

Government of the United States Virgin Islands
Office of the Commissioner of Insurance
Division of Banking, Insurance and Financial Regulation
#5049 Kongens Gade, Charlotte Amalie, St. Thomas, V.I. 00802
TEL-340-774-7166 FAX 340-774-5590



Checklist of Documents and/or Information Required Original Application for a Third Party Administrator

1. The completed notarized application
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 operations of the applicant's internal affairs.
4. Unless a TPA who is a nonresident of the Virgin Islands is notified by the Commissioner that the Commissioner is able to verify the TPA's home state certificate of authority or license status through an electronic database maintained by the National Association of Insurance Commissioners ("NAIC"), an annual statement filed by the nonresident TPA, its affiliates, or subsidiaries, from the nonresident's home state's licensing authority stating that its home state TPA certificate of authority or license remains in force and has not been revoked or suspended by its home state during the preceding year
5. 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:
 - i. The members of the board of directors, executive or other governing board or committee
 - ii. The principal officers or partners
 - iii. 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
 - iv. Any person or entity who has loaned funds to the applicant for the operation of the business

6. A fully completed and notarized biographical affidavit for each of those persons identified in response to number five above (form enclosed or NAIC form)
7. A statement of any criminal convictions and civil, regulatory, or enforcement action, including actions related to professional licensing, taken or pending against any persons responsible for the conduct of the affairs of the applicant, including, but not limited to any directors, principal officers or owners of the applicant; and their relationship with any other business entity, including a parent corporation
8. A copy of the applicant's two most recent financial statement, prepared in accordance with GAAP and 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 submitted. 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. If the application has been in existence for less than two fiscal years, the applicant must include financial statements or reports, certified by an officer of the applicant and prepared in accordance with GAAP for the completed fiscal years, and for any month during the current fiscal year for which such financial statements or reports have been completed. An audited financial or annual report prepared on a consolidated basis must include a columnar consolidating or combining worksheet that must be filed with the report and:
 - i. Amounts shown on the consolidated audited financial report must be shown on the worksheet
 - ii. amounts for each entity must be stated separately; and
 - iii. explanations of consolidating and eliminating entries must be included. The applicant shall also include such other information as the Commissioner may require to review the current financial condition of the applicant
9. A copy of the applicant's business plan, including:
 - i. A statement generally describing the applicant, its facilities, personnel, and the services to be offered by the third-party administrator
 - ii. Information on activities undertaken or to be undertaken in the Virgin Islands
 - iii. A statement of the applicant's capability for providing a sufficient number of experienced and qualified personnel in the areas of claims processing, record keeping, underwriting and

information on staffing levels, including but not limited to training, hiring requirements, and experience of staff

- iv. A description of the applicant's fraud prevention plan
 - v. A description of the applicant's prompt pay plan
 - vi. A description of the applicant's turnaround time on claim payments
 - vii. A description of the applicant's record retention policy
 - viii. A description of the applicant's proposed method of marketing its services in the Virgin Islands
 - ix. A statement setting forth the means by which the applicant will be compensated
 - x. A description of the complaint and appeals procedures instituted by the applicant
 - xi. A description of the quality assurance procedures established by the applicant
 - xii. Three years' projection of anticipated operation results
 - xiii. A description of the assumptions used in the projections that shall include an explanation of each line item
 - xiv. A statement of the sources of working capital and any other sources of initial funding
 - xv. A description of the provision of contingencies that enable the applicant to perform the work for which it has contracted
10. Evidence of establishment of a separate account for each benefits payor for payment of claims with a description of controls the applicant has put in place for it
11. Evidence of a fidelity or surety bond which must be maintained while so licensed, in favor of the Government of the Virgin Islands (bond form enclosed) **executed by a surety company licensed to procure business in the Virgin Islands**, and payable to any party injured under the terms of the bond. The bond must be continuous and in one of the following amounts:
- a. for a TPA that maintains a Third-Party Administrator Trust Fund Account ("TPATFA") but does not maintain a Claims Administration Services Account ("CASA"), the greater of \$50,000 or 5 percent of contributions and premiums projected to be received or collected in the TPATFA for the forthcoming plan year from Virgin Islands residents, but not to exceed \$1,000,000
 - b. for a TPA that maintains a CASA but does not maintain a TPATFA, the greater of \$50,000 or 5 percent of the claim and claim expenses projected to be held in the CASA for the forthcoming year to pay claims and claim expenses for Virgin Islands residents, but not to exceed \$1,000,000 and

- c. for a TPA that maintains both a TPATFA and a CASA, the greater amount in paragraphs, 1 or 2, but not to exceed \$1,000,000
- 12. A list of the benefit payors under contract with the applicant and a copy of the standard contract or contracts used by the applicant in the course of business
- 13. A list of the subcontractors under contract with the applicant and a copy of the standard contract or contracts used by the applicant in the course of business with the subcontractor
- 14. In accordance with Sections 1527 and 1528 of Chapter 60 of the Virgin Islands Code, proof that the applicant has established in a financial institution in the Territory, either a TPATFA or a CASA, or both depending on the purpose for which the money collected by the Administrator will be used.
- 15. If applicable, 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
- 16. 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
- 17. A resolution, duly executed by the applicant, appointing the Commissioner and his successor in office as the true and lawful agent of the applicant in and for the Virgin Islands upon whom all lawful process in any legal action, or proceedings against the organization on a cause of action arising in this territory, may be served (form enclosed)
- 18. A TPA licensed or applying for licensure under this section shall notify the Commissioner within 30 days after any material change in its ownership, control, contact person for the TPA or other fact or circumstance affecting its qualification for a license in the Virgin Islands. The commissioner shall report any such changes to the appropriate electronic database maintained by the AIC or its affiliates
- 19. Any other pertinent information as may be required by the Commissioner

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THIRD PARTY ADMINISTRATOR ORIGINAL APPLICATION PACKAGE
The following filing fees must be submitted along with the application

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| 1. Non-Refundable Filing fee | \$100.00 |
| 2. Original Licensing Fee | \$650.00 |
| 3. Certified Copy of Charter of Certificate of Incorporation/Articles of Incorporation and amendments | \$150.00 |
| 4. Certified Copy of By-Laws and Amendments | \$ 25.00 |
| 5. Biographical Affidavits (each) | \$ 25.00 |
| 6. Business Plan | \$ 25.00 |
| 7. Statements of Company's Financial Conditions | \$ 25.00 |
| 8. Appointment of Commissioner of Insurance as Agent for Service of Process and a Resolution adopted by the Board of Directors of the Company Authorizing Appointment of Commissioner as Agent of Service of Process, consenting that: | |

Service of Process upon the Commissioner in any action or proceeding against the company, brought or pending in the Virgin Islands upon any cause of action in or growing out of business transacted in the Virgin Islands, shall be valid service upon the company, and the consent shall be irrevocable, so long as a policy of insurance of such company shall remain in force in the Virgin Islands or any loss remains unpaid therein.