

ADVISORY NO. 444

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TOPIC: COMMISSIONER SIGNS TPA RULES; POSTS NEW TPA REPORTING FORM

DEADLINE TO FILE TPA REPORTS IS JUNE 30, 2009

Texas Insurance Commissioner Mike Geeslin signed new TPA rules June 5, 2009. The 220 page rule order has now been posted on the Department's website. The new TPA rules take effect June 29, 2009. We are studying the final TPA rules and will provide you with a detailed analysis of the order soon.

Of more immediate concern, the Department has created and posted a new required form for the TPA annual report. This report is due to be filed June 30, 2009. The Insurance Code does not provide for an extension to this annual filing obligation. If you are licensed as an administrator, we urge you to meet this very important deadline.

Texas third party administrators can find the new annual report form at <http://www.tdi.state.tx.us/forms/fintpapf/fin486tpaanlrpt.pdf> (FIN486) and the new exhibit for the annual report at <http://www.tdi.state.tx.us/forms/fintpapf/FIN488tpaexhbts.xls> (FIN488).

Texas insurers or HMOs who are registered with the Department of Insurance as third party administrators can find their new annual report form at <http://www.tdi.state.tx.us/forms/fintpapf/fin487tpaanlrpti.pdf> (FIN487) and the new exhibit for the annual report at <http://www.tdi.state.tx.us/forms/fintpapf/FIN488tpaexhbts.xls> (FIN488).

Each annual report submission requires a \$200 filing fee. You must mail or otherwise arrange for delivery to the Department of the annual report form (FIN486 or FIN487) as well as the filing fee. The report exhibit (FIN488) may be mailed, hand delivered, or emailed to the Department. Filing instructions are included in the attached TDI FAQs.

Administrators who handle only workers' compensation claims must complete Tab E of the exhibit (FIN488). Unless your business model involves administering coverage or plans as described on Tabs A-D, workers' compensation administrators can simply mark those Tabs as "not applicable."

Tab E of the exhibit form has been designed to capture ten elements of workers' compensation claims data. The Department is requesting the reporting of data in these elements for calendar year 2008, even though the form implies that the agency is requesting data from the immediate 12 months. The data elements found on Tab E of the exhibit to the annual report are:

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1. Insurance company, certified self-insurer, certified self-insurance group, or governmental entity that self-insures, either individually or collectively name ("carrier");
2. Administration contract effective date;
3. Total dollar amount of premiums collected on behalf of carrier;
4. Total dollar amount of excess insurance premiums collected;
5. Total number of claims in which benefits were paid in last 12 months;
6. Total dollar amount of benefits paid in last 12 months;
7. Total number of medical bills paid in last 12 months;
8. Average days to process medical bills;
9. Total number of initial temporary income benefits payments made in last 12 months; and
10. Average days to pay initial temporary income benefits

The Department requests that you total each column before submitting.

If you have questions regarding the TPA annual reporting obligation, please refer to the attached Department FAQ. In our office you may contact Steve Tipton or Bobby Stokes.