

The most critical element determining the success of any program is selecting the correct Program Carrier Partner and developing a contract that clearly defines this relationship. Over the years, there have been many markets that have entered and left the program space, and some notable dissolutions and downgrades that have put Program Administrators' business in serious jeopardy. In addition to having a complete accounting regarding the financial stability of a carrier and its subsidiaries, issues concerning program experience and expertise should be carefully considered when making this very important decision.

The TMPAA Program Carrier Checklist may be used as a guide to ensure your due diligence process is complete, providing a greater possibility of program success.

Company Background

How does your organization define a program?

Do you have an area within your organization dedicated exclusively to program business? Please describe.

How many years has your organization been doing program business?

How many programs do you write?

How much premium do you write in the program space?

What is the total size of your company?

What is your AM Best rating? Have there been any changes in the past 3 years?

What is the average tenure of program staff at your company?

Do you have a maximum premium for a program?

What is the average program duration with a Program Administrator?

Structure, Products, Services

Do you have insurance and reinsurance capabilities for programs?

Who handles your claims, loss control, and premium audit services?

Do you permit program administrators to participate in the profitability of a program?

Do you have a competing agency network?

Do you have an in-house product development department?

Do you have an in-house state filings department?

Do you have in-house actuaries dedicated to program business?

Is there support for my particular filings and forms?

Do you deploy a policy administration system (rating, policy issuance, stat reporting) or do I use my own?

Do you support proprietary rating programs?

Do you have a Program Administrator portal and what services are available through it?

Do you offer admitted and non-admitted capabilities?

Do you offer tiered companies? To what extent.

Describe the referral and appeal process.

What is typical referral turnaround time?

Describe your chain of command and my access to the ultimate decision maker.

How do you develop underwriting guidelines with a Program Administrator?

Have you non renewed programs for reasons other than book performance?

Program Specific Issues

What class conflicts should I expect with my program?

Would there be geographic limitations for my program?

What is the expected combined ratio for my program?

What is your plan to monitor/audit my program to keep it profitable?

References

Can you provide the names of Program Administrators with whom you have and are currently partnered?
