

**AMENDMENT NO. 1 TO PROFESSIONAL SERVICES AGREEMENT FOR EMPLOYEE
BENEFITS CONSULTING SERVICES**

This Amendment No. 1 hereby amends the Agreement dated June 6, 2006 between the County of Santa Barbara, a political subdivision of the State of California (hereafter COUNTY), and Alliant Insurance Services, Inc. formally known as Driver Alliant Insurance Services, Inc. (hereafter CONSULTANT).

WHEREAS, CONSULTANT has been providing COUNTY with professional employee benefits consulting services as described in Attachment (ii), Scope of Services, of the Professional Services Agreement; and

WHEREAS, COUNTY finds it necessary to have CONSULTANT continue their employee benefit consultant services for COUNTY until December 31, 2012 for completion of work purposes; and

WHEREAS, the Agreement is set to expire on June 30, 2011, and the parties wish to extend the term of the Agreement;

NOW, THEREFORE, in consideration of the mutual covenants and conditions contained herein, the COUNTY and CONSULTANT hereby amend the Agreement as follows:

Section 5, Term of Contract, is replaced by the following: This contract shall take effect July 1, 2006 subject to proper execution by both parties and after approval by the Santa Barbara County Board of Supervisors. The contract shall remain in effect until December 31, 2012 unless otherwise modified as required for completion of work or other reason, or terminated sooner as hereinafter provided.

All other terms remain in full force and effect.

Amendment No. 1 to Agreement for Professional Services for Employee Benefit Consulting between the County of Santa Barbara and Alliant Insurance Services, Inc.

IN WITNESS WHEREOF, the parties have executed this Amendment No. 1 to be effective on the date executed by COUNTY.

COUNTY OF SANTA BARBARA

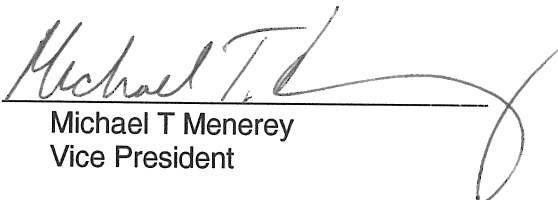
By: _____
Chair, Board of Supervisors

Date: _____

ATTEST:
CHANDRA L. WALLAR
CLERK OF THE BOARD

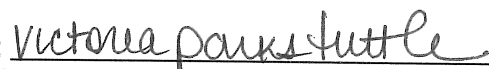
CONSULTANT:
ALLIANT INSURANCE SERVICES, INC.

By: _____
Deputy Clerk

By: 
Michael T Menerey
Vice President

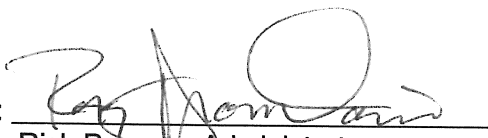
APPROVED AS TO FORM:
DENNIS A. MARSHALL
COUNTY COUNSEL

APPROVED AS TO ACCOUNTING FORM:
ROBERT W. GEIS, CPA
AUDITOR-CONTROLLER

By: 
Deputy County Counsel

By: 

APPROVED AS TO FORM:
RAY AROMATORIO,
RISK PROGRAM ADMINISTRATOR

By: 
Risk Program Administrator

Scope of Services

1. Annual Report

We will prepare an annual report analyzing claims experience, benefits paid, contributions, administrative expenses, gross and net cost of insured benefits, net cost of any self-insured coverages and other relevant items that pertain to the health benefits program.

This report will also include a projected income and expense budget and necessary premium/rate changes for the coming year based on an analysis of prior experience and known or anticipated factors affecting future operations. Together with an evaluation of the plan's reserve position, this budget should serve as a guide to financial and benefit planning decisions.

2. Consultation

We will be available for consultation on many aspects of the plan's operation as well as the plan's overall progress and development. Among the specific aspects are claims levels and trends, reserves and performance of the plan's various providers such as HMO's, third party administrators and insurance carriers.

We are available to consult with the County staff, Board of Supervisors, legal counsel and the administrator regarding changes to be made in the plan of benefits and eligibility for such benefits.

We will solicit competitive bids on behalf of the County for any or all of the health and welfare programs and make appropriate recommendations based on our findings.

3. Benefit Changes

We will provide advice to the County and then take appropriate action as authorized by the County for implementing any benefit changes including revision in premium and plan recordkeeping procedures, master policy certificates and plan amendments or modifications.

4. Benefit Provider Negotiations

As authorized by the County, we will negotiate with benefit providers to obtain appropriate adjustments in costs, level and type of service and such other matters as may arise in the plan's normal course of operation.

5. Self-Insured Benefits

In the event the plan provides some or all benefits through self insurance, we will calculate the appropriate reserve and claims trend factors that should be taken into account from a sound planning and policy point of view.

6. Communication with Participants

We will be available for consultation with the County or legal counsel to assist in drafting notices to plan participants about plan or administrative changes, updates of the Summary Plan Description, or other plan documents as required by plan or regulatory changes. Changes are to be made in an understandable manner, subject to review and approval by legal counsel.

7. Plan Administration Support

We will be available for consultation with the plan administrator, as requested, with regard to routine changes in forms and procedures and general recordkeeping, in terms of efficiency and cost. Compliance with the recordkeeping requirements of laws or regulations are matters subject to the advice of legal counsel. However, we will be available for consultation in this regard, from a non-legal standpoint.

8. Coordination with Other Professional Advisors

We will, as appropriate, coordinate our efforts with those of legal counsel, plan administrator, the auditor and investment advisors regarding policy matters of interest to the County and the efficient operation of the plan in general.

9. Trends in Legislation, New Benefits, Plan Design

By means of our periodic newsletters and special advisory reports, we will keep the County apprised of new developments in the employee benefits field that may bear upon planning and policy decisions.

10. Meetings

We will attend meetings, as appropriate. We will do preparation and follow-up work for these meetings. Of course, between meetings, we are continually available for consultation with the County, the plan administrator and plan's other professional advisors.

Any services not specified in the RFP may require additional compensation.