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 Addendum.

2. Perils Covered

The perils covered are Theft, disappearance, destruction, Burglary, and Robbery.

3. Coverage Description

This Addendum 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 Addendum, 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 covered. 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 Coverage.

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 calendar year in which the loss occurred;

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 coverage or 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 Coverage

The most the Pool will pay as the result of any one loss is limited as described by the Member Sublimits below, less the amount of the Member’s maintenance 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. The following Member Sublimits apply on an each and every loss basis, unless otherwise stated.

**Member Sublimits:**

- **$250,000** Money & Securities (inside Premises)
- **$250,000** Money & Securities (outside Premises)
- **$250,000** Commercial Blanket Bond (excludes employees known to have committed fraudulent or Dishonest Acts)
- **$250,000** Faithful Performance
- **$250,000** Depositors Forgery
- **$250,000** Computer Fraud
- **$250,000** Funds Transfer
- **$250,000** Money Orders and Counterfeit Paper Currency
- **$500** Maintenance Deductible

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, suretyship, 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 cover only 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:

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

(II) 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**.

(iv) The **Pool** will not indemnify on a replacement cost basis for any loss or damage:

(A) Until the lost or damaged **Property** is actually repaired or replaced; and

(B) 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 Part VI, the following definition applies:

1. Employee Means

a. Any natural person:

   (iii) While in the Member’s service or for 30 days after termination of service;

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

   (v) 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 Part 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 **Part 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.
POLICY INFORMATION

INSURED: UTAH COUNTIES INDEMNITY POOL

INSURED’S ADDRESS: 10980 S JORDAN GTWY
SOUTH JORDAN, UT 84095-4125

TYPE OF POLICY: Government Crime Policy Admitted CR0027 (05/06)

BASIC FORM: CR0026 (05/06)


POLICY NUMBER: 01-772-16-88

EFFECTIVE DATE: 01/01/2014 EXPIRATION DATE: 01/01/2015

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<tr>
<th>SINGLE LOSS COVERAGE FORMS</th>
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<td>Employee Theft-Per Loss Coverage</td>
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<tr>
<td>Employee Theft-Per Employee Coverage</td>
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OTHER TERMS: Per Insurer Quote/Indication Letter dated 12/16/2013 except as indicated below.

PREMIUM: $25,475

COMMISSION: 15.00%

Important Conditions Of Binder: See Below