

AGREEMENT FOR SERVICES #491-S0611
AMENDMENT I

This Amendment I to that Agreement for Services #491-S0611, made and entered into by and between the County of El Dorado, a political subdivision of the State of California (hereinafter referred to as "County"), and George Hills Company, Inc., a corporation duly qualified to conduct business in the State of California, whose principal place of business is 11060 White Rock Road, Suite 200, Rancho Cordova, CA 95670 (hereinafter referred to as "Contractor");

W I T N E S S E T H

WHEREAS, Contractor has been engaged by County to provide liability claims administration services in accordance with Agreement for Services #491-S0611, incorporated herein and made by reference a part hereof; and

WHEREAS, the parties hereto have mutually agreed to amend **ARTICLE I-Scope of Services, ARTICLE III-Compensation for Services, ARTICLE XI-Indemnity, ARTICLE XVIII-Administrator; and**

WHEREAS, the parties hereto have mutually agreed to add **ARTICLE XXIII-HIPAA Compliance** and incorporate Exhibit "A", labeled Business Associate Agreement.

NOW THEREFORE, the parties do hereby agree that Agreement for Services #491-S0611 shall be amended a first time as follows:

ARTICLE I

Scope of Services: Contractor agrees to perform as the administrator of the County's self-insured liability claims program. Contractor will provide a dedicated adjuster who will be provided office space and necessary office equipment by the County. The Contractor will supply its dedicated adjuster with a computer and necessary proprietary software for use in performing claims administration duties.

Contractor will manage and administer liability claims as described below or as may be assigned by the County during the term of this Agreement. Contractor shall investigate, evaluate, process, manage and resolve bodily injury, personal injury and property damage claims and potential claims for money damages asserted by third parties against County, its officers, agents, or employees for which County, its officers, departments, commissions, or related agencies, or any of its employees is alleged to be legally responsible. Contractor will coordinate, consult, and fully cooperate with County personnel in the administration of those claims referred to herein.

Specific services and the guidelines for the performance of such services include, but are not necessarily limited to:

- A. Contractor will maintain a trust account for the payment by Contractor of proper charges against the County arising from liability claim payments and allocated claims expense. The trust account shall be maintained and established in compliance with Government Code Section 31000.8. Contractor shall notify the County in advance when the trust account needs to be replenished, and the amount necessary to be deposited. Contractor shall provide the Risk Manager a monthly reconciliation of the trust account, and shall make such other reports on the status of the trust account and disbursements therefrom as may be required by the County. The trust account shall not be used for any payment to Contractor for services rendered hereunder.
- B. Contractor will receive, examine, and investigate as warranted or may be directed by the County, all reports of accidents, incidents, claims or cases which are, or may be, the subject of liability claims. Contractor may, in its discretion or as directed by the County, immediately reject claims and deny applications for leave to present late claims or otherwise act as authorized by Government Code Section 31000.8 with respect to claims which require notice of Board action.
- C. Contractor will provide complete administration service on each accident or incident assigned which is, or may be, the subject of a liability claim. Contractor shall consult with County Counsel with respect to the facts, liability and disposition of all claims, including notices allowed or required by the Government Tort Claims Act, and authority to settle any claim by the Contractor when such authority is not already granted by resolution of the Board of Supervisors or other authority. County Counsel or the Risk Manager may delegate to the Contractor any and all duties authorized by Government Code Section 31000.8 not specifically reserved for or retained by the County herein or by resolution of the Board of Supervisors or other authority.
- D. Contractor shall engage counsel for the purposes specified in, and as authorized by, Government Code Section 31000.8. Contractor may also engage expert, appraisal, and specialized investigative or other related services as may be necessary or appropriate for the defense or other resolution of claims within the Contractor's scope of services. All bills for legal fees and related costs for all claims referred to Contractor shall be reviewed by

Contractor as to appropriateness, after which, the above described fees and costs will become County charges and will be paid by Contractor from the trust fund in accordance with Government Code Section 31000.8; provided that upon request of the County Auditor, the proposed payments shall be submitted to the Auditor for review prior to payment. The County may provide for payment in an alternative manner, including payment directly by County, if desired.

- E. Contractor will maintain a record on each actual claim reported. Contractor shall provide statistical and financial reports to County on all fees and costs paid on liability claims in a form acceptable to the Risk Program Manager.
- F. Contractor shall provide the County on-line access to the computer file records of claims.
- G. Contractor shall establish and maintain liability and expense reserves on each claim which fairly and adequately reflect the County's exposure according to standard practices and County requirements. Periodic review and adjustment of reserves, if necessary, will be performed on all open claims.
- H. Contractor will assume all responsibility for ongoing reporting and notification to the excess carrier or self-insured pool on behalf of the County in accordance with the specific requirements of the excess carrier or pool.
- I. Contractor will keep County full informed of all significant developments in assigned matters.
- J. Contractor will comply with all required federal and state income forms to claim recipients.
- K. Contractor agrees to hold in trust and confidence all confidential information disclosed to or obtained by Contractor pursuant to or in the performance of this Agreement. Contractor will not disclose the confidential information without the prior consent of the County or as otherwise required by law.
- L. Contractor and Gould & Lamb (GL), shall provide all necessary services to ensure County compliance with the Medicare, Medicaid, and SCHIP Extension Act of 2007 (MMSEA), including the retention and contracting of Gould & Lamb (GL) for Mandatory Insurer Reporting (MIR) for County. GL shall represent County and Contractor and shall be the designated reporting agent. County will be the Responsible Reporting Entity (RRE) for its claims. Contractor will be responsible for gathering and reporting accurate claims data required by the MMSEA to GL timely. Contractor agrees to assume the responsibility for reporting data to GL to meet all reporting requirements in accordance to the MMSEA, on behalf of County: including assuming responsibility for any fines or penalties that are directly caused by Contractor's non-compliance and or failure of GL to comply with MMSEA. GL shall perform the MMSEA Mandatory Insurer Reporting function for Contractor and County, without charge, subject to the following. County will designate GL, unless otherwise requested as its exclusive for all of County's "Qualified Referrals" (those claims determined to require Medicare Set Aside (MSA) or a Claim Settlement Allocation (CSA)).

Through a separate contract with GL, G L shall indemnify and hold GHC harmless from and against any claim, damage, fire, loss and expense, arising in connection with, or as a result of, any error, omission, or negligent performance of its obligations as reporting agent, which indemnity shall include all reasonable costs of litigation and attorneys' fees incurred. Without an any way limiting the indemnity set forth in this Agreement, all work per formed by G L shall be done in a good and proessional manner.

ARTICLE II

Compensation for Services: For services provided herein, County agrees to pay Contractor a monthly flat rate for claims administration services including, but not limited to those detailed in ARTICLE I-Scope of Services. Payment shall be made within thirty (30) days following County receipt and approval of monthly invoices. The billing rate shall be in accordance with the following schedule:

For the calendar year:	2006	\$11,768/month	(\$141,220 annualized)
	2007	\$12,003/month	(\$144,036 annualized)
	2008	\$12,243/month	(\$146,916 annualized)
	2009	\$12,488/month	(\$149,856 annualized)
	2010	\$12,738/month	(\$152,856 annualized)

In the event of a catastrophic claim or other circumstance in which the County determines that services of Contractor beyond those of the dedicated adjuster are desirable and necessary, Contractor shall provide a written proposal detailing the scope of services to be provided and all associated fees. The Contract Administrator shall have authority to approve such additional services. Contractor shall not proceed with any additional services without written approval of the Contract Administrator.

It is agreed and understood that the dedicated adjuster is an employee of George Hills Company, Inc. and is afforded all insurance coverage and employee benefits by Contractor.

ARTICLE XI

Indemnity: Contractor shall defend, indemnify and hold the County harmless against and from any and all claims, suits, losses, damages and liability for damages of every name, kind and description, including attorneys fees and costs incurred, brought for, or on account of, injuries to or death of any person, including but not limited to workers, County employees and the public, or damage to property or any economic or consequential losses, which are claimed to or in any way arise out of or are connected with Contractor's services, operations or performance hereunder, regardless of the existence or degree of fault or negligence on the part of the County, the Contractor, subcontractor(s) and employee(s) or any of these, except for the sole or active negligence of the County, its officers and employees, or as expressly prescribed by statute. This duty of Contractor to indemnify and save County harmless includes the duties to defend set forth in California Civil code Section 2778. Contractor further agrees to indemnify against and from any and all liabilities, claims, penalties or fines resulting from the failure of contractor and/or its sub-contractor, GL, to timely and fully comply with the reporting requirements under the MMSEA.

ARTICLE XVIII

Administrator: The County officer or employee with responsibility for directing the operational functions of this Agreement is Lou Green, County Counsel, or successor. The County Officer or

employee with responsibility for overseeing the administration functions of this Agreement is Allyn Bulzomi, Human Resources Director, or successor.

ARTICLE XXIII

HIPAA Compliance: As a condition of Contractor performing services for the County of El Dorado, Contractor shall execute that Business Associate Agreement which is attached hereto as Exhibit "C", which is incorporated herein for all intents and purposes.

Except as herein amended, all other parts and sections of this Agreement #491-S0611 shall remain unchanged and in full force and effect.

Requesting Department Concurrence:

By: _____ Dated: _____
Lou Green,
County Counsel

IN WITNESS WHEREOF, the parties hereto have executed this First Amendment to Agreement #491-S0611 the day and year first below written.

--- COUNTY OF EL DORADO ---

Dated: _____

By: _____

Chairman
Board of Supervisors
"County"

ATTEST:
Suzanne Allen de Sanchez
Clerk of the Board of Supervisors

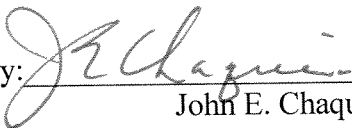
By: _____ Dated: _____

Deputy Clerk

-- CONTRACTOR --

Dated: 12/15/09

GEORGE HILLS COMPANY, INC,
A CALIFORNIA CORPORATION

By: 
John E. Chaquica, President
"Contractor"

ATTEST:

By:  Dated: 12/15/09
Corporate Secretary