



**Baldwin County Commission
322 Courthouse Square
Bay Minette, Alabama 36507**

**Willis of Alabama, Inc.
2101 6th Avenue North
Suite 1200
Birmingham, AL 35203**

TERMS OF BUSINESS AGREEMENT – EMPLOYEE BENEFITS ACCOUNTS

The purpose of this document is to record our mutual understanding regarding our professional relationship and the services which we have agreed to provide you.

The Baldwin County Commission (“CLIENT” and/or “you” and/or “your”) and Willis of Alabama, Inc. (“WILLIS” and/or “our” and/or “we” and/or “us”) agree as follows:

I. Services and Responsibilities

Subject to all other terms and conditions of this Agreement, WILLIS shall provide the Services identified in **Schedule A** attached to this Agreement.

We are committed to acting in your best interests at all times in providing services to you. In order to underscore our commitment to our clients, we have adopted a Client Bill of Rights, a copy of which has been previously provided to you to better explain our commitment to you and is attached as **Exhibit A** to this Agreement.

The services we will provide to you rely in part on the facts, information and direction provided by you or your authorized representatives. The parties agree to provide each other with accurate and timely facts, information and direction as is reasonably required.

You agree to render complete and accurate information to WILLIS as to your loss experience and any other information reasonably requested by WILLIS, unless prohibited by any applicable laws, rules or regulations. You also agree to advise WILLIS of any changes in your business operations that may affect the Services to be performed by WILLIS hereunder.

Willis

We will assess the financial soundness of the insurers we recommend to provide your coverages based on publicly available information, including that produced by well-recognized rating agencies. Upon request, we will provide you with our factual analysis of such insurers. We cannot, however, guarantee or warrant the solvency of any insurer or any intermediary that we may use to place your coverage.

You understand and agree that you shall make final decisions with respect to underwriting submissions and all matters relating to your insurance coverage and employee benefits program. We will procure the insurance coverage and services chosen by you, assist in confirming coverage, and review and transmit policies to you.

We will review all policies and endorsements delivered to us by insurers or intermediaries for the purpose of confirming their accuracy and conformity to negotiated specifications and your instructions and advise you of errors in or recommended changes to such policies. You agree that you will also review all policies and endorsements delivered to you and advise us of any questions you have or of any document or provision that you discover which you believe may not be in accordance with your instructions.

We will meet, as requested by you, with your representatives to explain coverage and policies. We will promptly respond to your requests for coverage or other pertinent information and assist you in reporting subsequent changes in information to insurance companies and service providers.

In our capacity as employee benefits professionals, we do not provide legal or tax advice. We encourage you to seek any such advice you need or want from competent legal or tax professionals.

II. Confidentiality

We will treat information you provide us in the course of our professional relationship as confidential, will use it only in performing services for you and, in doing so, will comply with all applicable state or federal privacy laws. We may share this information with third parties as may be required to provide our services. We may also disclose this information to the extent required to comply with applicable laws or regulations or the order of any court or tribunal. Records you

Willis

provide us will remain your property and will be returned to you upon request, although we will have the right to retain copies of such records to the extent required in the ordinary course of our business or by law. You will treat any information we provide to you, including data, recommendations, proposals, or reports, as confidential, and you will not disclose it to any third parties. You may, however, disclose this information to the extent required to comply with applicable laws or regulations or the order of any court or tribunal. We retain the sole rights to all of our proprietary computer programs, systems, methods and procedures and to all files developed by us.

In the event that you or any of the benefit plans you sponsor need to enter into business associate agreements with Willis in order to satisfy the requirements of the Health Insurance Portability and Accountability Act, the regulations implementing that Act (the “Standards for Privacy of Individually Identifiable Health Information,” codified at 45 C.F.R. parts 160 and 164), or any other similar law, you agree to execute, or to arrange for the plans to execute business associate agreements similar in form and substance to **Schedule A** to this Agreement

III. Compensation

Fee: **\$20,000**

The Fee is for Willis services for the time frame of October 18, 2011, to December 31, 2011, in preparation of Baldwin County becoming a self insured health plan; furthermore, the aforesaid time frame of October 18, 2011, to December 31, 2011, shall be the term of the Agreement.

IV. Term/Termination

The time frame of October 18, 2011, to December 31, 2011, shall be the term of the Agreement.

Either party may terminate this Agreement, with or without cause, by giving the other party at least thirty (30) days advance written notice of termination.

Willis

Our obligation to render the Services under this agreement ceases at the end of the Term or on termination of the Agreement, whichever is sooner. Nevertheless, we will take reasonable steps to assist in the orderly transition of matters to you or to a new insurance broker which you designate. Claims and premium or other issues may arise after our relationship ends. Such items are normally handled by the insurance broker or consultant serving you at the time the claim or other issue arises. However, we are willing to consider providing services in these areas after the Term or termination of this Agreement for mutually agreed additional compensation.

V. Other Provisions

During the Term of this Agreement and for a reasonable period thereafter, you may audit the records and accounts of WILLIS related to this Agreement, at your expense. You agree to give us reasonable advance written notice of any audit and to conduct the audit during normal business hours in a manner which is not unduly disruptive to our ongoing business.

We agree that we may communicate with each other from time to time by electronic mail, sometimes attaching further electronic data as and when the circumstances require attachments. By consenting to this method of communication you and we accept the inherent risks (including the security risks of interception of or unauthorised access to such communications, the risks of corruption of such communications and the risks of viruses or other harmful devices). We each agree, however, that we will employ reasonable virus checking procedures on our computer systems, and we will each be responsible for checking all electronic communications received for viruses. You will also be responsible for checking that messages received are complete. In the event of a dispute, neither of us will challenge the legal evidentiary standing of an electronic document, and the Willis system shall be deemed the definitive record of electronic communications and documentation.

Please note that our system blocks certain file extensions for security reasons, including, but not necessarily limited to, .rar, .text, .vbs, .mpeg, .mp3, .cmd, .cpl, .wav, .exe, .bat, .scr, .mpq, .avi, .com, .pif, .wma, .mpa, .mpg, .jpeg. Emails with such files attached will not get through to us; and no message will be sent to tell you they have been blocked. If you intend to send us emails



with attachments, please verify with us in advance that our system will accept the proposed form of attachment.

This agreement supersedes any and all prior agreements between us regarding the insurance coverages and services set forth on **Schedule A** to this agreement.

This Agreement shall be governed by and construed in accordance with the laws of the State of Alabama, and any dispute shall be resolved in the appropriate state or federal courts in the jurisdiction within or closest to Baldwin County, Alabama.

VI. Inquiries and Complaints

Thank you for choosing Willis as your professional insurance service provider. Your satisfaction is important to us. If you have complaints, please inform the person who handles your account. Alternatively, you may contact the head of our office. In the alternative, you may call 1-866-704-5115, the nationwide toll-free number which Willis has established for client feedback and complaints.

Baldwin County Commission

Willis of Alabama, Inc.

By: _____

By: _____

**Title: Chairman, Baldwin County
Commission**

Title: Vice President of Employee Benefits

Date: _____

Date: _____

Willis

I, the undersigned authority, a Notary Public, in and for said County, in said State, hereby certify that FRANK BURT, JR., as Chairman of the Baldwin County Commission, whose name is signed to the foregoing instrument and who is known to me, acknowledged before me on this date, that he executed the same voluntarily for and as an act of Baldwin County Commission.

GIVEN under my hand and seal this the ____ day of _____, 2011.

Notary Public
My Commission Expires: _____

I, the undersigned authority, a Notary Public, in and for said County, in said State, hereby certify that SCOTT R. PECHMAN, as Vice President of Employee Benefits of Willis of Alabama, Inc., whose name is signed to the foregoing instrument and who is known to me, acknowledged before me on this date, that he executed the same voluntarily for and as an act of Willis of Alabama, Inc.

GIVEN under my hand and seal this the ____ day of _____, 2011.

Notary Public
My Commission Expires: _____

Schedule A

SCOPE OF SERVICES

Services
<p>Strategic Planning</p> <ul style="list-style-type: none"> • Assist in defining and prioritizing strategic health & welfare plan objectives • Assist in the evaluation of internal technical capabilities to determine increased/improved applications for administrative processes • Identify underperforming vendor relationship • Assess carrier/vendor customer service levels • Develop project action timelines • Periodic review of employee demographics • Assist in the development of an employee survey. Conduct survey and provide an executive summary detailing results • Discuss relevant benchmarking data
<p>Financial Analysis</p> <ul style="list-style-type: none"> • Perform financial review and analysis of experience reports • Assess current funding arrangements for appropriateness and make recommendations as needed • Evaluate current costs of benefits versus effectiveness of plan design • Review managed care expense and administrative service fees (where applicable) • Analyze utilization data and cost containment results of medical management • Forecast projected benefit costs to include maximum exposure • Evaluate excess loss coverage • Prepare experience reviews as directed • Assist in developing appropriate employee contributions levels • Perform trend analysis from available diagnostic and normative data
<p>Actuarial Services</p> <ul style="list-style-type: none"> • Provide limited actuarial services, including projecting funding needs for upcoming fiscal year

Services

Renewal

- Analyze and negotiate renewals with vendors
- Review vendor renewal methodology, experience data, and assumptions for accuracy and logic
- Compare vendor renewal with Willis projections
- Develop and present alternative plan designs and provisions with associated financial and member impact analysis
- Finalize program design, rates, and fees
- Prepare an accurate renewal document with recommendations for delivery to senior management (as needed)

Marketing

- Develop plan specification based on feedback from strategic planning meeting
- Jointly determine list of vendors best suited to meet plan goals and objectives
- Develop vendor performance guarantees with monetary penalties as necessary
- Assist in the review of current electronic data transfer processes with vendors
- Perform pre-marketing evaluation of census data, network service areas, and administrative needs
- Evaluate carrier client support services
- Evaluate vendor financial ratings and accreditation
- Review provider network accessibility/employee match
- Perform critical analysis and comparison of plan features and costs
- Assist in the scheduling of selected finalist site visits
- Assist in conducting finalist negotiations
- Prepare and submit a summary report with recommendations to management
- Assist in the notification of all bidders as to the final outcome

Services

Annual Enrollment

- Assist in the planning of employee meetings, round tables, and health seminars
- Provide guidance on delivering a comprehensive communication strategy
- Introduce workable technology solutions for communications and enrollment where appropriate
- Coordinate vendor sponsored communication material

Compliance

- Provide legislative updates as needed
- Provide signature ready Form 5500s

- Provide access to ERISA attorneys for regulatory and compliance updates
- Review plan documents and summary plan descriptions for regulatory compliance from a non-legal perspective (client would need to retain legal advice)
- Provide access to periodic web casts compliance sessions

Account Management Services

- Serve as a liaison between the client and all insurance companies/vendors
- Monitor administrative process and assist in the smooth resolution of elevated issues
- Act as an employee/employer advocate in the resolution of ongoing claims issues
- Audit, confirm, and manage all changes in legal documents (contracts, policies, SPDs, etc.)
- Set and monitor vendor goals and performance and report findings at quarterly meetings
- Review plan performance as directed
- Review and provide guidance of diagnostic data
- Identify and monitor potential catastrophic claims
- Review large claims management activity
- Review network utilization

Willis Resources and Tools

- WillisMed - Implement the WillisMed tool to provide detailed claim analysis using procedure and diagnoses codes (includes "what if" tool and auto-audit)
- Compliance Manual – provide access via the Internet to Willis Compliance Manual
- Provide access for two users to Search Willis knowledge and research system
- Design and implement customized company portal for HR and benefits (Communication Manager)

Additional Services

- Actuarial Services – special projects and/or FAS 106 valuations
- HR Partner compensation studies
- Willis Training Solutions

THE WILLIS CLIENT BILL OF RIGHTS

Our Client Bill of Rights is our commitment to upholding the highest standards of integrity in our industry and how we deliver the Willis Value Experience.

At Willis, our culture and our actions are guided by the following principles:

1. Willis represents the client's best interests through our client advocacy model. Willis' global resources and services are committed to understanding the client's company, its industry and its individual needs. Willis' customized recommendations and solutions will be driven by what is in the client's best interests. This is the centerpiece of the value Willis provides its clients.
2. At the commencement of every new engagement and at renewal thereafter, Willis will describe the service and value it provides and how it is compensated for it – in plain and simple language as part of our Terms of Business Agreement and our Willis Client Service model.
3. Willis will listen before it acts. Its partnerships with clients will be typified by clear, complete and candid communication.
4. Clients will have a tollfree number to give Willis feedback on the quality of its services. Clients can comment, critique and suggest areas for improvement. Willis values client input.
5. Willis will require that the training its Associates receive includes enhanced emphasis on their duty of care and full disclosure to clients.
6. Willis Associates are prohibited from accepting any gifts, entertainment or trips from insurers that could create the appearance of a conflict of interest with its clients.
7. Willis will not accept contingency compensation from insurers.
8. Willis will conduct its business in accordance with its best practices guidelines, which are incorporated in our Willis Excellence Model.
9. Willis clients will receive the benefits of our glocal approach to service: our global resources delivered locally to help clients realize their highest risk management and business objectives regardless of geography.
10. Adherence to these principles will be enforced by a series of enhanced internal controls, including regular compliance reviews, audits and review by the Audit Committee of the Willis Board of Directors.

The Willis logo is displayed in a white rectangular box on a dark background. The word "Willis" is written in a bold, serif font.