

INSURANCE

Self-Insurance

Any self-insurance program established by the district must use a competitive solicitation process for selection of a third-party administrator, if one is to be retained.

Per WAC 200-110-100, the self-insurance program contract must:

- Contain a complete written description of the services to be provided, remuneration levels, contract period and expiration date.
- Provide for the confidentiality of the information, data, and other intellectual property developed or shared during the course of the contract.
- Provide for the program's ownership of the information, data, and other intellectual property developed or shared during the course of the contract.
- Provide for the expressed authorization of the 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.
- Require the compliance with all local, state and federal laws
- Establish a monitoring and acceptance procedure to determine compliance with third-party administrator contract requirements; and
- Establish indemnification provisions and set forth insurance requirements between the parties.

Per WAC 200-110-090, a plan for managing the financial resources of the program will include:

- For a joint program, a procedure for accounting for moneys received, payments made and liabilities which complies with generally accepted accounting principles. For individual programs, a separate fund to account for revenue and expenses is maintained. Premiums are collected through the payroll process and verified claims are paid through the accounts payable process. Programs must maintain the required minimum reserves, per WAC 200-110-040.

- For a joint program, an investment policy which conforms to RCW 48.62.111 governing the investments of the program. Individual program investments will be managed through deposit with Spokane County.
- Individual self-insurance programs shall ensure the preparation and submission of accurate and timely annual financial reports to the state risk manager within one hundred fifty days of fiscal year end. Joint self-insurance programs shall ensure the submission of unaudited financial statements as prescribed by state auditor's office within one hundred fifty days of fiscal year end. Joint self-insurance programs shall ensure the submission of audited financial statements to the state risk manager within one year of the program's fiscal year end.
- No financial plan of an individual self-insurance program shall permit interfund loans from assets held against liabilities for unpaid claims and claim adjustment expenses except for those amounts which are clearly inactive or in excess of program reserve and contingency reserve requirements.
- No financial plan of a joint self-insurance program shall permit loans to any member.

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