

Frequently Asked Questions

1. Why TPAAC?

There are no common standards or industry voice in the unregulated area of the financial services industry.

2. What are TPAAC's Corporate Objectives?

To promote and protect the interests while conserving the rights of those engaged in the business of third party administration of group insurance and pension plans. We strive to promote the standard and sound business/administrative practices among third party administrators by educating the public on the practices of third party administrators. By sharing information for the mutual benefit of members, we promote the maintenance and overall improvement of the qualifications and standards of TPAs.

3. What are the issues facing the industry?

- Companies with little experience in administration and paying claims increase financial risk to plan sponsors and members
- Licensed agents acting as TPAs
- Improper financial practices of some providers
- Little understanding of TPA industry by regulators
- E&O and bond coverage difficult to obtain
- Improper disclosure of risk – behaving as an “insurer”
- Practices affecting OFSI outsourcing guidelines
- Lack of proper agreements and standards guarantees

4. How does TPAAC meet these challenges?

- Membership standards
- Code of professional conduct
- Ongoing education
- Presentations to regulatory bodies
- Researching E&O and bond coverage

5. What are the benefits of TPAAC membership?

- Recognition of sound fiduciary responsibilities
- Assistance in achieving standards
- Elevated presence in the industry
- Influence in guiding direction of TPAAC
- Forum for sharing knowledge and ideas
- Liaison with regulators
- Association buying power
- Association with other participants in the industry CLHIA, CCIR etc.
- Cross border relationship with USA Society of Professional Benefit Administrators

6. Who can join TPAAC? What is required to join?

Interested parties may apply to become either a Full, Associate or Provisional member of TPAAC. A completed *Application for Membership*, along with the signed *Certification* statement found on the application and on the TPAAC website, are required for the review process. The application process involves audit documentation for KPMG, TPAAC's appointed membership auditor. TPAAC's Membership Committee and Board of Directors will review the application based on KPMG's assessment.

7. What is the difference between a Full, Associate or Provisional TPAAC member?

Full Membership

Full Membership is restricted to businesses operating within Canada which carry on the business of providing third party administration of group insurance and pension plan benefits and which meet the criteria and professional standards set for admission, and is not an ineligible business, as defined below. Full members are entitled to vote at members' meetings.

Associate Membership

Only applicants that (1) are related to, are a holding body corporate of, are affiliated with, or that control or is controlled by (as such terms are defined in the Corporations Act (Ontario)) an existing Full Member and (2) are engaged in aspects of third party administration may qualify for Associate Member status. Associate Members do not have voting privileges.

Provisional Membership

Provisional Membership is restricted to businesses operating within Canada which carry on the business of providing third party administration of group insurance and pension plan benefits and which meet the criteria and professional standards set for admission, and is not an ineligible business as defined below. This level can be applied for and held for a period of up to two years. The non-refundable fee for the Provisional Membership is for one year or part thereof, and runs June 1 – May 31, and is non-refundable. A Provisional Membership does not require a compliance audit by KPMG, but the application is vetted by the Membership Committee to ensure minimum compliance items are met. At the end of the Provisional Membership period a member must apply for Full Membership at current Full Member application fees. Provisional Members do not have voting privileges.

Ineligible Business

An ineligible organization includes any organization that provides insurance, pay-direct claims services and software services to or through the Third Party Administration industry or is regulated by the Office of the Superintendent of Financial Institutions (OSFI).

To learn more about TPAAC and the advantages of membership, please contact us at 1-855-55TPAAC or email info@TPAAC.ca.

For more information, please visit www.tpaac.ca
