

Conditions of and Procedure for Licensing of TPA

The TPA is an efficiency expert monitoring the medical expenses for the employer. All the administration of a self-funded plan is contracted to the TPA, including but not limited to employee communication, funding strategies, interaction with providers, claims processing and financial management of the plan.

Conditions of and Procedure for Licensing of TPA

- Registered under the Companies Act, 1956, having share capital can function as a TPA
- Main or primary object of the company - to carry on business in India as a TPA
- The minimum paid up capital of the company - Rs. 1 crore
- At no point of time - a working capital of less than Rs. 1 crore
- One of the directors of the TPA - a qualified medical doctor - Medical Council of India
- Foreign company- aggregate holdings - not more than 26% of the paid up equity capital
- Transfer of shares exceeding 5% - shall be intimated by the TPA to the License