PART VI CRIME COVERAGE SECTION

A. Money and Securities

1. **Property** Covered:

Money and **Securities** inside the **Premises** or outside the **Premises** or in **Banking Premises** are covered under this **Agreement**.

2. Perils Insured:

The perils insured are theft, disappearance, destruction, burglary, and robbery.

3. Coverage Description:

This **Agreement** will indemnify **Members** for loss of and loss from:

a. **Money** and **Securities** inside the **Premises** or **Banking Premises**.

b. Damage to a safe, vault, cash register, cash box or cash drawer located inside the **Premises** resulting directly from an actual or attempted theft of, or unlawful entry into a container of **Property** covered.

c. **Money** and **Securities** outside the **Premises** in the care and custody of a **Messenger**.

d. **Money and Securities** outside the **Premises** in the care and custody of an armored vehicle company. However, the **Member** will be indemnified only for the amount of loss that the **Member** cannot recover under the **Member's** contract with the armored motor vehicle company and from any insurance or indemnity carried by or for the benefit of customers of the armored motor vehicle company.

4. Exclusions:

a. In addition to the General Exclusions of this **Coverage Agreement**, there is no coverage under the Crime Coverage for loss or damage due to:

b. **Money** or **Securities** after they have been transferred or surrendered to a person or place outside the **Premises** based upon unauthorized instructions or as a result of a threat to do bodily

harm or damage to any **Property**. But this exclusion does not apply to loss of covered **Money** or **Securities** while outside the **Premises** or in **Banking Premises** or in the care and custody of a **Messenger** if the **Member**:

c. Had no knowledge of any threat at the time the conveyance began; or

d. Had knowledge of a threat at the time the conveyance began, but the loss was not related to the threat.

e. Loss resulting from the giving or surrendering of **Money** or **Securities** in any exchange or purchase.

f. Loss of **Money** or **Securities** in any **Money** operated device unless the amount of **Money** deposited in it is recorded by a continuous recording instrument in the device.

g. Loss resulting from accounting or arithmetical errors or omissions.

h. Loss resulting from the **Member**, or any person acting on the **Member's** express or implied authority, being induced by any dishonest act to voluntarily part with title to or possession of any **Money** or **Securities**.

5. Additional Duties in the Event of Loss:

If a **Member** has reason to believe that any loss of or loss from damage to property involves a violation of law, the **Member** must notify the police.

6. Definitions that Apply to Money and **Securities**:

Banking premises means the interior of that portion of any building occupied by a banking institution or similar safe depository.

Burglary means the taking of **Property** from inside the **Premises** by a person unlawfully entering or leaving the **Premises** as evidenced by marks of forcible entry or exit.

Messenger means the **Member**, any of the **Member**'s directors, officers, elected or appointed officials, trustees, volunteers or any employee while having care and custody of the **Property** outside the **Premises**.

Robbery means the taking of **Property** from the care and custody of a person by one who has caused or threatened to cause that person bodily harm or by one who has committed an obviously unlawful act witnessed by that person.

Theft means any act of stealing.

B. Forgery or Alteration

1. Coverage Description.

The Pool will indemnify the **Member** for loss involving Covered Instruments resulting directly from the perils insured. Covered Instruments means checks, drafts, promissory notes, or similar written promises, orders or directions to pay a certain sum in **Money** that are made or drawn by or drawn upon by the **Member** or made or drawn by one acting as the **Member**'s agent or that are purported to have been so made or drawn.

2. Perils Covered.

Forgery or alteration of, on or in any **Covered Instrument**. **Forgery** means the signing of the name of another person or organization with intent to deceive; it does not mean a signature that consists, in whole or in part, of one's own name signed with or without authority, in any capacity, for any purpose.

3. Additional Conditions:

a. Mechanically reproduced facsimile signatures will be treated the same as handwritten signatures.

b. The **Member** must include with proof of loss any instrument involved in that loss or, if that is not possible, an affidavit setting forth the amount and cause of loss.

C. Money Orders and Counterfeit Paper Currency

The **Pool** will indemnify **Members** under this section for loss due to the **Member**'s good faith acceptance of any United States or Canadian post office, express company or national or state (or Canadian) chartered bank money order that is not paid upon presentation to the issuer. The **Pool** will also indemnify **Members** for counterfeit United States or Canadian paper currency received in exchange for merchandise, **Money** or services or as part of a normal business transaction.

D. Employee Dishonesty

1. Coverage Description.

The Pool will indemnify **Members** for the loss of or damage to business personal property, including **Money** and **Securities** owned or held by the **Member** or for which the **Member** is liable.

2. Perils Covered.

Direct loss of or damage to **Property** covered resulting from dishonest acts committed by any of the **Member's** employees, acting alone or in collusion with others, that occur within the period of insurance.

3. Faithful Performance.

The Pool will indemnify the **Member** under this Section for loss to **Property** covered through the failure of an employee to faithfully perform duties as prescribed by law or to account properly for all **Property** covered. Coverage includes loss due to the inability of the employee to faithfully perform these duties because of a criminal act committed by someone other than an employee. However, loss resulting from the failure of any entity acting as depository for the **Member's Property** is excluded from coverage.

4. Definitions:

Dishonest acts means dishonest or fraudulent acts committed with the apparent intent to cause the **Member** to sustain loss or damage and to obtain financial benefit for the employee or for any other employee, person or organization. The financial benefit does not include salaries, commissions, bonuses, fees, profit sharing or other employee benefits.

5. Exclusions:

In addition to the General Exclusions of this **Coverage Agreement**, there is no coverage under the Crime Coverage for loss or damage due to:

a. Damage where the only proof of the loss or amount of the loss is dependent upon an inventory or a profit and loss computation;

b. Loss that is not discovered within one year after the end of the period of insurance;

c. Legal expenses for any indirect loss.

d. Loss caused by any employee required to be individually bonded;

e. Loss caused by any employee or predecessor in interest of the **Member** for whom similar prior insurance has been cancelled and not reinstated since the last cancellation;

f. Loss resulting directly or indirectly from trading, whether in the **Member's** name or in a genuine or fictitious account;

6. Employee Benefit Plans:

a. Any employee benefit plan of the **Member** shown in the declarations shall be covered for employee dishonesty under this Section VI.D.

b. Any payment made by the **Pool** to the **Member** for a loss sustained by an employee benefit plan shall be held by the **Member** solely for the use and benefit of the plan sustaining the loss.

E. Limit of Liability. The most the **Pool** will pay as the result of any one loss is limited as described in the Limits of Coverage shown in Section B.1. of this **Agreement** less the amount of the **Insured's** deductible. For purposes of determining the Limit of Coverage, losses arising from a single act or event or a series of related acts or events shall be deemed to be a single loss.

F. Indirect Loss. The coverage provided by this Section VI does not apply to loss that is an indirect result of any act covered by this **Agreement** including, but not limited to, loss resulting from:

1. A **Member's** inability to realize income that it would have realized had there been no loss of or damage to **Money, Securities** or other **Covered Property**.

2. Payment of damages of any type for which a **Member** is legally liable, but the **Pool** will pay compensatory damages arising directly from a loss covered under this Section VI.

3. Payment of costs, fees or other expenses a **Member** incurs in establishing either the existence or the amount of loss under this **Agreement**.

G. Conditions

1. **Cancellation As To An Employee**

a. Coverage under this Section VI is cancelled as to any **Employee** immediately upon discovery by any official or employee authorized

to manage, govern or control **Employees** of any dishonest act committed by an **Employee**.

b. Coverage under this Section VI may also be cancelled as to any **Employee** on the date specified in a notice mailed to the **Member**.

2. **Covered Property**

The property covered under this Section VI is limited to property that the **Member** owns or leases, holds for others or for which the **Member** is legally liable. However, this coverage is for the benefit of the **Member** only. It provides no rights or benefits to any other person or organization. Any claim for loss under this coverage must be presented by the **Member**.

3. **Records**

The **Member** must keep records of all property covered under this Section VI so that the **Pool** may verify the amount of any loss.

4. **Recoveries**

a. Any recoveries, less the cost of obtaining them, made after settlement of loss covered by this Section VI will be distributed as follows:

(i) To the **Member**, until the **Member** is reimbursed for any loss that it sustains that exceeds the Limit of Coverage and the deductible amount, if any;

(ii) Then to the **Pool**, until the **Pool** is reimbursed for the settlement made; and

(iii) Then to the **Member**, until the **Member** is reimbursed for that part of the loss equal to the deductible amount, if any.

b. Recoveries do not include any recovery:

(i) From insurance, surety ship, reinsurance, security, or indemnity taken for the **Pool's** benefit; or

(ii) Of original **Securities** after duplicates of them have been issued.

5. **Valuation – Settlement**

a. Subject to the Limit of Coverage, the **Pool** will pay for:

(i) Loss of **Money**, but only up to and including its face value.

(ii) Loss of **Securities** but only up to and including their value at the close of business on the day the loss was discovered. The **Pool** may, at its option:

(A) Pay the value of such **Securities** or replace them in kind, in which event the **Member** must assign to the **Pool** all of its rights, title and interest in and to those **Securities**; or

(B) Pay the cost of any bond required in connection with issuing duplicates of the **Securities**. The **Pool** will be liable only for the payment of so much of the cost of the bond as would be charged for a bond having a penalty not exceeding the lesser of:

(1) The value of the **Securities** at the close of business on the day the loss was discovered; or

(2) The Limit of Coverage.

(iii) Loss of or damage to other covered property for the replacement cost of the property without deduction for depreciation. However, the **Pool** will not pay more than the least of the following:

(A) The Limit of Coverage applicable to the lost or damaged property;

(B) The cost to replace the lost or damaged property with property of comparable material and quality and used for the same purpose; or

(C) The amount the **Member** actually spends that is necessary to repair or replace the lost or damaged property.

6. **Valuation – Settlement**

a. damage:

(i) Until the lost or damaged property is actually repaired or replaced; and

(ii) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage.

If the lost or damaged property is not repaired or replaced, the **Pool** will pay on an actual cash value basis.

b. Any property that the **Pool** pays for or replaces becomes the property of the **Pool**.

H. Definition of Employee

For purposes of this Section VI, the following definition applies:

1. **Employee** means:

a. Any natural person:

(i) While in the **Member's** service or for 30 days after termination of service;

(ii) Who the **Member** compensates directly by salary or wages; and

(iii) Who the **Member** has the right to direct and control while performing services for the **Member**.

b. Any natural person who is an elected or appointed official of the **Member** while in the **Member's** service or for 30 days after termination of service.

c. Any natural person who is furnished temporarily to the **Member**:

(i) To substitute for a permanent **Employee** as defined in Paragraph a. above, who is on leave; or

(ii) To meet seasonal or short-term work load conditions;

While that person is subject to the **Member's** direction and control and performing services for the **Member**, excluding, however, any such person while having care and custody of property outside the **Premises**.

d. Any natural person who is leased to the **Member** under a written agreement between the **Member** and a labor leasing firm, to perform duties related to the conduct of the **Member's** business.

e. Any natural person who is:

(i) A trustee, officer, employee, administrator or manager, except an administrator or manager who is an independent contractor, of any employee benefit plan(s) covered under this Section VI; and

(ii) The **Member's** official while that person is handling funds or other property of any employee benefit plan(s) covered under this Section VI.

f. Any natural person who is a former elected or appointed official, **Employee** or trustee retained as a consultant while performing services for the **Member**.

g. Any natural person who is a guest student or intern pursuing studies or duties, excluding, however, any such person while having care and custody of property outside the **Premises**.

2. **Employee** does not mean any agent, independent contractor or representative of the same general character.

Commercial Crime Insurance Policy

Insurer:	***Fidelity and Deposit Company of Maryland***
Policy Number:	***CCP 0061743-01***
Policy Term:	***January 1, 2006 to January 1, 2009***
Term Premium:	***$54,690****
	****Annual Installment: $18,230***

NAMED INSURED:

Utah Counties Insurance Pool
5397 South Vine Street
Salt Lake City, UT 84107

I. ***COVERAGE:***	***LIMIT OF INSURANCE:***	***DEDUCTIBLE AMOUNT:***
Employee Dishonesty Per Loss	$ 1,500,000	$250,000
Forgery & Alterations	$ 1,500,000	$250,000
Inside Premises – Money & Securities	$ 1,500,000	$250,000
Outside Premises	$ 1,500,000	$250,000
Computer Fraud	$ 1,500,000	$250,000
Funds Transfer Fraud	$ 1,500,000	$250,000
Money Orders & Counterfeit Currency	$ 1,500,000	$250,000
Faithful Performance of Duty	$ 1,000,000	$250,000

Send written notice of claim to:
The Fidelity and Deposit Companies
Attn: Claims Department
3910 Keswick Road
Baltimore, MD 21211

Please contact our office (801-533-3600) if you have a claim; and we request that a copy of the claim be sent to us:
Marsh USA Risk & Insurance Services, Inc.
Attention: Ken Canada
15 West South Temple, Suite 700
Salt Lake City, UT 84101

II. Policy Form CR 00 26 07 02 with the following Endorsements

- Utah Changes
- Add Faithful Performance of Duty Coverage for Government Employees Endorsement
- Named Insured Endorsement

Note: This Summary is for your use as a reference only and is not intended to be inclusive of all policy terms, conditions and exclusions. For specifics, please refer to your policy.

Date Prepared: December 27, 2005