

## 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