

# Considerations When Recommending a TPA

Factors that a prudent advisor should evaluate when  
selecting TPA partners

# Differentiation

- Your recommendation provides the client more ease and confidence in making the decision to buy from you
- A selection of qualified TPAs to recommend demonstrates the advisor's ability to prove they are familiar with the environment and have pre-qualified the right TPA to match the client's needs

# Fiduciary Duties

- EBSA
- The right TPA can deflect much of the risk associated with an advisor viewed as a fiduciary

# Pre-qualifying Your TPAs

- Area of expertise
- Communication processes between client, advisor, et al
- Don't discount all producing TPAs
- Cost, listed last for good reason!

# Pre-qualifying Your TPAs

- Tools – they don't have to be sophisticated but they do have to work
  - Contact Management System
  - Workflow Management
  - Compliance software
  - Research/reference tools

# Pre-qualifying Your TPAs

- Operations
  - Number and types of plans
  - Lost plans and gained plans
  - E&O coverage – claims
  - Succession plan

# Pre-qualifying Your TPAs

- Employees
  - Number of full-time/part-time
  - Turnover
  - Professional designations
  - Education
  - In-house ongoing training
  - New hire training
  - Background checks

# Pre-qualifying Your TPAs

- Website and marketing materials
  - Reciprocity potential at what level
  - Interactive website or just web presence
  - Brochure is professional – sufficient to present to clients and prospects
  - Client testimonials on website and/or print material



# Pre-qualifying Your TPAs

- Miscellany – Not relevant but good to know if you can get the information
  - Culture
    - Number of employees that are shareholders
  - What type of plan do they offer to their employees and why did they choose it
  - Other advisors they work with/refer business to
  - What is their primary source of getting new business

# Conclusion

- Questions
- Comments
- Examples