

1 11 NCAC 12 .0332 is amended with changes as published in 39:16 NCR 1098-1099 as follows:

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3 **11 NCAC 12 .0332 REVIEW/AUDIT OF THIRD PARTY ADMINISTRATORS**

4 (a) Definitions. As used in this rule:

5 (1) "Certification" means the certification required by G.S. 58-56-26(c).

6 (2) "Insurer" has the same meaning as in G.S. 58-56-2(4).

7 (3) "Third party administrator" or "TPA" has the same meaning as in G.S. 58-56-2(5).

8 (b) ~~For the certification submitted on July 1, 2010, the~~ The insurer shall submit a certification signed by an officer of
9 the insurer, ~~which identifies the name and federal tax identification number of the TPA that is the subject of the~~
10 ~~certification. The~~ and the certification shall contain the following language:

11 "I, (name and title of the officer of the insurer), am familiar with the requirements of G.S. 58-56-26(c), and hereby
12 certify that (insurance company full licensed name and federal tax identification number) performed a ~~review, an on-~~
13 ~~site audit, [review, an audit,]~~ review and an audit or both in accordance with G.S. 58-56-26(c) for every third party
14 administrator identified in or attached to this certification for the reporting calendar ~~year 2009.~~ year."

15 ~~The certification shall contain the names of TPAs to which G.S. 58-56-26(c) does not apply and the reasons for the~~
16 ~~exception of each TPA.~~

17 (c) For all certifications submitted on or after July 1, 2011 and each subsequent year, each insurer shall certify that
18 the insurer's review and ~~on-site~~ audit include:

19 (1) An assessment of the TPA's business practices and procedures and evaluations of all of the
20 following:

21 (A) The TPA's compliance with provisions of the written agreement with the insurer;

22 (B) The TPA's compliance and adherence to the TPA's internal policies and procedures for
23 contract management, claims administration, and general administration, if applicable;

24 (C) The TPA's performance of claims adjudication and payment, if applicable;

25 (D) The TPA's performance of underwriting services, if applicable; and

26 (E) The TPA's performance of collecting premiums or other monies; and

27 (2) A written summary of the objectives and scope of the review or ~~on-site~~ audit and the results of the
28 review or ~~on-site~~ audit, including a corrective action plan addressing any deficiencies found during
29 the review or ~~on-site~~ audit.

30 (d) ~~An on-site audit may be conducted either on-site or virtually and shall include an inspection of the TPA's place of~~
31 ~~business and shall~~ verify the accuracy, integrity, and completeness of the information received during a review
32 conducted by the insurer under G.S. 58-56-26(c). An on-site audit shall also include an inspection of the TPA's place
33 of business.

34 (e) In addition to a statement certifying compliance with the requirements of Paragraphs (c) and (d) of this Rule, a
35 certification submitted on or after July 1, 2011 and each subsequent year shall be dated and include:

36 (1) The insurer's name as it appears on the insurer's license or certificate of authority and the insurer's
37 federal tax identification number;

- 1 (2) The name and federal tax identification number of every TPA with which the insurer has a written
2 administrative agreement under G.S. 58-56-6;
- 3 (3) Any exceptions to the certification identifying each excepted TPA by name and federal tax
4 identification number and an explanation for the exception of the TPA;
- 5 (4) The year for which the certification is made; and
- 6 (5) The name, title and signature of an officer of the insurer making the certification.

7 (f) A sample format for the certification is available free of charge from the Life and Health Division at the Department
8 of Insurance Web site at www.ncdoi.com.

9 (g) An insurer that did not have any written administrative agreements with TPAs during the reporting year for which
10 the certification is required shall submit a report instead of a certification. This report shall include the information
11 required under Paragraph (e) of this Rule; except the information required by Subparagraphs (e)(2) and (e)(3) of this
12 Rule need not be included.

13 (h) A review may be conducted on the premises of the insurer or at another location designated by the insurer and
14 may be conducted by electronic means. A review or ~~on-site~~ audit may be performed by either the insurer or the insurer's
15 designated representative. The insurer's designated representative shall not be an employee of or independent
16 contractor with the TPA and shall be an independent, disinterested person or entity.

17 (i) The certification shall be submitted annually to the Life and Health Division through the NAIC system for
18 electronic rate and form filings ("SERFF" or its successor system or program). If an insurer is unable to use the NAIC
19 system or program, the insurer shall submit the certification by way of the U.S. Postal Service or other mail delivery
20 service or by way of electronic mail, compressed in Adobe Acrobat (PDF).

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22 *History Note: Authority G.S. 58-2-40; 58-56-26;*

23 *Eff. July 1, 2010;*

24 *Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. May 1, ~~2018~~.*
25 *2018;*

26 *Amended Eff. April 1, 2026*

1 11 NCAC 18 .0102 is amended with changes as published in 39:16 NCR 1099-1100 as follows:

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3 **11 NCAC 18 .0102 GENERAL ELIGIBILITY**

4 (a) Each MEWA shall provide to the Commissioner adequate documentation from the Internal Revenue Service
5 confirming that the exemption under Section 501(c) [~~or Section 501(c)(6)~~] of the Internal Revenue Code has been
6 granted, or that the MEWA will operate solely for the benefit of the members of the MEWA. Any profits from the
7 operation of the MEWA shall be invested in securities as allowed by G.S. 58-7-160 through G.S. 58-7-200, and the
8 interest or other profits accrued or received thereon shall be ~~used to provide rate stability~~ contributed to surplus for
9 the stability of rates or provide other such benefits for the members to which the trustees and the Commissioner agree;
10 and the trust agreement required by G.S. 58-50A-70(a)(3) shall so state.

11 (b) Each MEWA shall be established by a trade association, industry association, ~~or professional association.~~
12 professional association, or chamber association.

13 (c) As used in this Rule:

14 (1) “Industry association” means member employers who are in the same major group code, as defined
15 by the Standard Industrial Classification Manual issued by the Executive Office of the President,
16 Office of Management and Budget; unless restricted by Subparagraph (c)(2) or (3) of this Rule.

17 (2) “Professional association” means member employers who are of the same type of profession, such
18 as physicians, dentists, accountants, lawyers, or architects; but is not limited to those professions.
19 However, the profession must be one that is recognized by the required licensing agency.

20 (3) “Trade association” means member employers who are in the same type of trade, such as plumbers
21 or electricians; and any others that are trade designations as recognized by the required licensing
22 agency.

23 (4) “Chamber association” means a statewide chamber of commerce or business league that meets all
24 of the criteria listed in G.S. 58-50A-70(a)(2)c.[-]

25 (d) The feasibility study required by G.S. ~~58-49-50(7)~~ 58-50A-80(7) shall disclose all material assumptions.

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27 *History Note:* Authority G.S. 58-2-40(1); ~~58-49-40; 58-49-50; 58-50A-70; 58-50A-80;~~

28 *Eff. August 3, 1992;*

29 *Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. December*
30 *16, ~~2014, 2014;~~*

31 *Temporary Amendment Eff. April 7, 2025.*

32 *Amended Eff. April 1, 2026*