

**EMPLOYEE BENEFITS  
THIRD PARTY ADMINISTRATOR  
(TPA)  
  
APPOINTMENT QUESTIONNAIRE**



**SELF-INSURANCE INSTITUTE OF AMERICA, INC.**

Endorsed as an Industry Standard form for assistance in the evaluation of third party administration companies (TPAs) by excess of loss insurers and managing general underwriters (MGUs).

To the user of the application/questionnaire:

As the self-insurance industry continues to expand, a degree of standardization is important to the level of professionalism of our industry. Over the years, a variety of forms and applications have been developed by various interest groups to assist in the evaluation of third party administrators by insurers and underwriting managers. As a result, there has been little conformity of information supplied, resulting in the use of a multiplicity of forms which has added unnecessary cost to doing business. This form, SIIA-06-01-TPA/AQ has been approved by the Self-Insurance Institute of America, Inc. (SIIA) as an acceptable industry standard form.

The contents of this form/questionnaire represent the work of a special industry study group comprised of representatives from the excess market and TPA industry. The work of this group was submitted to SIIA for its review and approval. SIIA commends the members of this independent working group for their volunteer service to the industry and is proud to adopt this form/questionnaire as an industry standard form to assist in gathering data on and about third party administrators. A listing of the individuals who served on this ad hoc industry study group and their company affiliation may be obtained by writing SIIA.

Please note – This form, its content and questions contained therein, have been developed solely for the purpose of aiding the user and receiver of data to help establish a certain level of standardization for evaluation purposes. SIIA assumes no responsibility to any party regarding the completeness of questions asked, or any use of the information provided, etc. Evaluation of who to do business with is left to the sole direction of the parties involved and each should consult their respective counsel and others as the case may be.

Comments and suggestions may be sent to:

SIIA Industry Documents  
Standard Forms Division  
P.O. Box 15466  
Santa Ana, CA 92705



*Leading the way  
since 1981...*

# EMPLOYEE BENEFITS THIRD PARTY ADMINISTRATOR QUESTIONNAIRE

Information provided on this form is to be held in confidence by the recipient.

## PART I - Entity, Location, Ownership, Affiliation:

1. Name of Entity:
2. Street Address:  
City: State: ZIP:  
Mailing Address:  
City: State: ZIP:  
Phone: Fax:  
Web Site:  
E-mail:
3. T.I.N. #:  
Type of Business:  Corporation  Partnership  Sole Proprietor  Sub-Chapter S Corp.
4. List of Officers: (Attach additional list if necessary. Submit resumes of Officers, Directors and Owners)  
President: Secretary:  
Vice Pres.: Treasurer:
5. Please list other companies with whom you have financial interest (i.e. Insurance companies, PPOs, HMOs, MGUs, Brokerage operations, etc.)
6. In the last five years, has your business entity ever been involved in a merger?  Yes  No  
If yes, please describe:
7. In the last five years, has your business entity ever had a change in ownership?  Yes  No  
If yes, please describe:
8. Has your business entity had a change of name, and/or used a d.b.a or is it  Yes  No  
operating under an assumed name?  
If yes, previous name was:
9. Brach Offices:  
Name of Contact:  
Address:  
City: State: ZIP:  
Phone: Fax:  
  
Name of Contact:  
Address:  
City: State: ZIP:  
Phone: Fax:
10. How do you produce business (clients): *(check all those that apply)*

- TPA Staff Direct
  - Independent Brokers/Agents
  - Other, define:
11. If you use independent brokers/agents to produce business, is their compensation for service paid by:
- Client
  - TPA
  - Other, describe:
12. If you compensate brokers/agents or other service providers for business development, do you disclose to client the amount of compensation paid?       Yes    No
13. When do you disclose fees, compensation, etc. to client (*check all that apply*)
- In initial proposal
  - In service agreement
  - At time of 5500 filing
  - Other, explain:
14. How many years have you been in business?
15. How many clients do you have?
16. How many total employee lives are covered by your collective client base?

**PART II - Systems - Administration And Claims (Hardware and Software)**

**Administration**

**Claims**

1. Is system on-line or manual?
2. Name of software system
3. Who developed
4. Year of development
5. Is software leased, timeshared or owned?
6. If owned, year purchased
7. Name of hardware
8. Is hardware leased, timeshared or owned?
9. Have you changed/upgraded systems within 12 months?  
If yes, please describe:
  - A. Administration:
  - B. Claims:

**PART III - Administrative Services (Financial, Eligibility, and Premium Accounting)**

1. Staff: Total number of employees in department:  
Name/Job Title of Key Personnel and Managers      Years Experience      Years w/Current Employer

If necessary, list additional names on a separate page and attach. Please attach resumes.

2. May clients have system access in their offices:       Yes    No  
If yes, which administrative functions can client perform?
3. Can you provide census and premium funding data electronically?       Yes    No
4. System(s) Security and Audit Procedures:  
A. Describe security for master file (i.e., who can enter new groups, changes)  
B. Describe security for client funds  
C. Describe record retention program for enrollment cards, billing files, etc.  
D. Describe back-up system in the event that the computer master file is destroyed.
5. Does your system calculate individual or group premium for fully insured plans, or calculate levels of funding for self-funded plans?       Yes    No  
Or are they manually calculated and entered in the master file?       Yes    No
6. Describe procedures for adding, deleting and changing Plan Participants and their benefits.
7. What is your philosophy in serving a client's interest if the client asks you to accelerate claim payments in the last quarter, month of the plan year end?
8. Do you perform bank account reconciliation's on Client Accounts?       Yes    No  
If no, why not?
9. How often do you generate premium billings for insurance coverage?  
On what days?
10. When are premium reminder notices sent?
11. For non-payment of excess/stop loss premiums, when are lapse notices sent?
12. On what date(s) are premium payments run for insurers and excess insurers?

NOTES/COMMENTS:

13. What procedures do you have in place to detect and enforce reimbursement for subrogation, COB or workers' compensation?
14. What procedures do you have in place for identifying and reporting potentially large claims (exceeding 50% of spec deductible)?
15. Do you remit premiums to carrier on behalf of clients?
16. If yes, do you remit gross or net of commissions?

**PART IV - Claims Administration**

1. Staff: Total number of employees in:  
Adjudication  
Support  
Managers

Name/Job Title of Key Personnel and Managers Employer	Years Experience	Years w/Current
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If necessary, list additional names on a separate page and attach. Please attach resumes.

2. How many terminals are in use?
3. Is eligibility determined on-line?  Yes  No
4. How long is claim history maintained on-line?
5. Has the department been audited by a third party for accuracy/security?  Yes  No  
If yes, how recently and give name of audit firm:

And type of audit: *(check all that apply, and note date)*  
 CPA/5500

- CPA/Performance
- Carrier/MGU
- Independent Claims Audit
- SAS 70

6. Can you provide claims data electronically?  Yes  No

7. Claims are largely (i.e. +75%)  
A. processed:  Manually  On-Line  
B. filed:  By Family  By day batch

8. What does a claim represent? (*check one*)  
 line item  
 check  
 E.O. B.  
 Other (define)

9. Based on the above definition:  
Average number of claims processed per hour is:

10. What is your payment accuracy objective?  
A. Statistical: Number of claims paid  
B. Financial: Dollar amount paid without error

11. What is your payment accuracy performance during the last twelve months?

12. Describe the payment authority limitation for the claims staff and describe the criteria for internal audits.

12. What is your average turnaround time from date of receipt to date of payment on a clean claim submission?

13. What is your basis for determining R&C?  
 Surgical  
  
 Medical  
  
 Dental

If other, please describe;

Surgical:

Medical:

Dental:

16. Is your R & C database on-line?  Yes  No
17. How often is R & C data updated?
18. Are the ICD-9 codes captured?  Yes  No
19. Are the CPT codes captured?  Yes  No
20. For what period of time are hard copy claims files retained?
21. Are separate bank accounts maintained for each client?  Yes  No
- A. What is included in each account?
- B. Who has disbursement authority?
- C. Is there a trust established for Funded Plans?  Yes  No
- Describe a "Typical" client funds transaction through your office
22. Do you subcontract any data processing activities?  Yes  No
- If yes, please specify
23. Do you utilize off-site or home claim processors?  Yes  No
- If yes, please explain
24. What is your level of service provided for COBRA administration?
25. What is your level of service provided for HIPAA administration?
26. What is your level of service provided for Flex Plans, Cafeteria Plans and/or Section 125 Plans?

**PART V - Carriers (Insurers)**

1. Please list the excess/stop loss insurers (carriers) with which you have business:
- | Carrier Name | # of Cases | # of Lives | Estimated Annual Premium \$\$ |
|--------------|------------|------------|-------------------------------|
|--------------|------------|------------|-------------------------------|



2. Has any carrier terminated their relationship with you in the last 5 years?  Yes  No  
If yes, who and why?

### PART VI - Compliance/Legal/License

1. Describe any previous or pending material lawsuits in the last 7 years
2. Have any of the principals in your firm or any of your employees (former or current), ever been indicted or convicted of mishandling/misappropriating any insurance company or client funds?  Yes  No  
If yes, please give details

3. Describe you current procedures for handling client or insured complaints and State Insurance Department complaints.

4. Has the company (TPA) or its principals ever been adjudged bankrupt? Yes  No  
If yes, please explain.

5. Have you ever been involved in an audit by the Department of Labor (DOL)  Yes  No  
If yes, please give details

6. If your operating jurisdiction(s) requires licensing, are you licensed as a(n):  
List States/License Number
- Third Party Administrator
  - Managing General Agent
  - Agent
  - Broker
  - Other, define:

Please provide a copy of current license(s) listed above:

7. How are you kept informed of changing legal requirements within your market area?

How do you inform your clients of these changes?

8. What membership(s) do you hold in professional and trade associations? (*check all that apply*)
- SIIA
  - SBPA
  - RIMS
  - IFEBP
  - HIRA
  - NALU
  - NAHU
  - Other (*please list*):

## **PART VII - Insurance/Bonding**

1. Do you carry a TPA Errors & Omissions Policy?  Yes  No  
If yes, who is the carrier?  
What is the expiration date of the policy?  
What are the limits of coverage for the policy?  
What is the deductible?  
Is contract a claims made policy?  Yes  No
2. Do you carry a Comprehensive General Liability Policy?  Yes  No  
If yes, who is the carrier?  
What is the expiration date of the policy?  
What are the limits of coverage for the policy?  
What is the deductible?
3. Do you carry a Professional Liability Policy for UR (Utilization Review)  Yes  No  
and/or other services?  
If yes, who is the carrier?  
What is the expiration date of the policy?  
What are the limits of coverage for the policy?  
What is the deductible?
4. Do you carry a Fidelity Bond?  Yes  No  
If yes, who is the carrier?  
What is the expiration date of the policy?  
What are the limits of coverage for the policy?  
What is the deductible?  
What is the total annual aggregate funds handled for all clients?
5. Do you require employee bonding?  Yes  No  
If yes, which employees?
6. Have claims been made against any of these policies in the past two years?  Yes  No  
If yes, please provide details.

## **PART VIII - Financial**

1. Principal Banking relationship (to be used as a reference):  
Name of Bank:  
Address:  
Telephone:  
Contact: Contact Title:

## **PART IX - Managed Care**

1. How are cases identified for possible case management?
2. Please list the companies you use for Medical Case Management services.
3. Is there a direct linkage between the UR/Pre-Cert process and case management? If yes, please explain.
4. Please list the PPOs you use for the majority of your cases.
5. When there isn't a PPO in place, do you reprice hospital bills? If yes, what vendors do you use and at what claim level?
6. Describe any other claim cost management providers and processes you may use; e.g. demand management, hospital bill audits, subrogation, fee negotiation, service, etc.
7. Detail when claims are funded (i.e. when funds are on deposit in the claim account)?
8. What level of utilization review services are performed?
9. Are utilization review services performed in-house or through an outside vendor?
10. Describe your procedures for professional Medical and Dental claims review:
11. Describe your procedures for auditing and/or negotiating provider bills:
12. Describe your procedures for using Large Case Management (LCM):

13. Describe the Managed Care Procedures you are using:

**PART X - Attachments**

1. Please use this checklist and provide the following attachments. If any of these items cannot be provided, please explain:

- Resumes of Officers, Directors, Owners and Key Claims Personnel
- Copy of each, Errors and Omissions Policy, Professional Liability Policy, and/or Bond now in effect (declaration pages are sufficient)
- Copy of TPA, MGU, Agency, Broker and Agent License for each applicable state
- Marketing Proposal
- Marketing Brochure
- Sales Literature on PPO and Managed Care
- Service Agreement (sample of standard agreement used)
- Claim Account Flowchart/Description
- Evidence of Good Health Form
- Samples of Administrative Service Reports available to insurers and/or reinsurers
- Samples of Aggregate Claims Reports available to insurers and/or reinsurers
- Sample Plan Document
- TPA license or certificate for each applicable state in which you do business

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I certify that the information on this application is accurate to the best of my knowledge and belief. I also understand that a routine inquiry, including credit reports, may be made of any or all of the individuals and firms noted herein as references.

Signature:

Date:

Print Name:

Title: