

THIRD PARTY ADMINISTRATOR ACT (EXCERPT)
Act 218 of 1984

550.944 Additional prohibited conduct.

Sec. 44.

(1) A TPA shall not refuse to enter into a service contract or provide administrative services other than processing claims because of race, color, creed, marital status, sex, national origin, residence, age, disability, or lawful occupation.

(2) A TPA or manager shall not misrepresent the financial condition of a TPA or of any person engaged in the business of insurance, or misrepresent the financial aspects of the services offered by the TPA or make a statement which is maliciously false, maliciously critical of, or maliciously derogatory to the financial condition of another TPA or of a person engaged in the business of insurance.

(3) A TPA or manager shall not misrepresent the nature of the services provided by the TPA, including but not limited to, the existence or identity of any carrier or other TPA involved with the plan; the extent of risk assumed by any particular named carrier, if any; or the regulatory status of the carrier or TPA.

(4) A TPA or manager shall not make, or participate in the making of, any fraudulent statement on a claims form for the purpose of obtaining money or other benefits.

(5) A TPA shall process claims for benefits on a timely basis.

History: 1984, Act 218, Eff. Jan. 1, 1985 ;-- Am. 1998, Act 79, Imd. Eff. May 4, 1998