

FINANCE

Conflict of Interest

1. If the Trust self-insures any Trust benefits, no Trustee; administrator, including a third-party administrator; or any other person having responsibility for the management or administration of the Trust or the investment or other handling of the Trusts' money shall:
 - A. Receive directly or indirectly or be pecuniarily interested in any fee, commission, compensation, or emolument arising out of any transaction to which the Trust is or is expected to be a party except for salary or other similar compensation regularly fixed and allowed for because of services regularly rendered to the Trust.
 - B. Receive compensation as a consultant to the Trust while also acting as a Trustee, third-party administrator, or employee.
 - C. Have any direct or indirect pecuniary interest in any loan or investment of the program.
2. If the Trust self-insures any Trust benefits, no consultant or legal counsel to the Trust shall directly or indirectly receive or be pecuniarily interested in any commission or other compensation arising out of any contract or transaction between the Trust and any insurer, health care service contractor, health care supply provider or consultant.
3. Brokers of record for the Trust may receive compensation for insurance transactions performed within the scope of their licenses. The terms of compensation shall be provided for by contract between the broker of record and the Trust, and the amount or percentage of the compensation must be disclosed in writing. Contracts between brokers of record and the Trust shall include a provision that contingent commissions or other forms of compensation not specified in the contract shall not be paid to the broker of record as a result of any Trust insurance transactions. If the Trust self-insures any Trust benefits, the Trust shall establish a contract provision which requires the broker to provide to the Trust a written annual report on a form provided by the state risk manager which discloses the actual financial compensation received. The report shall include verification that no undisclosed commission was received as a result of any such insurance transaction made on behalf of the program.
4. No third-party administrator shall serve as a Trustee or Trust officer.

Cross Reference: [Trust Policy 210](#)

Loyalty and Prudence

Legal Reference: [WAC 200-110-150](#)

Standards for management and operations—
Conflict of interest

Adopted: January 24, 2011

Revised: October 16, 2013