

INTERLOCAL AGREEMENT BETWEEN THE CITIES INSURANCE ASSOCIATION OF WASHINGTON (CIAW); NON PROFIT INSURANCE PROGRAM (NPIP); SCHOOLS INSURANCE ASSOCIATION OF WASHINGTON (SIAW); UNITED SCHOOLS INSURANCE PROGRAMS (USIP); and the WASHINGTON RURAL COUNTIES INSURANCE PROGRAM (WRCIP), HEREINAFTER REFERRED TO AS THE "PROGRAMS" FOR RETENTION OF PROFESSIONAL CLAIMS AUDITING SERVICES.

This Agreement, pursuant to Chapter 39.34 of the Revised Code of Washington, is entered into between the "Programs" regarding jointly retaining the professional services of a claims auditing firm.

RECITALS

This Agreement is entered into on the basis of the following understandings, facts and assumptions:

- 1) The "Programs" through their respective Boards, have declared their intent to create a relationship wherein they jointly contract for the professional services of a claims auditor to meet the requirements of Washington Administrative Code (WAC) 200-100-050 (7) Standards for Claims Management – Claims Administration.
- 2) The purpose of this Interlocal Agreement is to set forth the relationship of the parties with respect to the professional services of a claims auditor.
- 3) Since the "Programs" use the same Third Party Administrator to adjust their claims, as well as the same litigation and claims guidelines, it is in the best mutual interest of the "Programs" to use the same claims auditor.

AGREEMENT

ACCORDINGLY, and in reference to the foregoing, the parties agree to the following:

- 1) The duration of this Agreement shall be three (3) years unless further extended by written consent of each party.
- 2) The parties are entering into this joint agreement to retain and pay for the services of a claims auditor. This joint Agreement is not intended to create any partnership or other independent entity.

- 3) The parties agree that they shall each be responsible for their individual costs billed. The billing will be sent directly to Canfield, the Third Party Administrator for each of the parties herein, and Canfield shall be authorized to pay the bill through normal channels.
- 4) Each Board of each party shall appoint a Board representative and an alternate Board representative to act on behalf of the Board regarding matters related to this Interlocal Agreement. Currently the authorized Board representatives are:
 - CIAW - Wes Crago
 - NPIP - Darren Brugmann
 - SIAW - Ron Cowan
 - USIP - Brian Talbott
 - WRCIP - Richard Stevens
- 5) The representative Board members shall also be responsible for termination of claims auditor if the need arises. If any one of the representative Board members expresses a clear desire to terminate the claims auditor and the remaining parties agree, then the claims auditor can be terminated by any reasonable notice. If the claims auditor is terminated, then each party shall remain liable for payment of any unpaid fees or costs up to the time of the termination. If two or more parties want to terminate the claims auditor but the remaining parties do not, then the parties wanting to terminate the claims auditor may withdraw from further representation pursuant to this Agreement, subject only to the requirement to pay their share of the fees and costs incurred up until the time of the withdrawal. The remaining parties shall continue to operate under this Agreement and shall share all future fees and costs on a pro-rata basis.
- 6) This Agreement may only be amended in writing and with the mutual consent of all parties.
- 7) This Agreement shall take effect and be in full force on the date of signing by all parties (originals in duplicate) and shall remain in force for a period of three (3) years. If the parties want to extend the Agreement for an additional one (1) year, they may do so by submitting a written notice to said Auditor with a copy to Canfield of their intent to extend the contract.
- 8) Any party may withdraw from this Agreement by providing sixty (60) days advance written notice to Canfield of their intent to withdraw from this Agreement. This withdrawal shall be effective on the 61st day after it is received by Canfield. The withdrawing party or parties shall be obligated to pay their share of all billings

incurred up until the effective date of the withdrawal regardless of when those changes are actually billed.

- 9) Each party will obtain appropriate Board approval of their intent to enter into this Agreement and the appointment of their respective Board representative.

Dated this _____ day of _____, 2013.

CIAW by: Wes Crago

(Signature)

(Date)

NPIP by: Darren Brugmann

(Signature)

(Date)

SIAW by: Ron Cowan

(Signature)

(Date)

USIP by: Brian Talbott

(Signature)

(Date)

WRCIP by: Richard Stevens

(Signature)

(Date)