 3) Do not alter the forms contained in this packet. If you feel the requirements do not apply to your situation, notify us. We will supply the proper form, if appropriate, and/or answer any questions you have about the forms.

- 4) All original items submitted become the property of the Louisiana Department of Insurance and will not be returned.
- 5) All certified documents required in the application must be dated within ninety (90) days of submittal of the application.
- 6) All entries in the application forms must be typed or printed. Illegible entries or responses will be considered incomplete and may result in the disapproval of the application.
- 7) When designating a contact person for the application process, please remember that our staff will communicate only with that individual. The application process is considered confidential and will not be discussed with any person other than the named contact person. We must be notified in writing of any change in the contact person.
- 8) We must be notified of any changes in the applicant or the information submitted in association with this application which occur while the application is under review. This includes changes in officers and directors and changes in address or domicile. Failure to notify us of such changes may result in disapproval of the application.
- 9) If, for some reason, an item which would otherwise be required is not available, a written explanation must be supplied upon submission.
- 10) Each exhibit requested in Section 9 of the attached application must be clearly labeled and dated.
- 11) All of the pages from the enclosed Application must be returned with the submittal. The forms may be reproduced as needed.
- 12) It is the responsibility of the applicant to insure that none of the responses and submittals in association with this application conflict with the information filed with the domiciliary state. Conflicting information will result in the disapproval of the application.

EXPLANATION OF TYPES OF FILING

LICENSE APPLICATION - This filing will be used by any applicant who must be licensed as a third party administrator pursuant to LRS 22:3031 et seq. Applicants filing a license application must pay the applicable fees, complete Sections 4, 5,6,7 and 8 and supply the Exhibits requested in Section 9. The applicant must also complete the first and last pages of the application form.

EXCEPTION INFORMATIONAL FILING - This filing will be used by administrators who would not normally be required to hold a third party administrator license but who wish to register with the Department for informational purposes. This filing is on a voluntary basis only. The applicant should complete Sections 2 and 6 and the first and last page of the application forms.

EXEMPTION REQUEST - This filing will be used by any administrator who is exempted from having a license pursuant to LRS 22:3041 F. The applicant must meet all three requirements in order to qualify for this exemption. The applicant should complete Sections 3 and 8 and the first and last pages of the application form.

SPECIAL INSTRUCTIONS FOR THE NOTIFICATION OF CONTRACT

Each time a licensed administrator enters into an agreement with an insurer, the enclosed Notification of Contract Between Third Party Administrator and Insurer form must be immediately completed and sent to the Department of Insurance.

REGISTRATION WITH THE LOUISIANA SECRETARY OF STATE

Submitting this application to the Louisiana Department of Insurance does not in any way dismiss a corporation from the requirements of registration with the Louisiana Secretary of State. It is the responsibility of the corporation to contact that Office and make whatever arrangements may be necessary. The address and telephone number are given below.

Louisiana Secretary of State
 Corporations Division
 P.O. Box 94215
 Baton Rouge, LA 70804-9215
 (225) 925-4704

SPECIAL INSTRUCTIONS FOR NOTARIZATION PAGE

The signatures which appear on the final page of the application are determined by the legal structure of the applicant. Below are the expected variations and the instructions for who should sign the application in each case.

IF THE APPLICANT IS A(N)...	THE APPLICATION SHOULD BE SIGNED BY...
Individual	the applicant
Corporation	the president and secretary
Association	the president and secretary
Partnership	two partners
Trust	two trustees
Any other	contact the Department for instructions

COMMON QUESTIONS

The following are some of the most commonly asked questions regarding the application package and process.

Q: Where can I find the laws and regulations governing third party administrators in Louisiana?

A: The laws governing third party administrators can be found in Chapter 5 of Title 22 of the Louisiana Revised Statutes (LRS 22:3031 et seq.). In addition, LRS 23:1192, et seq. and Regulation 42 of the Louisiana Department of Insurance contain related information regarding service companies for worker's compensation self insured funds. For your convenience, a copy of Chapter 5 of Title 22 is attached hereto. Copies of the complete Louisiana Insurance Code and the regulations promulgated by the Commissioner of Insurance can be obtained from private printing companies which specialize in statutory printing. One such company is given below.

**National Insurance Law Service
P.O. Box 2507
Chatsworth, CA 91313
1-800-423-5910**

Q: Is there a difference between a "service company" as mentioned in Title 23 and a third party administrator?

A: Because of the type of services commonly performed for workers compensation self-insured funds by service companies, such companies may fall into the definition of a third party administrator as set forth in LRS 22:3031(1). Therefore, each entity acting as a service company for such a fund should review the definition and determine if it would be considered a third party administrator.

Q: What is the time frame for the review of an application?

A: This Department reviews all applications as soon after submittal as possible. The review process can be expected to take from sixty (60) to ninety (90) days from receipt of a complete application. Please take this time frame into account when considering deadlines and operation schedules for the applicant.

Q: Can the forms in the application packet be recreated on a word processor for completion by the applicant?

A: No. The forms in this packet are designed for ease of recognition by our staff and, in many cases, in strict compliance with statutory wording requirements. Therefore, any changes in the format or wording of the forms will cause delays in the review and may lead to the disapproval of the application.

COMMON QUESTIONS CONTINUED

Q: Can the statutory deposit or bond requirements be met after an approval is given on the application?

A: No. All deposits must be in place at the time that the application is submitted. Failure to make these deposits prior to application review will result in the disapproval of the application.

Q: Is there a particular financial institution which the Department prefers for the statutory deposit?

A: No. Statutes require only that the deposit be placed in a savings and loan or banking institution doing business in Louisiana. Any institution which meets this requirement is acceptable to this Department.

Q: Can we meet with the Department for a preliminary review of our application prior to submission?

A: Yes. Our staff will be happy to meet with representatives of the applicant to review the application before it is actually submitted. It should be noted, however, that this courtesy review is to help assure completeness only and our Division will not issue a preliminary approval or disapproval of the application prior to submission. Any application sent to this Office via U.S. Mail will be considered submitted for review and will not be eligible for a pre-review. You may make an appointment for preliminary review by contacting the Company Licensing Division of the Louisiana Department of Insurance. Preliminary reviews will be performed only with an appointment.

SECTION 2 - EXCEPTION INFORMATION

The above named administrator is not required to hold a license for the reasons indicated below. However, we wish to be listed with the Department of Insurance for informational purposes only.

- An employer on behalf of its employees or the employees of one or more subsidiaries or affiliated corporations of such employer.
- A union on behalf of its members.
- An insurer which is authorized to transact insurance in this state, but only with respect to a fully insured policy lawfully issued and delivered in and pursuant to the laws of this state or another state or, an insurer which is authorized to transact insurance in this state and which has capital and surplus of at least fifty million dollars, as evidenced by the insurer's annual statement filed in accordance with R.S. 22:1451, as of December thirty-first of the preceding year.
- An agent or broker licensed to sell life or health insurance in this state, whose activities are limited exclusively to the sale of insurance.
- A creditor on behalf of its debtors with respect to insurance covering a debt between the creditor and its debtors.
- A trust and its trustees, agents, and employees acting pursuant to such trust established in conformity with 29 U.S.C Section 186.
- A trust exempt from taxation under Section 501(a) of the Internal Revenue Code, its trustees and employees acting pursuant to such trust, or a custodian and the custodian's agents or employees acting pursuant to a custodian account which meets the requirements of Section 401(f) of the Internal Revenue Code.
- A credit union or financial institution which is subject to supervision or examination by federal or state banking authorities, or a mortgage lender, to the extent they collect and remit premiums to licensed insurance agents or authorized insurers in connection with loan payments.
- A credit card issuing company which advances for and collects premiums or charges from its credit card holders who have authorized collection if the company does not adjust or settle claims.
- A person who adjusts or settles claims in the normal course of that person's practice or employment as an attorney at law and who does not collect charges or premiums in connection with life or health insurance coverage or annuities.
- An adjustor licensed by this state whose activities are limited to the adjustment of claims. (Please note that the state of Louisiana does not license adjustors. Therefore, no applicant will qualify for an exception under this provision.)
- A person who acts solely as an administrator of one or more bona fide employee benefit plans established by an employer or employee organization, or both, for which the insurance laws of this state are preempted pursuant to the Employee Retirement Income Security Act of 1974.
- A person licensed as a managing general agent in this state, whose activities are limited exclusively to the scope of activities conveyed under such license.

SECTION 3 - EXEMPTION INFORMATION

If the applicant has indicated on page 1 that this application is a request for exemption, the following questions must all be answered.

Is the principal place of business of the applicant in the state of Louisiana?	<input type="checkbox"/> YES	<input type="checkbox"/> NO
Is the applicant currently soliciting business as an administrator in Louisiana?	<input type="checkbox"/> YES	<input type="checkbox"/> NO
Are there more than one hundred certificate holders residing in Louisiana for any group policies or plan of insurance serviced by the applicant?	<input type="checkbox"/> YES	<input type="checkbox"/> NO

To qualify for an exemption the response to all of the above questions must be "NO." In the event that any of the above requirements ceases to be met, the applicant must submit a new application which reflects the changed situation. **IF THE RESPONSE TO ALL THREE QUESTIONS ABOVE IS NOT "NO," THE APPLICANT WILL NOT QUALIFY FOR AN EXEMPTION.**

SECTION 4 - LOCATION OF BOOKS AND RECORDS

Give the physical address where the books and records of the applicant will be available for inspection by the Commissioner.

SECTION 5 - SOLICITATION INFORMATION

Will the applicant be managing the solicitation of new or renewal business or directly soliciting insurance contracts or otherwise acting as an agent?		<input type="checkbox"/> YES	<input type="checkbox"/> NO
If yes, provide the name, social security number or federal employer identification number (for a partnership or corporation) for the licensed Louisiana agent performing the solicitation. If the agent is other than the applicant, indicate whether the agent is an employee of or under contract with the applicant.			
Agent Name	Social Security No. or FEIN	Status (Employee or Under Contract)	

SECTION 6 - INTERROGATORIES

All of the following questions must be answered for every applicant. ATTACH A FULL EXPLANATION FOR ANY "YES" ANSWERS

1) Has the applicant ever had an application denied by any insurance regulatory authority?	<input type="checkbox"/> YES	<input type="checkbox"/> NO
2) Has the applicant ever been subject to any regulatory action including cease and desist orders, revocation of license or similar actions?	<input type="checkbox"/> YES	<input type="checkbox"/> NO
3) Has the applicant ever changed its name?	<input type="checkbox"/> YES	<input type="checkbox"/> NO
4) Within the last five years, has the applicant merged or consolidated with any other entity?	<input type="checkbox"/> YES	<input type="checkbox"/> NO
5) Within the last five years, has the applicant undergone a change in ownership of ten percent or more?	<input type="checkbox"/> YES	<input type="checkbox"/> NO
6) Is the applicant presently negotiating or inviting negotiations or acting as party to a counterletter which would result in a merger or consolidation with any other entity?	<input type="checkbox"/> YES	<input type="checkbox"/> NO
7) Is the applicant presently negotiating or inviting negotiations or party to a counterletter which would result in a change of ownership of ten percent or more?	<input type="checkbox"/> YES	<input type="checkbox"/> NO
8) Does the applicant contemplate a change in management or any transaction which would normally result in a change of management within the foreseeable future?	<input type="checkbox"/> YES	<input type="checkbox"/> NO
9) Is the applicant owned, operated or controlled, directly or indirectly, by any other state or province, district, territory or nation or any governmental subdivision or agency?	<input type="checkbox"/> YES	<input type="checkbox"/> NO
10) Is the applicant a plaintiff or defendant or subject in any legal action? (If yes, supply a statement giving the jurisdiction of the case, a summary of the allegations, the case style (name) and a summary of the current status of the case.)	<input type="checkbox"/> YES	<input type="checkbox"/> NO
11) Does the applicant pay any representative given discretion as to the settlement or adjustment of claims, whether in direct negotiations with the claimant or in supervision of the person negotiating, a compensation which is in any way contingent upon the amount of settlement of such claims?	<input type="checkbox"/> YES	<input type="checkbox"/> NO
12) Do any of the officers, directors, partners, trustees or owners of the applicant serve as officers, directors, or trustees or own, directly or indirectly, ten percent or more of any insurer for which the applicant acts as a third party administrator?	<input type="checkbox"/> YES	<input type="checkbox"/> NO
13) Does the applicant currently act as a third party administrator for any insurer with which it does not have a written contract?	<input type="checkbox"/> YES	<input type="checkbox"/> NO
14) Is the applicant currently entered into any agreement or understanding with any insurer in which the effect of the agreement is to make the amount of the applicant's commission, fees, or charges contingent upon savings realized in the adjustment, settlement, and payment of losses covered by the insurer's obligations?	<input type="checkbox"/> YES	<input type="checkbox"/> NO
15) Has any person who is presently an officer, director or owner of ten percent or more of the applicant ever been convicted of or pleaded guilty or nolo contendere to, or found liable of indictment or information in, any jurisdiction charging a felony or misdemeanor other than minor traffic violations?	<input type="checkbox"/> YES <input type="checkbox"/> NO	

SECTION 9 - EXHIBITS

- 1) COPY OF THE ARTICLES OF INCORPORATION, ARTICLES OF ASSOCIATION, PARTNERSHIP AGREEMENT OR OTHER SUCH ORGANIZATIONAL DOCUMENTS AND ALL AMENDMENTS THERETO of the applicant certified by the proper domiciliary official the certification must be original and dated within ninety days of submission.
- 2) COPY OF THE BY-LAWS, RULES, REGULATIONS OR SIMILAR DOCUMENT OF THE APPLICANT certified as true and correct by the secretary of the applicant. The certification must be original and dated within ninety days of submission.
- 3) A detailed description of the corporate organizational structure of the applicant, its parent company and all affiliates. This description should include a chart showing the ownership percentages for any persons owning 10% or more of all affiliated entities up to and including the ultimate controlling person. For a sample chart please go to our web site at <http://www.ldi.state.la.us/Licensing/Company/index.htm>
- 4) TRADE NAME CERTIFICATE issued by the Secretary of State of Louisiana. This item must be supplied by any applicant utilizing a trade name in Louisiana.
- 5) AFFIDAVIT OF AVAILABILITY OF FINANCIAL STATEMENT form fully completed. The correct form is attached.
- 6) - PLAN OF OPERATION which addresses the following points:
 - the number of officers, managers and supervisors
 - a list of departments of the applicant and the main function(s) of each department
 - the number of employees per department
 - a brief description of the claims paying system which indicates if the system is automated or manual
 - a brief description of the funding arrangements used on plans administered
 - a brief description of the measures used to avoid unauthorized or fraudulent payment of claims or other misuse of plan funds
- 7) BIOGRAPHICAL AFFIDAVITS for all persons responsible for the conduct of affairs of the applicant. This shall include all officers, directors, partners (in the case of a partnership), trustees, executive committee members and/or any person who owns, directly or indirectly, ten percent or more of the applicant and any other person who exercises control or influence over the affairs of the applicant. The National Association of Insurance Commissioners biographical affidavits are the only acceptable form.
- 8) A LIST OF ALL STATES IN WHICH THE APPLICANT IS CURRENTLY LICENSED AS A THIRD PARTY ADMINISTRATOR.

SECTION 9 - EXHIBITS CONTINUED

9) COMPLETED NOTICE OF CONTRACT FORM for each insurer for which the applicant is currently acting as a third party administrator in Louisiana. A Notice need not be completed for ERISA exempt plans or for any contract which does not affect Louisiana residents. If the applicant does not currently have any contracts in force, a statement to that effect signed by an officer or partner of the applicant must be supplied.

10) EVIDENCE OF A STATUTORY DEPOSIT AS INDICATED BELOW. Mark the appropriate description.

- A one hundred thousand dollar (\$100,000.00) surety bond issued by a surety company licensed to do business in the state of Louisiana. The appropriate bond form is attached. The original bond must be submitted.
- A safekeeping or trust receipt from a bank doing business within the state or from a savings and loan association chartered to do business in this state verifying that the applicant has deposited one hundred thousand dollars (\$100,000.00) in money or acceptable bonds with that institution and pledged said deposit to the Commissioner of Insurance. The banks have the necessary pledge forms. Do not contact this Office to request one.
- A bond in compliance with LRS 23:1192A(7). This requirement is applicable to any applicant which is acting as a third party administrator (service company) of only worker's compensation self insured funds licensed pursuant to LRS 22:1192, et. seq.
- The business of the applicant is restricted solely to benefit plans which are fully insured by an authorized insurer. You must attach a copy of the insurance contract(s)

SECTION 10 - CONTACT INFORMATION

1) Give the address, telephone number and e-mail address of the primary contact with whom this office should communication AFTER COMPLETION OF THE LICENSING PROCESS.

Phone # _____ **E-mail:** _____

2) Give the address, telephone number and e-mail address of the person to whom consumer complaints should be directed.

Phone # _____ **E-mail:** _____

NOTARIZATION

STATE OF _____

COUNTY OR PARISH OF _____

BEFORE ME, the undersigned authority, personally appeared _____ and _____
_____ who, after being duly sworn, did depose and say that all information contained in this application
and all attachments thereto is, to the best of his knowledge, true, complete and correct.

Witness' Signature

Signature of Applicant or Authorized Representative

Witness' Printed Name

Printed Name and Title of Authorized Representative

Witness' Signature

Signature of Authorized Representative of Applicant

Witness' Printed Name

Printed Name and Title of Authorized Representative

SWORN TO and subscribed before me this _____ day of _____, 19__.

Notary Public's Signature

Notary Public's Printed Name

My Commission Expires _____

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ANY FALSE STATEMENTS OR MATERIAL MISSTATEMENTS MADE IN ASSOCIATION WITH THIS APPLICATION MAY BE A VIOLATION OF 42 USC 1033 (a) (1).



**JAMES J. DONELON
COMMISSIONER OF INSURANCE
STATE OF LOUISIANA**

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AFFIDAVIT OF AVAILABILITY OF FINANCIAL STATEMENT

STATE OF _____

COUNTY OF _____

I, _____ as President or other authorized representative of _____

do hereby certify that the latest financial statement of said administrator is available for inspections by the Commissioner of Insurance or his duly authorized representative at the address given below.

Witness' Signature

Signature of Officer or Partner

Witness' Printed Name

Printed Name of Officer or Partner

Title of Above Signed

SWORN TO and subscribed before me this _____ day of _____, 19__.

Notary Public's Signature

Notary Public's Printed Name

My Commission Expires _____