

State of Idaho
DEPARTMENT OF INSURANCE

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WILLIAM W. DEAL
Director

February 22, 2012

RE: Declaration of Home State by pre- 2/1/2010 Idaho Third Party Administrator Licensees

Effective February 1, 2010, the Idaho legislature adopted the NAIC Third Party Administrators Model Law (see Chapter 9, Title 41, Idaho Code). The prior version of Chapter 9 was replaced in its entirety. This change in statutes significantly altered the way a Third Party Administrators (TPAs) are licensed in Idaho. Changes include a requirement that an administrator must declare, and be licensed in, a "home state".

§ 41-911. Home state license. (1) A person shall apply to be an administrator in its home state and shall receive a license from the regulatory authority of its home state prior to performing any function of an administrator in this state.

§ 41-901 (6) "Home state" means the District of Columbia and any state or territory of the United States in which an administrator is incorporated or maintains its principal place of business. If neither the state in which the administrator is incorporated nor the state in which it maintains its principal place of business has adopted the provisions of this chapter, or a substantially similar law governing administrators, the administrator may declare another state in which it conducts business to be its "home state."

The practical effect of the above statutes is that each TPA must be licensed in a designated home state that has adopted "a substantially similar law governing administrators." As of the date of this letter, the accepted home states that the Idaho Department of Insurance has concluded as having "substantially similar law" include: Delaware, Idaho, Indiana, and West Virginia. Therefore, your company will need to designate, and be licensed in, one of these four states as a "home state".

In summary, if you designate Idaho as your home state, you will have to go through an Idaho home state licensing process (see § 41-911, IC). If you designate one of the other three states as your home state, you will need to go through the Idaho non-resident licensing process (see § 41-912, IC).

In order to comply with the new statute and to facilitate this new licensing process for our Idaho licensees, the Department is requiring all TPAs licensed prior to February 1, 2010 to submit as part of their Annual Report (which are due July 1, 2012) a Home State Declaration Application and any documents required as part of the application. You may find the Home State Declaration Application on our website as part of the 2011 Annual Report Requirements at: <http://www.doi.idaho.gov/Producer/TPA/AnnualReport.aspx>

Please note that the Department is waving any fees associated with this application.

Again, this only pertains to those companies who were licensed with Idaho DOI prior to February 1, 2010 and who do not have either an Idaho home state license or an Idaho non-resident license.

Please get started on this application process well before the July 1, 2012 deadline. Please contact the undersigned if you have any questions regarding this matter.

Sincerely,



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Enclosure: TPA010-WS

cc: Georgia Siehl – Bureau Chief/Chief Examiner
Bill Michels – Deputy Chief Examiner
Lisa Tordjman – Licensing Supervisor



TPA Home State Declaration Worksheet

Question 1: Does the applicant administer only single employer self-funded plans that are not regulated under Title 41, Idaho Code?

If yes: please fill out a Self-Funded Administrator Registration Form.
If no: proceed to Question 2.

Question 2: Does the applicant hold a home state/resident TPA license in one of the following states? Approved Home State: Delaware, Indiana, West Virginia

If yes: please complete the Non-Resident Application (TPA010-B) which can be found on the DOI website:

http://www.doi.idaho.gov/Producer/TPA/TPA010_B.pdf

If no: please complete the Idaho Home State Application (TPA010-A) which can be found on the DOI website:

http://www.doi.idaho.gov/Producer/TPA/TPA010_A.pdf

Important Due Date: The TPA home state declaration documentation must be filed with the Idaho Department of Insurance on or before July 1, 2012 as part of an administrator's Annual Report.

Contact:

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