

Part 4
Compensation of Third Party Administrators

31A-25-401 Compensation not to be contingent on claims expense.

The compensation paid to a third party administrator for any policies under which the third party administrator adjusts or settles claims may be contingent on claims experience only if the third party administrator discloses to the person whose plan is being administered any conflicts of interest which are present on account of the compensation arrangement.

Enacted by Chapter 242, 1985 General Session

31A-25-402 Notice to insureds regarding administration of policies.

- (1) If the services of a third party administrator are utilized, the third party administrator shall provide a written notice to the insureds, advising them of the identity of and relationship among the third party administrator, the policyholder, and any insurer issuing the policy. This notice shall be approved by the policyholder and by the insurer, if any.
- (2) If a third party administrator collects funds, the third party administrator shall identify and state separately in writing to the person paying the administrator the amount of the third party administrator's charge and the premium specified by the insurer for the insurance coverage.

Amended by Chapter 204, 1986 General Session