

ADMINISTRATION

Third Party Administrators, Consultants and Advisors

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

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

1. The TPA’s, consultant’s or other outside advisor’s responsiveness, accuracy and business stability.
2. The TPA’s, consultant’s or other outside advisor’s 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).

Contracts with third-party administrators are subject to the following requirements:

1. The third-party administrator, 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. Third-party administrators 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 third-party administrator’s premises to inspect and audit the records and performance of the third-party administrator 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.

IN REVISION

100.3P

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<u>Cross</u> References:	<u>Trust Procedure</u> 110.7P	Delegation of Duties
	<u>Trust Policy</u> 5225	Human Resources: Technology Policy (District Policy)
	<u>Trust Procedure</u> 5225P	Human Resources: Technology Procedure (District Procedure)
Legal References:	<u>WAC 82-6065-038100</u>	<u>Standards for management—Standards for contracts—Third-party administrator contracts.</u>
	<u>WAC 82-65-150</u>	<u>Standards for management and operations -- Conflict of interest.</u>

~~Proposed~~ Adopted: August, 29, 2005
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