

ADMINISTRATION

Third Party Administrators, Consultants, Advisors and Insurers

The Trustees shall select, appoint and monitor any external third-party administrators (“TPA”), consultants, other advisors or insurers.

When selecting a TPA, consultant, other advisor or insurer the Trustees shall consider:

1. The TPAs, consultants, other outside advisors or insurers responsiveness, accuracy and business stability.
2. The TPAs, consultants, other outside advisors or insurers ability to meet the Trust’s needs including, benefit administration, legal compliance, benefit projections and communications.
3. With respect to the TPA only, the TPA’s technology (consideration of whether the District’s current technology is compatible with and can interface the TPA’s technology).

If the Trust self-insures any Trust benefits that are to be administered by a TPA, contracts with such TPAs are subject to the following requirements:

1. The TPA, the actuary, and the broker of record must contract separately with the Trust.
2. The contract must require that a written statement be submitted to the Trust on a form provided by the state risk manager providing assurance that no conflict of interest exists.
3. TPAs shall be selected using a competitive solicitation process.
4. The contract must include a complete written description of the services to be provided, remuneration levels, contract period and expiration date.
5. The contract must provide for the confidentiality of the Trust’s information, data and other intellectual property developed or shared during the course of the contract.
6. The contract must provide for the Trust’s ownership of the information, data, and other intellectual property developed or shared during the course of the contract.
7. The contract must provide for the expressed authorization of the Trust, the Trust’s consultants, the state auditor, the state risk manager, or their designees, to enter the TPA’s premises to inspect and audit the records and performance of the TPA which pertain to the Trust and to obtain such records electronically so that audit travel costs can be eliminated or reduced.
8. The contract must require compliance with all applicable local, state and federal laws.
9. The contract must contain indemnification provisions and set forth insurance requirements between the parties.

The Trustees monitoring function shall include:

1. Periodic evaluations of the TPA, consultant or other advisor.
2. Meetings with the TPA, consultant or other advisor.
3. Discussion and resolution of problems.

Cross References: [Trust Procedure 110.7P](#)
[District Policy 5225](#)
[District Procedure 5225P](#)

Delegation of Duties
Technology
Technology

Legal References: [WAC 200-110-100](#)

[WAC 200-110-150](#)

Standards for management—Standards for
contracts—Third-party administrator
contracts.
Standards for management and operations—
Conflict of interest.

Adopted: August, 29, 2005
Revised: January 24, 2011
Revised: October 16, 2013