



ADVISORY

To: All Insurance Companies and other Entities Licensed under Chapter 58 of the
of the North Carolina General Statutes

From: Life & Health Division

Date: May 11, 2022

Subject: SEMIANNUAL REVIEW of TPA OPERATIONS

The North Carolina Department of Insurance (the Department), for the last two years, has accepted certification of virtual audit in lieu of the on-site audit of TPA operations required by NCGS §58-56-26(c), when accompanied by a certification that an on-site audit was not possible due to COVID-19 restrictions.

The Department will continue to accept certification in 2022 of a virtual audit during 2021 in lieu of an on-sight audit of TPA operations. The audit certification must be accompanied by a certification from an officer of the company that a virtual audit was done in lieu of the on-site audit, due to COVID-19 Restrictions.

For the annual TPA audit certification that is required by July 1, 2023, the semiannual audits conducted in 2022, must include certification of an on-site audit of the TPA operations as required by NCGS §58-56-26(c).

Instructions and the annual reporting form are located on our website here:
<https://www.ncdoi.gov/insurance-industry/form-and-rate-filings/life-and-health/annual-reporting-formats-life-and-health#certification-of-third-party-administrator-audit>

Any questions regarding the TPA annual certification should be directed to the Lhinbox@ncdoi.gov or Rebecca Hill 919-807-6060 or Rebecca.hill@ncdoi.gov