

**WAC 200-120-190 Standards for management—Standards for contracts—Third-party administrator contracts.** Before contracting with private businesses for third-party administrator professional services, all joint self-insurance programs shall establish and maintain written procedures approved by the board of directors for contracting with privately owned third-party administrators. Entering a contract for services shall not relieve the board of directors of the joint self-insurance program of its ultimate oversight, managerial and financial responsibilities. The procedures shall, as a minimum:

(1) Provide a method of privately owned third-party administrator selection using a competitive process;

(2) Require a complete written description of the services to be provided, remuneration levels, contract period and expiration date providing for a contract term no greater than five years. The contract may include an additional one year extension to be exercised at the discretion of the joint self-insurance program;

(3) Provide for the confidentiality of the program's information, data and other intellectual property developed or shared during the course of the contract;

(4) Provide for the program's ownership of the information, data, and other intellectual property developed or shared during the course of the contract;

(5) Provide for the expressed authorization of the joint self-insurance program, consultants to the program, 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 pertains to the program and to obtain such records electronically when audit travel costs can be eliminated or reduced;

(6) Require the compliance with all applicable local, state and federal laws; and

(7) Establish indemnification provisions and set forth insurance requirements between the parties.

[Statutory Authority: 2011 c 43. WSR 11-23-093, recodified as § 200-120-190, filed 11/17/11, effective 11/17/11. Statutory Authority: Chapter 48.64 RCW, RCW 48.64.015, and 42.64.020. WSR 11-06-001, § 82-70-190, filed 2/16/11, effective 3/19/11.]