

Third Party Administrators Licensing, Renewal and Annual Report Instructions

Kansas Third Party Administrators are divided into three designations. The three designations are described below and include a listing of the required supplemental documents that are needed to complete a new application, as well as information relating to renewal and reporting requirements. Applications will not be approved until all supplemental items are provided.

1. Kansas Non-Resident (Reciprocal) TPA - Application Information and Required Supplemental Attachments

K.S.A 40-3813 provides for the issuance of a Non-Resident certificate of licensure for an administrator who has a Home State/Resident license in a state which Kansas recognizes has a “substantially similar” law as that of Kansas regarding the requirements of Home State licensure.

States that Kansas considers “substantially similar” to the TPA laws of Kansas are as follows: Missouri, Florida, Indiana, Idaho, New Hampshire, Alaska, Delaware, and West Virginia.

To apply –

***Submit the NAIC Uniform Application for Business Entity License online via the National Insurance Producer Registry (NIPR). [National Insurance Producer Registry \(NIPR\)](#)**

In addition to the application and \$400 fee, which is submitted electronically through NIPR, supplemental items are required for a Non-Resident/Reciprocal TPA license in Kansas, and they are listed below:

***Copy of “Declared Home State” TPA License. This must be a Resident/Home state TPA license from one of the eight reciprocal states listed above.**

***Certificate of Good Standing issued by the Secretary of State’s Office of the “Declared Home State” (defined in K.S.A. 40-3813). Please refer to reciprocal states listed above.**

***Please also include any separate, additional information needed to supplement the Background Information section of the application.**

Please provide all supplement material in a PDF file to the following email address:
kdoi.tpa@ks.gov

Renewals –

Non-Resident licenses are renewed biennially by December 31st with the payment of a \$200 renewal fee (submitted electronically through NIPR) and completion of renewal application through NIPR. [National Insurance Producer Registry \(NIPR\)](#) We also require the submission of an attestation statement, which is provided on our website. Please upload the attestation form to the Attachments Warehouse for our review.

Annual Reports –

An Annual Report is required and is due every year by July 1st.(See Annual Report Section)

2. Kansas Resident State/Kansas No Home State TPA Application Information and Required Supplemental Attachments

K.S.A 40-3812 provides for the issuance of a Kansas Resident State certificate of licensure for an administrator domiciled in the state of Kansas or an entity not domiciled in Kansas (Kansas No Home State) but chooses to apply for a home state license for the purpose of obtaining a certificate of licensure. Kansas Resident State applications require organizational and financial documents, business plan, a \$400 license application fee, and occasionally a bond is required.

License renewal is not necessary; however, an Annual Report is due every year by July 1st. (See Annual Report Section)

To Apply –

***Submit the NAIC Uniform Application for Business Entity License online via the National Insurance Producer Registry (NIPR).** [National Insurance Producer Registry \(NIPR\)](#)

Supplement/checklist items required for a Kansas Resident State TPA license application in Kansas include the following: Please refer to K.S.A. 40-3812 for specific details.

The below section of supplemental documents may be uploaded to the attachments warehouse. - [Attachments warehouse](#)

***All basic organizational documents -**

- Certified Articles of Incorporation
- Certified Bylaws, Rules, Regulations
- Entity(s) Organizational Chart
- Articles of Association
- Partnership Agreement
- Trade Name Certificate
- Trust Agreement
- Shareholder Agreement

Articles of Incorporation must be accompanied by original certification by the proper supervisory official of the Company's state of incorporation.

Amended Bylaws are required to have an original certification by the corporate secretary with the company's seal or notarized.

***List of Officers**

- Officers Organizational Chart
- NAIC Biographical Affidavits (may be emailed to kdoi.tpa@ks.gov)

***Original Letter of Certification or Certificate of Good Standing**

Must be issued by the Secretary of State or Department of Insurance where the company is incorporated.

***Certificate of Good Standing issued by the Kansas Secretary of State**

***Detailed Business Plan in the State of Kansas**

K.S.A. 40-3812(b)(6): “A statement describing the business plan, including information on staffing levels and activities, proposed in this state and nationwide. The plan shall provide details setting forth the applicant’s capability for providing a sufficient number of experienced and qualified personnel in the areas of claims processing, record keeping and underwriting.”

***List of Insurers (name of insurer, FEIN, NAIC#, Address)**

***Surety Bond (if required) K.S.A. 40-3812(h) (Government or Church Self-Funded Plans)**

h) An administrator licensed or applying for a home state license that administers or will administer governmental or church self-insured plans in this state or any other state shall maintain a surety bond for the use and benefit of the commissioner to be held in trust for the benefit and protection of covered persons and any payor or self-funded plan against loss by reason of acts of fraud or dishonesty. The bond shall be in the greater of the following amounts:

(1) \$100,000; or

(2) an amount equal to 10% of the aggregate total amount of self-funded coverage under church plans or governmental plans handled in this state and all additional states in which the administrator is authorized to do business.

Please provide the following supporting documents in a PDF file to the following email address:
kdoi.tpa@ks.gov

***Two (2) most recent fiscal years’ Audited Financial Statements**

K.S.A. 40-3812(b)(4): “Audited financial statements or reports for the two most recent fiscal years that demonstrate that the applicant has a positive net worth. If the applicant has been in existence for less than two fiscal years, the uniform application shall include financial statements or reports, certified by at least two officers, owners or directors of the applicant, and prepared in accordance with GAAP, for any completed fiscal years and for any month during the current fiscal year for which such financial statements or reports have been completed. An audited annual financial report prepared on a consolidated basis shall include a columnar consolidating or combining worksheet that shall be filed with the report...”

***Third Party Administrator Hardship Exemption Request K.S.A. 3812(b)(5) (If needed) (Surety Bond Required)**

(5) in lieu of submitting audited financial statements, and upon written application by an applicant and good cause shown, the commissioner may grant a hardship exemption from filing audited financial statements and allow the submission of unaudited financial statements. Acceptable formats for unaudited financial statements, that shall include notes, are:

(A) Reports compiled or reviewed by a certified public accountant; or

(B) internal financial reports prepared in accordance with GAAP, certified by at least two officers, owners or directors of the administrator.

If unaudited financial statements are submitted, the applicant must also secure and maintain a surety bond in a form prescribed by the commissioner for the use and benefit of the commissioner to be held in trust for the benefit and protection of covered persons and any payor or self-funded plan against loss by reason of acts of fraud or dishonesty, for the greater of 10% of funds handled for the benefit of Kansas residents or \$20,000.

***Letter of good standing from Financial Institution:**

Letter should be addressed to the Kansas Department of Insurance and includes the accounts the company has with the bank, the purpose of the accounts, and that the accounts are in good standing.

3. Kansas Self-Funded TPA Application Information

KSA 40-3810 provides for the issuance of a certificate of registration to an administrator that is performing the duties of an administrator in conjunction with life, annuity, or health coverage for residents of Kansas provided by a self-funded plan other than a governmental or church plan. There are no fees associated with the registration or renewal of this type of registration (except NIPR filing fees.)

To Apply –

Submit the NAIC Uniform Application for Business Entity License online via the National Insurance Producer Registry (NIPR). [National Insurance Producer Registry \(NIPR\)](#)

Provide a list of all entities for which your firm provides administrative services in the State of Kansas. Please include the full name and address of each entity and the date your firm initiated administrative services. Please provide this supplement material in a PDF file to the following email address: kdoi.tpa@ks.gov

To Renew –

The certificate of registration expires annually on December 31st and a renewal application must be submitted through NIPR to continue the registration for another year. [National Insurance Producer Registry \(NIPR\)](#)

Provide a list of all entities for which your firm provides administrative services in the State of Kansas. Please include the full name and address of each entity and the date your firm initiated administrative services. Please download this information to the Documents Warehouse for our review or email to kdoi.tpa@ks.gov.

Annual Reports

K.S.A. 40-3814

Annually, by July 1st, all Kansas Resident State/Kansas No Home State and Non-Resident TPA's are required to electronically submit an Annual Report for review. This Report is not to be confused with a renewal and is separate from the biennial renewal of the Non-Resident TPA's.

IMPORTANT - Beginning in 2024, the Annual Report form, \$100 fee and attachments are to be sent through the SBS for Organizations site. The Annual Report form can be found on the Kansas Department of Insurance website or by following the below link –

<https://insurance.ks.gov/company/ah-life/TPA-Annual-Report.pdf>

This Annual Report form should be completed, printed and included with the supplemental documents listed below and uploaded through the SBS for Organizations program in **one report**

submission. It's important to include all required documents in one transaction since there are additional fees for items submitted after the initial submission.

Items required for the Annual Report (in addition to the Report form) include the following –

- \$100 Annual Report Fee – submitted electronically through SBS for Organizations.
- List of Insurers/Self-Funded Plans, including number of Kansas residents covered by each plan.
- Audited Financial Statement for prior year. If an audited “consolidated” financial statement is provided, it must include an audited itemized breakdown supplement for the specific TPA entity, per K.S.A. 40-3814(1). If negative equity is reported in the audited financial statement, additional explanatory reporting and/or financial information is required to be included in the Report which explains the deficit and supports financial soundness.

K.S.A. 40-3814(2) permits the Commissioner to grant a hardship exemption from filing the required audited financial statements and allow the submission of unaudited financial statements. Please reference the “Third Party Administrator Hardship Exemption” information on our website for hardship application procedures as well as information that would be required if an exemption was approved, including securing and maintaining a surety bond for the greater of 10% of funds handled for the benefit of Kansas residents or \$20,000.00.

- Any other “Background Information” attachments that apply.

Contact Information –

Kansas Department of Insurance

Email – kdoi.tpa@ks.gov

Phone – 785-296-7857 – Cathy Abbott