UAC INSURANCE MUTUAL

Board of Trustees Meeting

Thursday, January 16, 2003, 9:00 a.m.
Utah Association of Counties Building, Training Room

A G E N D A

9:00	Call to Order	Gary Herbert
	Review of Board Members Absent	
	Approval of December Minutes	
	Announcements & Authorizations	Sonya White
	Appointment to Fill Tex Olsen's Unexpired Term (At-Large)	
	Resolution - Participation in the Utah Noncontributory Retirement System	
	Broker Report	Rich Stokluska
	Premium Allocation for Flood Zone A Properties	Rich Stokluska, Sonya White
	2003 Coverage Agreement	Sonya White
	UAC Service Contract CIMOU UCIM	Brent Gardner
	Loss Control Manager's Report	Mark Brady
	2003 Risk Management Program	Mark Brady
	Search for New Director	Kent Sundberg
	Set Date and Time for Closed Meeting to Discuss Pending or Reasonably Imminent Litigation	
	Action on Litigation Matters	Kent Sundberg
	Set Date and Time for Closed Meeting to Discuss Character, Professional Competence, Physical/Mental Health of an Individual	
	Other Business	
11:30	Adjourn, Lunch Provided	

5397 South Vine Street, Salt Lake City, UT 84107

UACIM BOARD of TRUSTEES MEETING

MINUTES

January 16, 2003, 9:00 a.m.
Utah Association of Counties Board Room

BOARD MEMBERS PRESENT	Gary Herbert, *President*, Utah County Commissioner Dan McConkie, *Vice President*, Davis County Commissioner Lynn Lemon, *Secretary-Treasurer*, Cache County Executive Steve Baker, Davis County Personnel Director Kenneth Bischoff, Weber County Commissioner Kay Blackwell, Piute County Commissioner LaVar Cox, Millard County Commissioner Brent Gardner, UAC Executive Director Gene Roundy, Iron County Commissioner Kent Sundberg, Utah County Deputy Attorney Steve Wall, Sevier County Clerk-Auditor
BOARD MEMBERS ABSENT	Ed Phillips, Millard County Sheriff
MEMBERS PRESENT	Michael Cragun, Davis County Commissioner Scott Hansen, Box Elder County Commissioner Ira Hatch, Emery County Commissioner Darrin Smith, Millard County Commissioner
OTHERS PRESENT	Mark Brady, UACIM Loss Control Manager Sonya White, UACIM Administrative Assistant Rich Stokluska, Arthur J. Gallagher Vice President

CALL to ORDER

Gary Herbert called the meeting to order and welcomed those in attendance. He recognized and introduced members Scott Hansen, Ira Hatch and Darrin Smith and thanked them for attending.

REVIEW of BOARD MEMBERS ABSENT

Ed Phillips requested to be excused from this meeting due to a previously scheduled commitment. Dan McConkie made a motion to excuse Ed Phillips from this meeting. LaVar Cox seconded the motion, which passed unanimously.

APPROVAL of MINUTES

The minutes of the Board of Trustees meeting held December 19, 2002 were previously sent to the Board Members for review. Kay Blackwell made a motion to approve the December 19, 2002 Board of Trustees meeting minutes as written. Steve Wall seconded the motion, which passed unanimously.

ANNOUNCEMENTS & AUTHORIZATIONS

Sonya White announced to the Board that Morgan County signed Membership Resolution CR-02-18 on December 31, 2002 to become a member of the UAC Insurance Mutual. The Mutual began providing casualty coverage for the County effective January 1, 2003. Property coverage will become effective June 1, 2003, the date of their current property coverage renewal.

Sonya White reported that the State Auditor's review of the Mutual's 2003 budget is in compliance with the Utah Code and other applicable State fiscal regulations (see attached letter dated January 2, 2003).

Sonya White explained that in setting up new accounts for the UAC Insurance Mutual, i.e., telephone, office supplies, printing, shipping, etc., she has been signing the applications unless a signature of an officer is required. On an application for a Kinko's account it asks for a *signatory with authorization to enter into contractual agreements*. Sonya requested ratification and authority from the Board to sign applications/contracts where an officer of the company is not required. Gene Roundy made a motion ratifying and authorizing Sonya White to enter into contractual agreements as a signatory on accounts for the UAC Insurance Mutual. Ken Bischoff seconded the motion, which passed unanimously.

Sonya White reported that a new bank account has been set up for the UAC Insurance Mutual' cafeteria plan, a benefit that was being self administered by the Utah Association of Counties for its employees and has now been set up for the employees of the Mutual. Sonya met with representatives of Wells Fargo Bank and asked if they would analyze the expense and claims accounts to see if the Mutual had the best product Wells Fargo had to offer. The Mutual is paying approximately $140 a month for Wells Fargo to transfer funds from the expense account to the claims account when claims are paid—referred to as a sweep account to keep the claims account at a zero balance and allow interest to be accumulated in the expense account (in December the Mutual made $2.84 in interest on the expense account). Wells Fargo recommended that the expense account be changed from a *Choice III* to an *Active* account for a monthly fee of $8.00, plus activity costs, ($25,000 average balance) with an earnings credit rate of 1.20% or approximately $22.50. The claims account from a *Choice III* to a *Basic* account for a monthly fee of $2.00 ($1,500 average balance). It is up to the client to make the transfers between accounts. Sonya can watch the accounts and make transfers online if she is an authorized signer on the accounts. Gene Roundy made a motion authorizing Sonya White to be included as a signer on the accounts for the purpose of making online transfers. Ken Bischoff seconded the motion, which passed unanimously.

SET DATE and TIME for CLOSED MEETING

Ken Bischoff made a motion to set the date and time for a closed meeting to discuss the character, professional competence, physical or mental health of an individual for January 16, 2003 at 9:20 a.m. Dan McConkie seconded the motion, which passed unanimously.

Steve Wall made a motion to open the closed meeting to discuss the character, professional competence, physical or mental health of an individual on January 16, 2003 at 9:50 a.m. but will resume the closed meeting at a later time.

APPOINTMENT to FILL TEX OLSEN'S UNEXPIRED TERM (AT-LARGE)

On January 13, a list of those officials requesting to be considered for appointment to the Board was faxed to each Board Member in anticipation of their vote at this meeting. Those requesting to be considered are: Scott Hansen, Box Elder County Commissioner; Robert Pero, Carbon County Clerk-Auditor; RaNae Wilde, Daggett County Auditor-Recorder; Ira Hatch, Emery County Commissioner; Ty Lewis, San Juan County Commissioner; and James Eardley, Washington County Commissioner. Gary Herbert asked those being considered, who are in attendance, to take a few minutes to give their credentials to the Board. Scott Hansen explained that he served on the Bear River Mutual Insurance Company's Board of Directors for eight years, has a Master's Degree in Business Management, experience in organizational management and has owned and operated his own business for 15 years. He believes his experience would be beneficial to the Mutual and would continue to bring strong representation from Box Elder County. Darrin Smith explained that he is a new Commissioner in Millard County and came to this meeting to learn. He believes that LaVar Cox is representing all counties adequately and is not requesting to be considered for appointment to the Board. Ira Hatch explained that Emery County was one of the founding members of the Mutual and continues to be appreciative of everything the Mutual has done for Emery County. He believes the members are adequately represented on the Board and believes that he can contribute and benefit the Mutual and the counties. He is willing and would like to serve as a Member of the Board. The Board thanked Scott, Darrin and Ira and moved to go into a closed meeting. When the closed meeting concluded, Gary Herbert announced, that by a close closed ballot, James Eardley was appointed by the Board to fill the At-Large vacant/unexpired term. The Mutual has never had so many qualified people willing to serve on the Board and Gary encouraged Scott and Ira to apply again through the election process in November. The Board directed Sonya White to contact Commissioner Eardley with the schedule of the regular meetings of the Board and also to contact those officials who were considered but not appointed.

RESOLUTION—PARTICIPATION in the UTAH NONCONTRIBUTORY RETIREMENT SYSTEM

Sonya White reported that the UAC Insurance Mutual has been deemed eligible for participation with Utah Retirement Systems. A resolution from the governing board is required. Mark Brady drafted a Resolution Approving and Authorizing the Participation in the Utah Noncontributory Retirement System for Employees of Utah Association of Counties Insurance Mutual (see attachment #1). Steve Wall made a motion approving Resolution No. 2003-1 Approving and Authorizing the Participation in the Utah Noncontributory Retirement System for Employees of Utah Association of Counties Insurance Mutual. Lynn Lemon seconded the motion, which passed unanimously.

BROKER REPORT

Rich Stokluska explained that the Terrorism Act has passed and been signed by the President. The Act contains a lot of information and the insurance industry has lots of questions. Gallagher has been waiting for an interpretation from the State Department of Insurance. Reinsurance Carriers do not have to comply with the Act but American Reinsurance has determined that they will offer its clients a quote. Travelers have yet to determine their position as a corporation. Some Pools have bought terrorism coverage, some are providing the coverage with sublimits and some are excluding terrorism coverage. Rich explained that he will have some options and premium costs for the Board at its next meeting.

The underwriters found that the Mutual has 16 counties with busses (over 15 passenger). Busses have become a huge exposure for carriers so the underwriters wanted additional information regarding safety procedures, use, driver training, claims showing lack of controls and what counties are doing to comply with current regulations. Rich Stokluska reported that Mark Brady compiled all the requested information, on a county-by-county basis, and it has been reported to the underwriters.

PREMIUM ALLOCATION for FLOOD ZONE A PROPERTIES

Sonya White reported that the final premium for the six Flood Zone A properties is $31,853. Last year the Board opted to pay (out of surplus) $28,024 in premium for 15 Flood Zone A properties. Shawn Guzman recommended at the October 30, 2002 telephonic conference that the Board considering paying the 2003 premium because the initial indications from Gallagher were that the premium would remain the same. The underwriters were unaware that two of the six properties had basements. This information increased the risk and the premium. The Mutual has already paid this premium so there would be no interruption in coverage until the Board made a determination how the premium should be allocated. Ken Bischoff stated that the Board's intent was to pay the 2002 flood premium for Flood Zone A properties but that the premium for 2003 would be allocated to those counties with Flood Zone A classified properties. Therefore, Ken made a motion to invoice Grand, Kane and Iron Counties for flood insurance on their Flood Zone A properties. LaVar Cox seconded the motion, which passed unanimously.

2003 COVERAGE AGREEMENT

Sonya White explained that the Coverage Agreement must be updated to meet current law and changes in reinsurance coverages. John Chino has reviewed the Agreement and suggested some revisions (see attachment #2). Sonya requested direction from the Board because the 2003 policy year has begun and the Mutual does not have its Coverage Agreement finalized. The Board directed Kent Sundberg, Ken Bischoff and Mark Brady to draft the 2003 Coverage Agreement amendments for the Board to approve at its next meeting. Board members will also review the Agreement, prior to the next meeting, and forward any changes to Kent, Ken and Mark.

LOSS CONTROL MANAGER'S REPORT

Mark Brady reported the year-end claims statistics for the Mutual. So far, 2002 has the least reported claims in the history of the Mutual. Even after the claim year closes, 2002 should be either the first or second best year in the history of the Mutual. Mark reviewed the following charts with the Board (see attachment #3):

1. Five-Year History: Frequency.
2. Five-Year History: Severity.
3. Five-Year History: Frequency by Category.
4. Five-Year History: Severity by Category.

5. 2002 Auto Frequency by Department. Highest frequency is in the area of law enforcement at 60% and public works second at 16%.
6. 2002 Auto Severity by Department. Law enforcement at 69% and public works at 13%.
7. 2002 Auto Frequency by Cause. Backing is the number one cause of auto accidents, speeding and failure to yield are the second leading causes of accidents reported to the Mutual.
8. 2002 Auto Severity by Cause. The most sever accidents are caused first by speeding, second by failure to yield and third following too close.
9. 2002 General Liability Frequency by Department. Administration has the highest frequency at 31%, public works at 25% and law enforcement at 24%.
10. 2002 General Liability Severity by Department. Administration has the highest severity at 61% and law enforcement at 26%.
11. 2002 General Liability Frequency by Cause. Civil rights claims are the greatest cause of the Mutual's general liability claims.
12. 2002 General Liability Severity by Cause. Civil rights claims are also the most costly of the Mutual's general liability claims followed by termination of employment.
13. 2002 Property Frequency by Cause. Most of the property claims reported to the Mutual were due to wind damage, second theft and third vandalism.
14. 2002 Property Severity by Cause. Wind damage has cost the Mutual over $60,000 in 2002 with plumbing claims next at $20,000.

Training in 2003 will focus on termination of employment and training supervisors in harassment and discipline. Mark reported that most member counties have decent personnel policies and procedures, the counties just need to adhere to them. With two notary claims this year, Mark will arrange training for the notaries within the counties. Many counties are providing this service.

2003 RISK MANAGEMENT PROGRAM

Mark Brady reported that 17 of the 25 member counties qualify for a credit under the 2002 Risk Management Program (see attachment #4). Utah County had 100% compliance, Davis County 98%, Weber County 94% and Millard County 90%. Total credits amounting to $76,168. The credits are usually awarded to the counties at the Annual Insurance Coordinator training held in April during the UAC Management Conference. Mark asked the Board to approve a date and location for this training. All Board Members agreed that the Insurance Coordinator training should continue to be held during the UAC Management Conference in April. For 2003 the date will be April 16. The location of the Conference is at the College of Eastern Utah in Price (Carbon County).

Mark Brady reviewed the updates and changes to the 2003 Risk Management Program with the Board (see attachment #5). Page six, section 4.5, credit increased for counties who train all supervisory personnel, including elected officials, on the county's personnel policies and procedures—including harassment and discipline. Steve Baker explained that for Davis County, and possibly some of the larger counties, this training is burdensome when conducted every year and suggested the time frame be changed to every other year (24 months). The Board agreed to have that incorporated in the program. Page seven, section 5.2, credit increased for counties whose sheriff deputies receive annual training on use of force, vehicle pursuits, arrest and detention, search and seizure and for counties whose corrections personnel receive annual training on use of force, search and seizure and grievances. Annual training shall include mandatory training on civil rights liability. Page seven, section 5.3, language added to include simulator-based instruction for sheriff office personnel who are required to engage in emergency vehicle operations. Page nine, section 7.2, added to include training regarding the legal duties of planning and zoning officers annually. Steve Baker made a motion to approve the 2003 Risk Management Program as corrected. Lynn Lemon seconded the motion, which passed unanimously.

UAC SERVICE CONTRACT

Brent Gardner reported that pursuant to the Board's direction at the December 19, 2002 meeting he spoke with the UAC Executive Committee who agreed that the services UAC provides to the Mutual is a budget and policy decision that the UAC Board of Directors need to make so this item is on the agenda for discussion at the January 17 meeting. The Mutual Board is welcome to attend that meeting.

Brent explained that the Utah Association of Counties borrowed the Mutual's projector and is willing to pay a rental fee. Initially the Board stated that was not necessary but Gary Herbert suggested, for accounting purposes, that the Mutual should charge a rental fee for the use of its assets. Brent was asked to provide the Board with a fee to be considered at its next meeting.

SET DATE and TIME for CLOSED MEETING

Steve Wall made a motion to continue discussions regarding the character, professional competence, physical or mental health of an individual in a closed meeting set for January 16, 2003 at 11:05 a.m. Gene Roundy seconded the motion, which passed unanimously.

Steve Wall made a motion to conclude the closed meeting to discuss the character, professional competence, physical or mental health of an individual on January 16, 2003 at 11:40 a.m. Gene Roundy seconded the motion, which passed unanimously.

SEARCH for NEW DIRECTOR

The Board went into closed session to discuss the character, professional competence, physical or mental health of an individual. When the closed meeting concluded, Steve Baker made a motion directing Kent Sundberg to contact the top candidate for the position of Director to negotiate salary and moving costs and extend an offer if negotiations are successful. LaVar Cox seconded the motion, which passed unanimously. The Board directed Sonya White to send notification letters to all applicants, except the two individuals that were personally interviewed on January 2, thanking them and explaining they were not chosen for the position.

SET DATE and TIME for CLOSED MEETING

Steve Wall made a motion to set the date and time for a closed meeting to discuss pending or reasonably imminent litigation for January 16, 2003 at 11:40 a.m. Gene Roundy seconded the motion, which passed unanimously.

Lynn Lemon made a motion to conclude the closed meeting to discuss pending or reasonably imminent litigation on January 16, 2003 at 11:45 a.m. Steve Wall seconded the motion, which passed unanimously.

ACTION on LITIGATION MATTERS

Kent Sundberg made a motion authorizing the sum of $75,000 for judgment and attorneys fees in the matter of WEB01088620. Payment is contingent on the final determination as to whether or not the Mutual will appeal the case. Lynn Lemon seconded the motion, which passed unanimously.

OTHER BUSINESS

Governmental Immunity For Clinical Vaccinations. Kent Sundberg reported that the Litigation Management Committee discussed governmental immunity for clinical vaccinations. Salt Lake County has taken a lead in this effort and is already in the process of working with the Utah Attorney General's Office drafting proposed amendments to several statutes, i.e., Pharmacy Practice Act, Local Health Department Powers, Governmental Immunity, Emergency Care Provided by Licensee, etc. (see attached letter dated December 20, 2002).

Wayne County Sheriff. Dan McConkie questioned whether the Mutual is subject to additional liability if the office of County Sheriff is vacant, such as in the case of Wayne County. Lynn Lemon said that the Commission appointed someone to this office yesterday. The incumbent has a pending lawsuit and the judgment may change the outcome of that appointment.

Nominating Committee. Pursuant to Article 5.5 of the Bylaws, the Board shall elect three Trustees to serve on a Nominating Committee at the first board meeting of each calendar year. Dan McConkie, LaVar Cox and Kay Blackwell now serve on that Committee. Lynn Lemon made a motion electing Dan McConkie, LaVar Cox and Kay Blackwell to continue to serve as the Nominating Committee members. Gene Roundy seconded the motion, which passed unanimously.

Approval Of Payments. Sonya White previously sent a list of the payments to be made on behalf of the Mutual for the month of January to Gary Herbert, Dan McConkie and Lynn Lemon. A copy of the payments list was given to all Board members at this meeting (see attachment #6). Two invoices were received today that also need to be approved by the Board. Lynn Lemon made a motion to approve all payments to be made as listed in attachment #6 including the two new payments, one to Workers Comp Fund $611.69 and one to A La Carte Catering $184. LaVar Cox seconded the motion, which passed unanimously.

The next meeting of the Board of Trustees will be held on Thursday, February 13, 2003 at 1:00 p.m. at the UAC/UACIM Building. Kay Blackwell has a prior commitment and will be unable to attend that meeting.

Approved on this 13 day of February 2003

M. Lynn Lemon

Lynn Lemon, *UACIM Secretary-Treasurer*

AFFIDAVIT OF GARY R. HERBERT

STATE OF UTAH)
:ss
COUNTY OF SALT LAKE)

Gary R. Herbert, being duly sworn upon oath, deposes and says:

1. That the affiant has personal knowledge of the matters hereinafter referred to in this Affidavit.

2. That the Affiant, on or about the 16 day of January, 2003, presided over a meeting of the Utah Association of Counties Insurance Mutual Board of Trustees, an open and public meeting within the provisions of Chapter 4, Title 52, Utah Code Annotated, 1953, as amended.

3. That a quorum of the Utah Association of Counties Insurance Mutual Board of Trustees was present and at least two-thirds of the members present, voted to close the meeting pursuant to the provisions of Section 52-4-4, Utah Code Annotated, 1953, as amended, for the purpose of discussing the character, professional competence, or physical or mental health of an individual.

4. That the affiant was present throughout the meeting and, pursuant to the provisions of Section 52-4-7.5, the affiant does hereby affirm that the sole purpose for closing the meeting was to discuss the character, professional competence, or physical or mental health of an individual or individuals.

FURTHER, Affiant saith not.

DATED this 16 day of January, 2003.

Gary R. Herbert
GARY R. HERBERT, President
Utah Association of Counties Insurance Mutual

On the 16 day of January 2003, personally appeared before me Gary R. Herbert, who, after being by me duly sworn, deposed and said that the information contained in the above and foregoing Affidavit is true and correct.

Sonya White
NOTARY PUBLIC

NOTARY PUBLIC
SONYA WHITE
10169 S. Heytesbury Ln.
Sandy, UT 84092
My Commission Expires: 4-18-2006
State of Utah

Residing at: Sandy, UT

My Commission Expires: 4-18-06

NOTARY PUBLIC
SONIA WHITE
10169 S. Hardsbury Ln.
Sandy, UT 84092
My Commission Expires: 4-19-2008
State of Utah

MORGAN COUNTY ATTORNEY'S OFFICE
KELLY W. WRIGHT
P. O. Box 886 / 48 West Young Street, Morgan, Utah 84050
Telephone: (801) 845-4006 / Facsimile: (801) 845-6006
kwright@morgan-county.net

Interoffice Memorandum

TO: Sonya White
UACIM

FROM: Kelly Wright
Morgan County Attorney

DATE: 31 December 2002

RE: *Morgan County's Participation with the UACIM*

Enclosed is a copy of Resolution CR-02-18 signed by a majority of the Morgan County Council authorizing Morgan County's participation with the Utah Association of Counties' Insurance Mutual ("UACIM"). (I was unable to track down Craig Fisher for his review and signature, but will do so after New Years day). Based upon the executive summary provided by Gary Herbert, UACIM's President, Morgan County understands that its annual premium for general liability insurance for 2003 will be $27,202 and its annual premium for property (including auto) and crime insurance will be $28,494, which amount will be prorated for 2003 to be only $14,247 since Morgan County is currently covered by another carrier until 30 June 2003. Thus the total premium for 2003 will be $41,449[1],(with coverage to begin on 1 January 2003) and the expected premium for 2004 shall be $55,696. The County is considering the optional program coverage for public official (treasurer) bond and will get back with you on that item.

Morgan County appreciates the opportunity to join with the Mutual and looks forward to establishing a positive and mutually beneficial relationship. Thanks for your time and assistance. Best wishes for the new year.

cc: Daniel B. Hancock, Chair
County Council Members
Stacy Lafitte, County Clerk/Auditor

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[1]Morgan County understands that part of the premium formula is based on loss history and the Mutual reserves the right to revise this premium quotation upon the receipt of Morgan County's property loss history. However, in a subsequent telephone conversation with you, I understand that if our loss history is minimal, which I believe it is, there is likely to be little or no change to premiums.

Auston G. Johnson, CPA
UTAH STATE AUDITOR

STATE OF UTAH
Office of the State Auditor
211 STATE CAPITOL
SALT LAKE CITY, UTAH 84114
(801) 538-1025
FAX (801) 538-1383

DEPUTY STATE AUDITOR:
Joe Christensen, CPA

DIVISION OF LOCAL GOVERNMENT:
MacRay A. Curtis, CPA, Director
Richard M. Moon
Eckhard A. Bauer, CPA
Kent L. Godfrey, CPA

January 2, 2003

Board of Trustees
Utah Association of Counties Insurance Mutual
5397 South Vine St.
Murray, UT 84107

Dear Trustees:

We have reviewed the budget submitted by Utah Association of Counties Insurance Mutual for the fiscal year ending December 31, 2003. Our review was made to verify compliance with the *Utah Code* and other applicable State fiscal regulations.

The budget submitted is in substantial compliance with the Uniform Fiscal Procedures Act and other applicable State fiscal laws.

We appreciate your dedicated service. Please contact me at (801) 538-1394 if you have any questions about this letter.

Sincerely,

Eckhard A. Bauer

Eckhard A. Bauer, CPA
Local Government Supervisor

The following officials have requested to be considered for the appointment to fill the unexpired term of Tex Olsen (At-Large). I am including their phone numbers in the event you would like to speak to these officials before casting your vote:

✓Scott Hansen, Box Elder County Commissioner, 435-734-3347 - Prior member of Bear River Insurance Mutual's

Robert Pero, Carbon County Clerk-Auditor, 435-636-3224

RaNae Wilde, Daggett County Auditor-Recorder, 435-784-3210

✓Ira Hatch, Emery County Commissioner, 435-381-2119 or 435-687-2229

Ty Lewis, San Juan County Commissioner, 435-587-2871 or 435-459-1805

James Eardley, Washington County Commissioner, 435-634-5700 or 435-632-7747

~~✓Darren Sands - Millard County (Ed Phillips)~~

UTAH ASSOCIATION of COUNTIES INSURANCE MUTUAL
2003 Board of Trustees

BOARD MEMBER	TITLE	REPRESENTING	TERM BEGINNING	TERM EXPIRES
Gary Herbert	Utah County Commissioner	Utah County	January 1993	Appointed
Dan McConkie	Davis County Commissioner	Davis County	January 1998	Appointed
Ken Bischoff	Weber County Commissioner	Weber County	January 2003	Appointed
Lynn Lemon	Cache County Executive	Third Class Counties	January 2001	January 2005
Gene Roundy	Iron County Commissioner	Third Class Counties	January 2002	January 2004
Steve Wall	Sevier County Clerk-Auditor	Fourth Class Counties	January 2002	January 2004
Kay Blackwell	Piute County Commissioner	Fifth and Sixth Class Counties	January 2001	January 2005
LaVar Cox	Millard County Commissioner	At Large	January 2001	January 2005
Tex Olsen	Sevier County Commissioner	At Large	January 1998	January 2004
Steve Baker	Davis County Personnel Director	Personnel Committee Chair	April 2002	Appointed
Ed Phillips	Millard County Sheriff	Law Enforcement Committee Chair	July 1998	Appointed
Kent Sundberg	Utah County Deputy Attorney	Litigation Management Committee Chair	July 1998	Appointed
Brent Gardner	Executive Director	Utah Association of Counties	January 2003	

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Ira Hatch, Emery County Commissioner, 435-381-2119 or 435-687-2229

Ty Lewis, San Juan County Commissioner, 435-587-2871 or 435-459-1805

James Eardley, Washington County Commissioner, 435-634-5700 or 435-632-7747

~~Darren Smith, Millard Commissioner~~

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Ken Bischoff	Weber County Commissioner	Weber County	January 2003	Appointed
Lynn Lemon	Cache County Executive	Third Class Counties	January 2001	January 2005
Gene Roundy	Iron County Commissioner	Third Class Counties	January 2002	January 2004
Steve Wall	Sevier County Clerk-Auditor	Fourth Class Counties	January 2002	January 2004
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Bear River Mutual 8/4/15

Scott Hansen, Box Elder County Commissioner, 435-734-3347

Robert Pero, Carbon County Clerk-Auditor, 435-636-3224 — ~~remove name list~~.

RaNae Wilde, Daggett County Auditor-Recorder, 435-784-3210

Ira Hatch, Emery County Commissioner, 435-381-2119 or 435-687-2229 Founding County.

Ty Lewis, San Juan County Commissioner, 435-587-2871 or 435-459-1805 — prior member

James Eardley, Washington County Commissioner, 435-634-5700 or 435-632-7747 —

Darren —

remove from list.

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The following officials have requested to be considered for the appointment to fill the unexpired term of Tex Olsen (At-Large). I am including their phone numbers in the event you would like to speak to these officials before casting your vote:

Scott Hansen, Box Elder County Commissioner, 435-734-3347

Robert Pero, Carbon County Clerk-Auditor, 435-636-3224

RaNae Wilde, Daggett County Auditor-Recorder, 435-784-3210

Ira Hatch, Emery County Commissioner, 435-381-2119 or 435-687-2229

Ty Lewis, San Juan County Commissioner, 435-587-2871 or 435-459-1805

James Eardley, Washington County Commissioner, 435-634-5700 or 435-632-7747

UTAH ASSOCIATION of COUNTIES INSURANCE MUTUAL
2003 Board of Trustees

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Scott Hansen

- Has served on mutual Bd in past. Taught at University. Bear River mutual Bd.

Darin Smith

- Asked to withdraw due to LaVar Cox currently serving.

Ira Hatch

- Demonstrated Past Commitment at Startup in Contributed Surplus. Wants to keep County involved.

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Darren Smith

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RaNae Wilde, Daggett County Auditor-Recorder, 435-784-3210

Ira Hatch, Emery County Commissioner, 435-381-2119 or 435-687-2229 Founding Fathers??

Ty Lewis, San Juan County Commissioner, 435-587-2871 or 435-459-1805

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*Darren Smith - Millard - Com.

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Dawn Santa Millard Co Commr.

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~~Dakein Smith - Millard Co.~~

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CONFIDENTIAL

Fax

UTAH ASSOCIATION OF COUNTIES INSURANCE MUTUAL

To: **Board of Trustees**
Steve Baker, Davis County Personnel Director
Kenneth Bischoff, Weber County Commissioner
Kay Blackwell, Piute County Commissioner
LaVar Cox, Millard County Commissioner
Brent Gardner, UAC Executive Director
Gary R. Herbert, Utah County Commissioner
Lynn Lemon, Cache County Executive
Dan McConkie, Davis County Commissioner
Ed Phillips, Millard County Sheriff
Gene Roundy, Iron County Commissioner
Kent Sundberg, Utah County Deputy Attorney
Steve Wall, Sevier County Clerk-Auditor

From: Sonya White

Pages: 7

Date: January 13, 2003

Re: Next Board of Trustees Meeting

● ***Comments:***

Following please find the revised agenda and a copy of the minutes from the December 19 meeting for review and approval at Thursday's meeting.

Also, the following officials have requested to be considered for the appointment to fill the unexpired term of Tex Olsen (At-Large). I am including their phone numbers in the event you would like to speak to these officials before casting your vote:

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5397 South Vine Street, Salt Lake City, UT 84107 ✳ 801.265.1331 ✳ 801.265.9485(fax) ✳ sonya@uacim.org

UAC INSURANCE MUTUAL

Board of Trustees Meeting

Thursday, January 16, 2003, 9:00 a.m.
Utah Association of Counties Building, Training Room

A G E N D A

9:00	Call to Order	Gary Herbert
	Review of Board Members Absent	
	Approval of December Minutes	
	Announcements & Authorizations	Sonya White
	Appointment to Fill Tex Olsen's Unexpired Term (At-Large)	
	Resolution - Participation in the Utah Noncontributory Retirement System	
	Broker Report	Rich Stokluska
	Premium Allocation for Flood Zone A Properties	Rich Stokluska, Sonya White
	2003 Coverage Agreement	Sonya White
	UAC Service Contract	Brent Gardner
	Loss Control Manager's Report	Mark Brady
	2003 Risk Management Program	Mark Brady
	Search for New Director	Kent Sundberg
	Set Date and Time for Closed Meeting to Discuss Pending or Reasonably Imminent Litigation	
	Action on Litigation Matters	Kent Sundberg
	Set Date and Time for Closed Meeting to Discuss Character, Professional Competence, Physical/Mental Health of an Individual	
	Other Business	
11:30	Adjourn, Lunch Provided	

5397 South Vine Street, Salt Lake City, UT 84107

Utah Association of Counties Insurance Mutual
5397 South Vine Street
Salt Lake City, UT 84107
801.265.1331, 801.265.9485 (fax)
sonya@uacnet.org

Fax

To: All Member County Officials

From: The Board of Trustees *Pages:* 1

Date: December 19, 2002 *Re:* Available Board Position

☐ *Urgent* ☐ *For Review* ☐ *Please Comment* ☐ *Per Your Request*

● *Comments:*

At the Board of Trustees meeting scheduled for January 16, 2003, by majority vote of the Trustees, a vacancy in the position representing all counties at-large will be filled until the next annual meeting of the members. A person, who has not been convicted of a felony and are an elected, appointed officer or employee of a member county may serve as a Trustee. If you would like the Board to consider you for this vacancy, please send your written request by email or fax to sonya@uacim.org or 801-265-9485. For a list of powers and duties of the Board, call Sonya at 801-265-1331.

Thank you.

UAC INSURANCE MUTUAL
BOARD of TRUSTEES

CLASS	COUNTY	POP	STRUCTURE	HELD	AVAILABLE
SECOND 125,000-700,000	Utah	368,536	One Vote		
	Davis	238,994	One Vote	Dan McConkie (12/03)	
	Weber	196,533	One Vote		
THIRD 18,000-125,000	Cache	91,391	Two Votes		Lynn Lemon
	Washington	90,354			
	Box Elder	42,745			Monte Munns
	Iron	33,779		Gene Roundy (12/03)	
	Uintah	25,224			
	Carbon	20,422			
FOURTH 10,000-18,000	Sanpete	22,763	One Vote		
	Sevier	18,842		Steve Wall (12/03)	
	Wasatch	15,215			
	San Juan	14,413			
	Duchesne	14,371			
	Millard	12,405			
	Emery	10,860			
FIFTH 3,500-10,000	Grand	8,485	One Vote		
	Juab	8,238			
	Kane	6,046			
	Beaver	6,005			
	Garfield	4,735			
SIXTH 1-3,500	Wayne	2,509			
	Rich	1,961			Kim Wilson
	Piute	1,435			Kay Blackwell
	Daggett	921			RaNae Wilde
AT-LARGE	Millard		Two Votes		LaVar Cox
	San Juan				Ty Lewis
	Sevier			Tex Olsen (12/03)	
COMMITTEES	Davis		One Vote	Steve Baker	
	Millard		One Vote	Ed Phillips	
	Utah		One Vote	Kent Sundberg	
UAC EXECUTIVE			One Vote	Brent Gardner	

Population=2000 Census

BOX ELDER COUNTY
STATE OF UTAH
1856

TELEFAX TRANSMISSION FORM

DATE: 12-24-02 TIME:

TO: Sonya

ORGANIZATION: UAC

FAX NUMBER: 801-265-9485 OFFICE NO:

FROM: Suzanne Rees

ORGANIZATION: Box Elder County Commission

FAX NUMBER 435-734-2038 OFFICE NO: 435-734-3347

NUMBER OF PAGES: 1 INCLUDES COVER PAGE: YES (✓) NO ( )

RESPONSE REQUIRED---NOTIFICATION WHEN RECEIVED: YES ( ) NO ( )

REMARKS:

Scott Hansen, Box Elder County Commissioner would like to be considered for the vacancy on Board of Trustees.

Could you send us a list of powers & duties.

Thanks

Lorna

COUNTY COMMISSIONERS
Steve Holmgren
Royal K. Norman
Suzanne Rees

BOX ELDER COUNTY
STATE OF UTAH

OFFICERS
ROGER K. HANDY, COUNTY AUDITOR
LUANN ADAMS, COUNTY RECORDER-CLERK
LEON JENSON, COUNTY SHERIFF
JON J. BUNDERSON, COUNTY ATTORNEY
MONTE R. MUNNS, COUNTY ASSESSOR-TREASURER
DENTON BEECHER, COUNTY SURVEYOR
KEVIN R. CHRISTENSEN, COUNTY JUDGE

December 17, 2002

Gary R. Herbert
Utah County Commissioner
100 East Center #2300
Provo, Utah 84606

Dear Gary:

I understand that Tex Olsen is stepping down from the UACIM Board. I would be willing to fill that vacancy if you desire, and I believe my credentials would fit nicely with the ongoing requirements of the organization's restructuring.

I have previously served on a Mutual Insurance Company's Board of Directors for about eight years. I also have a Master's Degree in Business Management with a fair amount of experience in Organizational Management. Also, I owned and operated Hansen Management Services for about fifteen years. I believe my experience would be beneficial to UACIM.

Thanks for your consideration.

Sincerely,

Scott Hansen

Scott Hansen, Commissioner
Box Elder County Commission

Cc: Sonya White, UAC Executive Assistant

(435) 734-3390 01 South Main, Brigham City, Utah 84302 (435) 257-5810

Subject: Board Appointment
Date: Tue, 24 Dec 2002 08:08:00 -0700
From: "Rick Bailey" <rmbailey@sanjuancounty.org>
To: "Sonya White" <sonya@uacim.org>

Ty Lewis has indicated that he would be willing to be consider for appointment to the UACIM Mutual Board representing the counties at-large position. Merry Christmas

Rick M Bailey <rmbailey@sanjuancounty.org>
County Fire Marshal
San Juan County Fire/Emergency Services

Subject: **Board Appointment**
Date: Fri, 27 Dec 2002 00:13:56 +0000
From: sonyawhite@att.net
To: sonya@uacim.org

John Willie left a voice message 12/24/02 stating that James Eardley, WAS, would like to be considered for the Board appointment.

Robert Pero also left a message to be considered.

Rick Bailey sent an email for Ty Lewis to be considered.

Work on list when I get back to the office.

Subject:
UACIM Contact Us Form
Date:
Fri, 06 Dec 2002 13:16:31 -0800
From:
"Leslie Bolinder" <leslie@co.emery.ut.us>
To:
"Sonya White" <sonya@uacnet.org>

name: Ira Hatch
email: commission@co.emery.ut.us
address: PO Box 629
city: Castle Dale
state: UT
zip: 84513
county: Emery
comments: I would like to be considered for the unexpired term for Tex Olson on the UAC Insurance Mutual Board

Subject: **UACIM BOARD VACANCY**
Date: Tue, 31 Dec 2002 16:16:46 -0700
From: "RaNae Wilde" <RWilde@daggett.state.ut.us>
To: <sonya@uacim.org>

SONYA:
I DID NOT SEE A RESPONSE DATE DEADLINE FOR YOUR FAX OF DECEMBER 19,. 2002 SO I AM NOW RESPONDING.

I WOULD LIKE THE BOARD TO CONSIDER ME FOR THE COUNTY-AT-LARGE VACANCY ON THE UAC INSURANCE MUTUAL BOARD. AS I STATED AT THE NOV UACIM MEETING WHEN I GAVE MY "VOTE FOR ME" SPEECH - I BELIEVE A LADY'S POINT OF VIEW, A SMALL COUNTY'S POINT OF VIEW AND A COUNTY AUDITOR'S POINT OF VIEW WOULD BE OF VALUE TO THE BOARD.
I AM RESPONSIBLE, DEDICATED AND DEPENDABLE. MY DUTIES ARE VARIED AND MY INTERESTS ARE MANY.

I HAVE DEFINITELY NOT BEEN CONVICTED OF A FELONY AND I AM DEFINITELY ELECTED.
IF I CAN BE OF SERVICE PLEASE LET ME KNOW.
I WOULD SERVE - FILLING THIS VACANCY UNTIL THE NOVEMBER ANNUAL MEETING..

RANAE WILDE
DAGGETT COUNTY AUDITOR/RECORDER

UTAH RETIREMENT SYSTEMS
RECORDS AND INFORMATION SERVICES
P.O. Box 1590
Salt Lake City, UT 84110-1590
(801) 366-7736
(800) 365-8772
FAX (801) 366-7759

ROBERT V. NEWMAN
EXECUTIVE DIRECTOR

December 27, 2002

Sonya White
Utah Assn of Counties Insurance Mutual
5397 S Vine Street
Salt Lake City UT 84107-6757

Dear Sonya:

Utah Association of Counties (UAC) Insurance Mutual has been deemed eligible for participation with Utah Retirement Systems by legal counsel. Please provide a resolution from your governing board with the following points included:

- UAC Insurance Mutual desires to have all its eligible employees participate in the Public Employee's Noncontributory Retirement System.
- UAC Insurance Mutual is therefore making formal application to be a Participating Employer under the Public Employees' Noncontributory Retirement System.
- UAC Insurance Mutual acknowledges that the application is permanent and will remain in the Public Employees' Noncontributory Retirement System as required by law.

This is just meant as a guideline, I'm sure you have a format that you follow for all your board resolutions. Return the board resolution along with the completed Employer Application which is enclosed in the self-addressed, stamped envelope which I've provided for your convenience.

The staff of Utah Retirement Systems is happy to be of service to you. If you have any questions or need further information, please feel free to contact me at 366-7736.

Sincerely,

Cindy Bon

Cindy Bon
Account Services Manager
Records and Information Services
Utah Retirement Systems

Enclosures a/s

Resolution No. 2003 - _____

RESOLUTION APPROVING AND AUTHORIZING THE PARTICIPATION IN THE UTAH NONCONTRIBUTORY RETIREMENT SYSTEM FOR EMPLOYEES OF UTAH ASSOCIATION OF COUNTIES INSURANCE MUTUAL

WHEREAS, Utah Code §§49-3-203 and 204 allows political subdivisions of the State of Utah to participate in the Public Employees Non-Contributory Retirement System on approval of the Utah State Retirement Board; and

WHEREAS, the Utah Association of Counties Insurance Mutual (hereinafter, UACIM), is a Public Entity Insurance Mutual as defined by Utah Code §31A-1-103(7) and is therefore a political subdivision of the State of Utah; and

WHEREAS, the Board of Trustees of UACIM is desirous of having all its eligible employees participate in said retirement system,

NOW, THEREFORE, be it resolved by the Board of Trustees of UACIM that UACIM hereby makes application for coverage under the Public Employees Noncontributory Retirement System under such terms and conditions that shall be hereafter mutually agreed upon between said Board of Trustees and the Utah State Retirement Board; and

Be it further resolved that said Board of Trustees acknowledges that enrollment in said Retirement System is permanent and that, upon initiation of coverage, UACIM will participate in said Retirement System as required by law.

APPROVED AND ADOPTED this_____day of_____, 2003.

BOARD OF TRUSTEES
UTAH ASSOCIATION OF COUNTIES INSURANCE MUTUAL

By: _____

Utah Association of Counties
Flood Quotes

Num	Name	Address	City	ST	Zip Code	Year Built	Flood Zone	Building	Contents	Total	Quote	Comments
1-2	Senior Citizens	489 East 200 South	Cedar City	UT	84720	1986	A	$239,061	$12,000	$251,061	**$10,467**	This is still under review of our underwriter at American Bankers. The Elevation Certificate was incorrectly filled out by the County Engineer. High premium due to having a basement 7 feet below the base flood elevation level which holds machinery and equipment.
2-4	Clinic	180 West 300 North	Kanab	UT	84741	1982	A	$276,510	$100,000	$376,510	**$3,656**	
3-7	Museum	118 East Center Street	Moab	UT	84532	1992	AO	$307,175	$50,000	$357,175	**$2,435**	
4-8	Courthouse / Jail	125 East Center	Moab	UT	84532	1937	AO	$4,493,183	$472,220	$4,965,403	**$9,223**	
5-9	Library	25 South 100 East	Moab	UT	84532	1970	AO	$232,296	$579,670	$811,966	**$5,600**	Premium went up due to increased content values. Quoted premium increased.
6-10	MIC Center	31 South Main Street	Moab	UT	84532	1992	AO	$403,282	$0	$403,282	**$472**	

Total Premium: $31,853

Utah Association of Counties Insurance Mutual

200~~2~~3
Member Coverage Agreement

I. GENERAL COVERAGE DECLARATIONS

The Utah Association of Counties Insurance Mutual is a risk sharing arrangement among Utah County Governments. The **Mutual** is formed pursuant to the provisions of the Utah Insurance Code, Utah Code Ann. 31A-1-1 et. seq. (1994 & Supp. 1998), the Utah Interlocal Cooperation Act, Utah Code Ann. § 11-13-1 et. seq. (1996 & Supp. 1998) and through the Amended Bylaws and Amended Interlocal Cooperation Agreement signed by its Members. The purposes of the **Mutual** are to provide a multiline fund for property and casualty coverages and to assist **Members** in controlling costs by providing specialized governmental risk management services and systems.

The purpose of this **Coverage Agreement** is to describe the property and liability coverages provided to its **Named Members**. Some of the coverages, deductibles and limitations are unique to the ~~UAC Insurance~~ **Mutual** and may not be available elsewhere through private or commercial insurance.

It is the intent of the **Mutual** to provide the property and liability coverage outlined in this **Coverage Agreement** to each **Member** and those who work for them or on their behalf in accordance with the laws of the State of Utah. This **Coverage Agreement** was created to eliminate misunderstandings regarding coverages; to avoid coverage disputes; to clarify responsibilities during the **Claims** handling process; and to provide the **Members** with a document that easily identifies what is and is not covered.

II. LIMITS OF COVERAGE

PROPERTY

Coverage:	Property, including building, contents, mobile equipment, EDP, auto physical damage, etc.
Limit:	$250,150,000 each occurrence. This is a combined single limit, per occurrence (see Earthquake and Flood exceptions below).

Valuation:	Replacement cost except for vehicles and contractors' equipment, which are ACV (Actual Cash Value).
Auto Physical Damage:	Values included ($1,000 deductible).
Flood:	Non-Flood Zone A: $25,150,000 annual aggregate. Flood Zone A: Not Covered
Earthquake:	$25,150,000 annual aggregate
Extra Expense:	$25,150,000 in any one loss.
EDP Equipment/Media:	$24,692,884 in any one loss.
EDP Extra Expense:	$1,400,000 in any one loss.
Newly Acquired Property:	$1,150,000 (90-day reporting requirement)
Valuable Papers:	$10,681,700 in any one loss.
Fine Arts:	$1,400,000 in any one loss.
Accounts Receivable:	$2,650,000 in any one loss.
Mobile Equipment:	$39,506,895 in any one loss.
Debris Removal:	$5,150,000 or 25% of loss, whichever is less.
Builders Risk:	$5,150,000 sublimit (actual values must be reported within 90 days).
Increased Cost of Construction:	$5,150,000 in any one loss.
Terrorism:	$100,000 in any one loss.
Maintenance Deductible:	$500 per occurrence (except auto physical damage=$1000).
Major Property Exclusions (see **Coverage Agreement** for details):	Asbestos Removal (except as a result of named peril).
	Trees and Shrubs.
	Land & Water.
	Transmission & Distribution Lines (except as noted in the property section of the **Coverage Agreement**).
	Street &/or roadways, paved surfaces, bridges.

CRIME COVERAGES

Coverage:	Crime and Employee Dishonesty	
Form	Limit	Terms
Money & Securities (within premises):	$300,000	Each and every loss

Money & Securities (outside premises):	$300,000	Each and every loss
Commercial Blanket Bond (including Faithful Performance):	$300,000	Each and every loss (excludes employees known to have committed fraudulent or dishonest acts).
Depositors Forgery:	$300,000	Each and every loss
Maintenance Deductible:	$500	Per occurrence

Notes: The reporting period for crime losses is one year from expiration. Excludes those persons required by state statute to be bonded.

LIABILITY

Coverage:	Third-party liability including Bodily Injury, Property Damage and Personal Injury.	
Form:	Occurrence except for Public Officials Liability which is claims-made	
Coverage Parts	Limit	Terms
General Liability:	$2,250,000 $3,250,000	Per occurrence Aggregate per **Member**
Law Enforcement Liability:	$2,250,000 $3,250,000	Per occurrence Aggregate per **Member**
Employee Benefits Liability:	$2,250,000 $3,250,000	Per occurrence Aggregate per **Member**
Automobile Liability:	$2,250,000	Per occurrence
Personal Injury Protection:	Per statute (See Endorsement 3)	Per occurrence
Uninsured Motorists:	Per statute (See Endorsement 4)	Per occurrence
Underinsured Motorists:	Per statute (See Endorsement 5)	Per occurrence
Public Officials Liability:	$2,250,000 $2,250,000	Per occurrence Aggregate per **Member**
Terrorism:	$50,000 $100,000 $300,000	Per occurrence Aggregate per **Member** Annual Aggregate
Major Liability Exclusions:	Pollution/Contamination/Asbestos/Lead	

Major Liability Exclusions (cont.):	Medical Malpractice (except Nurses Liability)
	Inverse Condemnation ($25,000 defense only)
	Failure to Maintain or Supply water, gas, electric
	Watercraft (over 25 feet in length)

Notes: Retroactive date for Professional Liability is July 1, 1991. Includes unknown prior acts coverage.

III. GENERAL COVERAGE CONDITIONS

A. Claims Made Policy

The Public Officials Errors & Omissions sections of this **Coverage Agreement** provide "Claims made" coverage. The coverages provided by those sections are limited generally to claims first made against the **Mutual** while the **Coverage Agreement** is in force or during the Extended Reporting Period. All other coverages provided by this **Coverage Agreement**, including property, auto liability and general liability, are on an **Occurrence** basis.

A **Claim** shall be considered as being first made at the earlier of the following times:

1. When the **Member** first gives notice in writing to the **Mutual's** claims administrator that a **Claim** has been made; or

2. When the **Member** first gives notice in writing to the **Mutual's** claims administrator of specific circumstances involving a particular person or entity, which may result in a **Claim**.

Upon a **Member** first becoming aware of any act or omission which would reasonably be expected to be the basis of a **Claim** or suit covered under this **Agreement**, written notice shall be given by the **Member** to the **Mutual's** claims administrator as soon as practicable, together with the fullest information obtainable. If a **Claim** is made or a lawsuit is brought against the **Member**, the **Member** shall immediately forward to the **Mutual** every demand, notice, summons or other process received by the **Member** or the **Member**'s agent.

B. Contribution Payments

Contributions are determined by the Board of Trustees at each anniversary for the forthcoming period of coverage and are based upon current underwriting information.

C. Territorial Scope

This coverage applies to occurrences worldwide for which suit is brought in the United States.

D. Deductibles

The coverages provided herein are subject to a property deductible of $500, an **Automobile** physical damage deductible of $1000 and a crime deductible of $500 per **Occurrence**. (**Automobile** physical damage is covered under the property section.) The property deductible does not apply to third party auto liability **Claims**.

E. Arbitration

In the event the **Insured** and the **Mutual** are unable to agree on any matter concerning this **Coverage Agreement**, including but not limited to coverage issues, the dispute shall be resolved through arbitration, not litigation. Either party may issue a written demand for arbitration. The **Insured** and the **Mutual** shall agree on the selection of an arbitrator. If they cannot agree within 30 days, either party may request that selection be made by a judge of a court having jurisdiction. Each party will pay the attorneys' fees and expenses it incurs and share the expenses of the arbitrator equally. If the **Insured's** claim for coverage is unsuccessful, the **Insured's** portion of the arbitrator's fee is not covered.

Both parties shall agree upon the location of the arbitration; if they cannot agree, the selected arbitrator shall determine the location. Local rules as to arbitration procedure and evidence will apply. The arbitrator's decision will be binding and that judgment may be entered in any court of competent jurisdiction.

F. Cancellation/Non-Renewal

Any **Member** may withdraw from the **Mutual**, at the end of a coverage period after giving the Board timely written notice of such withdrawal, pursuant to a resolution of the **Member's** governing body. Timely written notice of such withdrawal must be provided to the Board no later than the ninetieth day prior to the date the **Member's** coverage would otherwise renew. The Board shall consider a timely written notice of withdrawal to be a final decision unless the notice is withdrawn by the **Member** before the ninetieth day prior to the date the **Member's** coverage would otherwise renew. The Board may at its sole discretion agree to permit an earlier date of withdrawal.

A withdrawn **Member** shall lose all voting rights upon the effective date of withdrawal. Any claim of title or interest to any asset of the **Mutual**, and any continuing obligation of the **Mutual** to the **Member** or of the **Member** to the

Mutual, after the effective date of the **Member's** withdrawal, shall be consistent with any policy adopted by the Board, and the laws of the State of Utah.

A **Member** which terminates its membership in the Utah Association of Counties shall not be a **Member** of the **Mutual** effective as of the end of the policy period during which the termination of the membership occurred.
A **Member** which fails to pay a premium or any other payment due the **Mutual** shall have its membership in the **Mutual** terminated on the sixtieth day following the due date, unless time for payment is extended by the Board and payment is made within any extended period. A notice of intent to terminate membership for failure to pay a premium shall be mailed to the **Member** at least thirty (30) days prior to the date of termination. A termination of membership under this paragraph shall not be subject to the provisions for notice and/or hearing otherwise provided in this General Coverage Condition 6.

Any membership in the **Mutual** may be terminated by the Board or the **Members** for failure of the **Member** to carry out any other obligation of the **Member**, subject to the following:

1. The **Member** shall receive notice from the Board of the alleged failure and shall be given not less than thirty (30) days in which to cure the alleged failure, along with notice that termination of membership could result if the failure is not so cured.

2. The **Member** may request a hearing before and decision by the **Members** on the termination. The request shall be made in writing to the Board at least five days before the end of the period given by the Board to cure the alleged failure. At such hearing, the Board shall present the case for termination of membership and the affected Member may present its case. The affected **Member** shall not be counted in determining the number of votes required, nor shall the representative of such **Member** be entitled to vote on the termination.

If no request is received pursuant to this General Coverage Condition 6, and if the failure is not cured within the time required by the Board's notice or any extension of such time as the Board may grant, the Board may terminate the membership. The **Member** may request a hearing before, and decision by, the Board on the proposed termination in lieu of a hearing before the **Members**. The request shall be made in writing and received by the Board at least five days before the end of the period given by the Board to cure the alleged failure, and shall be granted if so made.

The Board shall provide the **Member** at least ten days prior written notice of the time and place of any requested hearing, and the proposed termination of membership may not take effect until such time after the conclusion of any hearing as the Board or **Members**, as applicable, may set.

Termination of membership shall be in addition to any other remedy, which may exist. A **Member** shall lose all voting rights upon termination of its membership. Any claim of title or interest to any asset of the **Mutual**, and any continuing obligation of the **Mutual** to the **Member** or of the **Member** to the **Mutual**, after the termination of membership, shall be as determined consistent with the Agreement, any policy adopted by the Board, and the laws of the State of Utah.

If the period of limitation relating to the giving of the notice is prohibited or made void by any law, that period is amended to provide the minimum period of limitation provided by law.

G. Claims

Members must notify the **Mutual's** claims administrator as soon as reasonably practicable of an **Occurrence** that may result in a **Claim**. To the extent possible, notice should include how, when and where the **Occurrence** took place; the names and addresses of any injured persons and witnesses; and the nature and location of any injury or damage arising out of the **Occurrence**. Informing the **Mutual** of an **Occurrence** is not notice of a **Claim**.

If a **Claim** is received by any **Member**, the **Member** shall immediately record the specifics of the **Claim** and the date received and shall notify the **Mutual's** claims administrator as soon as practicable.

The **Member** shall:

1. Immediately send the **Mutual's** claims administrator copies of any demands, notices, summonses or legal papers received in connection with the **Claim** or **Suit**;

2. Authorize the claims administrator to obtain records and other information;

3. Cooperate with the **Mutual** and the claims administrator in the investigation, settlement or defense of the **Claim** or **Suit**;

4. Assist the **Mutual**, upon its request, in the enforcement of any right against any person or organization which may be liable to the **Insured** because of injury or damage to which this **Coverage Agreement** may also apply;

5. Submit at the **Mutual's** expense and as often as the **Mutual** requires to examinations by physicians selected by the **Mutual**, and authorize the **Mutual** to obtain medical reports and other pertinent information.

No **Member,** or other **Insured** will, except at its own cost, voluntarily make a payment, assume any obligation or incur any expense, other than for first aid, without the **Mutual's** consent.

The **Insured** shall promptly take at its own expense, except as otherwise provided in this **Agreement**, all reasonable steps to prevent additional injury or damage from or arising out of the same or similar conditions at the same location where the initial injury or damage occurred. Any failure to take such preventative measures shall not constitute a breach of the condition unless the **Mutual** has requested the **Insured** in writing to undertake those preventative measures. Any such expense shall not be recoverable under this **Coverage Agreement**.

Additionally, to recover for loss to a covered auto or equipment, the **Member** shall:

1. Permit the **Mutual** to inspect and appraise the damaged property before its repair or disposition;

2. Do what is reasonably necessary after the loss to protect the covered **Auto** from further loss;

3. Submit a proof of loss when required by the **Mutual**; and

4. Promptly notify the appropriate local law enforcement agency if the **Automobile** or piece of equipment was stolen.

H. Due Diligence

The **Insured** shall use due diligence and concur in doing all things reasonably practical to avoid or diminish any loss of or damage to the property insured.

I. Inspections, Audits and Verification of Values

The **Mutual** or its authorized representatives may inspect the premises used by the **Members** and audit the **Member's** books or records at any time during the term of this **Agreement** or within three years after its expiration or termination. There is no time limit for auditing the **Member's** books or records with respect to **Claims** under this **Agreement**.

J. Mortgage

The interest of any mortgagor on property covered by this **Agreement** is included as if a separate endorsement were attached hereto to the extent of the amount of the mortgage as of the date of loss, subject to the limits of liability set forth in this **Agreement**.

K. Other Insurance

If the **Insured** has other insurance against loss or damage covered under this **Agreement**, the **Mutual** is liable under the terms of this **Agreement** only as excess of coverage provided by another insurance policy. However, this clause does not apply to the purchase of excess insurance or reinsurance above the excess limits of insurance stated in this **Coverage Agreement**.

L. Subrogation, Salvage and Recovery

The **Mutual** shall be subrogated to all rights which the **Insured** may have against any person or other entity in respect to any **Claim** or payment made under this **Coverage Agreement** and the **Insured** shall execute all papers required by the **Mutual** and shall cooperate with the **Mutual** to secure the **Mutual's** rights. If any reimbursement is obtained, or salvage or recovery made by the **Insured** or the **Mutual** on account of any loss covered by the **Mutual**, the net amount of such reimbursement salvage or recovery, after deducting the actual cost of obtaining or making the same, shall be applied in the following order:

1. To the amount of loss which has been paid by the excess/ reinsurer.

2. To reduce the **Mutual's** loss until the **Mutual** is fully reimbursed.

3. To reduce the **Insured's** loss because of the application of the self-insured retention or any aggregate loss fund.

M. Fraudulent Claims

If an **Insured** makes a **Claim** knowing the **Claim** to be false or fraudulent, in regard to the **Claim's** amount or otherwise, coverage shall become void and the **Claim** shall be forfeited.

N. Extended Reporting Period

The extended reporting period for **Claims** covered by the Public Officials Errors & Omissions portion of this **Agreement** is automatically provided without additional charge. This period starts with the end of the period of insurance and extends for 60 days. In the event of non-renewal of this **Agreement** by the **Mutual** or the **Member**, the **Member**, upon payment of an additional contribution of not more than 100% of the total expiring premium, shall have the

right to extend the period in which a **Claim** may be made by the **Member** against the **Mutual** for a period of up to 24 months after the expiration date of this **Agreement.**

The extended reporting period does not apply to **Claims** that are covered under any subsequent insurance applicable to this **Coverage Agreement** which a **Member** purchases or that would have been covered but for exhaustion of the amount of insurance applicable to those **Claims**.

O. Cross Liability

In the event of liability being incurred by reason of injury suffered by any employee of one **Named Member** which does not arise out of the injured employee's employment, for which another **Named Member** is liable, then this **Agreement** shall indemnify the **Named Member** for that liability in the same manner as if separate agreements had been issued to each **Named Member**.

In the event of liability being incurred by reason of **Property Damage** to property belonging to any **Named Member** for which another **Named Member** is liable, then this **Agreement** shall indemnify the **Named Member** in the same manner as if separate agreements had been issued to each **Named Member**.

Nothing contained in this condition shall operate to:

1. Increase the **Pool's** limits of liability; or

2. Include coverage for a **Named Member** who sustains **Property Damage** as a consequence of its own employee's acts.

P. Multiple Claims or Claimants

Inclusion herein of more than one **Member** or **Named Member** or the making of more than one claim or the bringing of suits by more than one person or organization shall not operate to increase Limits of Coverage.

Two or more claims arising out of a single wrongful act or series of related wrongful acts shall be treated as a single claim. All such claims, whenever made, shall be considered first made during the coverage period, or extended reporting period if purchased, in which the earliest claim arising out of such wrongful act or related wrongful acts was first made and all such claims shall be subject to the same Limits of Coverage.

IV. GENERAL COVERAGE EXCLUSIONS

The following exclusions apply to all coverages described in this **Agreement**. This **Agreement** does not provide coverage for:

A. Loss, damage or any type of liability caused by or resulting from fraudulent or dishonest acts committed by the **Insured**, whether working alone or with others, except as provided in the Crime Coverages herein.

B. Expenses from any cost, civil fine, penalty or expense against any **Insured** for any compliance or enforcement action from any federal, state or local governmental regulatory agency.

C. Any liability arising out of either the operations of a hospital or the medical malpractice of any physician, medical doctor, osteopath, chiropractor, resident, extern or intern; psychiatrist; pharmacist; dentist, orthodontist, or periodontist.

D. Workers' compensation, employers' liability and occupational disease.

E. Claims arising for declaratory or injunctive relief.

F. **Bodily Injury**, **Personal Injury**, **Property Damage** or any type of damage whatsoever to the property of the **Member** due to war, either directly or indirectly occasioned by, happening through or in consequence of war, invasion, acts of foreign enemies, any weapon of war employing atomic fission or radioactive force whether in time of peace or war, hostilities (whether war was declared or not), civil war, rebellion, revolution, insurrection, military or usurped power, confiscation or nationalization or requisition or destruction of or damage to property by or under the order of any government or public or local authority.

G. Any act of terrorism meaning any act or threatened act that is violent, forceful or in any way dangerous to persons or **Property** (tangible or intangible), of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organization(s) or government(s), committed for political, religious, ideological or similar purposes which may include the intention to influence any government and/or to put the public, or any section of the public, in fear. This exclusion also excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing, or in any way relating to paragraphs 1 and 2 above.

H. **Bodily Injury**, **Personal Injury**, **Property Damage** or any type of damage whatsoever, including the loss of use or any other type of loss or damage caused by the release, discharge or dispersal of **Pollutants** anywhere, anytime in any way, whether accidental or intentional, sudden, intermittent or continuous and regardless of ownership or location, EXCEPT this exclusion does not apply as provided in the Liability Section for **Bodily Injury** or **Property Damage** arising out of heat, smoke or fumes from a hostile fire.

I. **Bodily Injury**, **Personal Injury**, **Property Damage** or any other type of damage whatsoever, directly or indirectly caused by the presence of *asbestos or lead* in any form, except as covered in the Property Section.

J. Loss or damage caused by or resulting from moth, vermin, termites or other insects, inherent vice, latent defect, wear, tear or gradual deterioration, contamination, rust, wet or dry rot, mold, dampness or atmosphere, smog, extremes of temperature or loss or damage by settling for any reason, including movement of any kind, shrinkage or expansion in building or foundation.

K. Loss of or damage to or **Claims** resulting from the maintenance, operation or use of any satellite, aircraft, or of water craft over 26 feet in length.

L. Loss of or damage to jewelry, precious stones and furs or garments trimmed with fur.

M. **Bodily Injury**, **Personal Injury**, **Property Damage** or any type of damage whatsoever for any **Claims** made or lawsuits brought against any **Insured** alleging physical or sexual assault, abuse, molestation or habitual neglect. This exclusion applies whether the act was committed intentionally, negligently, inadvertently or with the belief, erroneous or otherwise, that the other party is consenting and has the legal and mental capacity to consent.

However, the **Insured** may be entitled to a defense and the payment of **Claims** expenses for civil **Claims** brought against the **Insured** as provided under the terms of this **Agreement** if the lawsuit is brought for alleged civil rights violations in addition to physical or sexual assault, abuse, molestation or habitual neglect. The **Mutual** may provide for the defense of the **Claim** unless or until a judgment or final adjudication of liability is established or there is an admission by the **Insured** accused of the act that establishes the injury claimed in the suit in whole or in part. The **Mutual** shall not be required to appeal a judgment or final adjudication that is adverse to the **Insured**. However, if the **Insured** elects to appeal the judgment or final adjudication and the judgment or adjudication is

reversed on the issue of liability, the **Mutual** may then reimburse the **Insured** for all reasonable expenses incurred in the appeals process.

N. Any **Claim** or **Claims** for **Bodily Injury** or **Personal Injury** relating to:

1. Human Immune Deficiency Virus (HIV);

2. Acquired Immune Deficiency Syndrome Related Complex (ARC);

3. Acquired Immune Deficiency Syndrome (AIDS);

4. Any virus, complex or syndrome that is related to the foregoing;

EXCEPT this exclusion does not apply to any actual or alleged discrimination based on the actual or alleged contraction of any of the foregoing as covered under Section II B - Errors and Omissions.

O. Any **Claim** based upon the **Insured's** failure to comply with the Federal Employee Retirement Income Security Act of 1974 (ERISA), including subsequent amendments or any similar federal, state or local law or regulations.

P. **Bodily Injury**, **Personal Injury**, **Property Damage** or any type of damage whatsoever resulting from nuclear incidents, including:

1. Loss or damage to property of the **Member** or liability from **Property Damage**, **Bodily Injury** or **Personal Injury** accruing to the **Insured** directly or indirectly from any and all forms of radioactive contamination;

2. Any loss or damage to property of the **Insured** or liability from **Property Damage**, **Bodily Injury** or **Personal Injury** accruing to the **Insured** directly or indirectly from any pool of Insurers or Reinsurers formed for the purpose of covering atomic or nuclear energy risks;

3. Any loss or liability accruing to the **Insured**, directly or indirectly, for physical damage of property of the **Insured** including Business Interruption or consequential loss arising out of such physical damage, in addition to **Property Damage**, **Bodily Injury** or **Personal Injury** due to nuclear reactor power plants, any nuclear material or the dispersal, discharge, storage or processing of nuclear material, nuclear facilities, installations, laboratories or special nuclear material, as defined by the Atomic Energy Act of 1954 as amended;

4. Any loss or damage or liability resulting from the hazardous properties of nuclear material and with respect to which any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954 as amended, or if the **Insured** is or, had this Agreement not been issued, would be entitled to indemnity from the United States of America or any agency thereof.

DEFINITIONS used in this exclusion:

"Hazardous properties" means radioactive, toxic or explosive properties.

"Nuclear materials" means source material, special nuclear material, byproduct material and have the meanings given them in the Atomic Energy Act of 1954, as amended.

"Spent nuclear fuel" means any fuel element or fuel component, solid or liquid, which has been used or to radiation in a nuclear reactor.

"Waste" means any waste material which contains byproduct material from any ore processed primarily for its source material content and which results from the operation by any person or organization of any nuclear facility.

"Nuclear facility" means any nuclear reactor, any equipment or device designed or used for separating the isotopes of uranium or plutonium or processing or utilizing spent fuel, or handling, processing or packaging waste. Nuclear facility also means any equipment or device used for the processing, fabricating or alloying of special nuclear material and any structure, basin, excavation, premises or place prepared or used for the storage of waste and the site and all operations on that site.

Q. To any claims arising in whole or in part out of any sexual act or acts, or arising out of any erotic physical contact or touching, either performed or alleged to have been performed by a **Member**.

Claims of sexual harassment are covered under this Coverage Agreement unless the claim also arises out of any sexual act or acts of erotic physical contact or touching.

V. GENERAL DEFINITIONS

"Accident" means an event or **Occurrence**, including continuous or repeated exposure to the same general harmful conditions, which occurs on or after the retroactive dates attached to this **Agreement** and which results in **Bodily Injury**, **Personal Injury** or

Property Damage. If the **Bodily Injury**, **Personal Injury** and **Property Damage** result from the same **Occurrence**, it shall be treated as resulting from one **Accident**.

This **"Agreement"** or this **"Coverage Agreement"** means the **Coverage Agreement** created to describe the property and liability coverages provided to the **Members** of the **Mutual**.

"Automobile" or **"Auto"** means any motor vehicle intended or designed for highway use, and trailers or semi-trailers, including their equipment and any other equipment permanently attached to it, but **Automobile** does not include **Mobile Equipment**. However, self-propelled vehicles with the following types of permanently attached equipment are considered **Automobiles:** equipment designed primarily for snow removal, equipment designed for road maintenance but not construction or resurfacing, and equipment designed for street cleaning.

"Bodily Injury" means physical injury (including death) to any person, and any mental anguish or shock, sickness, disease, disability or death associated with or arising from that physical injury. **Bodily Injury** also includes battery and incidental medical malpractice.

"Claim" is an allegation of damage for which an **Insured** seeks coverage from the **Mutual**.

"Contamination" means any unclean, unsafe, damaging, injurious or unhealthy condition arising out of the presence of **Pollutants**, whether permanent or transient in any environment.

"Damages" include jury awards, settlements, attorney's fees and costs, but do not include back pay, overtime pay or other benefits that are routinely paid by a **Member** to its employees.

"Earthquake" means seismic geologic activity which causes movement in the earth's surface including loss or damage from any other cause or event that contributes concurrently or in any sequence to the loss. If more than one earthquake shock occurs within any period of 72 hours during the term of this insurance, it is deemed to be a single earthquake **Occurrence**.

"Employee Benefit Programs" means group life insurance, group accident or health insurance, pension plans, profit sharing plans, employee savings and investment plans, employee stock subscription plans, travel or vacation plans, workers' compensation, unemployment insurance, social security, disability benefits insurance, employee welfare benefit plans and welfare plans, and any other similar employee benefit programs.

"Employment Related Practices" means:

A. Refusal to employ;

B. Termination of employment;

C. Practices, policies, acts or omissions such as coercion, demotion, failure to promote, evaluation, reassignment, discipline, harassment (other than sexual harassment), civil rights and discrimination;

D. Any act relating to the selection, supervision or dismissal of any employee.

"Environment" includes any person, any real or personal property, animals, crops and vegetation, land including land under which a building is placed, bodies of water, underground water or water table supplies, air and any other feature of the earth or its atmosphere, whether or not altered, developed or cultivated, including but not limited to any of the above that is owned, controlled or occupied by a **Member**.

"Flood and Surface Water" means waves, tide or tidal water and the rising (including the overflowing or breaking of boundaries) of lakes, ponds, reservoirs, rivers, streams, harbors and similar bodies of water.

"Hired Auto" means those **Autos** that a Member leases, hires, rents, or borrows. This does not include any **Auto** leased, hired, rented or borrowed for a **Member's** employees, or members of their households.

"Insured" means a **Member**. **"Insured"** also includes the following:

A. Any past, present or future officials; members of boards or commissions, trustees or directors; officers, volunteers authorized to act on behalf of the county or employees of the **Member** while acting within the scope of their duties as such, and any person, organization, trustee or estate to whom the **Member** is obligated by virtue of a written contract or agreement to provide insurance such as is outlined in this **Coverage Agreement**, but only in respect of operations by or on behalf of the **Member**.

B. Under Part D, Section III of the Coverage Summary (which describes **Automobile** Liability Coverage Limits), any person while using an **Automobile** owned by the **Member** or a **Hired Automobile**, and any person or organization legally responsible for the use thereof, provided the actual use of the **Automobile** is by any official, trustee, director, officer or employee of the **Member** or the **Insured** or with his permission and any official of the **Member** with respect to the use of non-owned **Automobiles** in the business of the **Member**. This coverage, with respect to any person or organization other than the **Member**, *does not apply*:

1. To any person or organization or to any of their agents or employees operating an **Automobile** sales agency, repair shop, service station, storage garage or public parking place, with respect to any **Accident** arising out of those operations;

2. To any employee of a person or organization other than the **Member** with respect to injury or sickness, disease or death during the course of employment in an **Accident** arising out of the maintenance or use of the **Automobile** in the business of the outside employer;

3. With respect to any **Hired Auto**, to the owner or lessee, other than the **Member**, nor to any agent or employee, or that owner or lessee.

"Law Enforcement Activities" means the activities of any **Insured** while acting as a law enforcement official, officer, auxiliary officer, employee or volunteer of the **Member**, provided that the volunteer has been authorized to act on behalf of the **Member**.

"Law Enforcement Personal Injury" means injury, other than **"Bodily Injury"**, arising out of **Law Enforcement Activity** and one or more of the following offenses:

A. Assault and battery;

B. Discrimination, unless insurance thereof is prohibited by law;

C. False arrest, detention or imprisonment;

D. Malicious prosecution;

E. False or improper service of process;

F. Humiliation or mental distress;

G. Oral or written publication of material that slanders or libels a person or organization;

H. Violation of civil rights protected under 42 U.S.C. 1981 et. seq. or state law;

I. Violation of property rights;

J. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies by or on behalf of its owner, landlord or lessor.

"Medical Payments" means reasonable expenses for first aid at the time of an **Accident**, necessary medical, surgical, x-ray and dental services, ambulance, hospital, professional nursing and funeral services.

"Member" or **"Named Member"** means each of the Counties named in Endorsement 1 of this **Coverage Agreement.**

"Mobile Equipment" means any of the following types of land vehicles, including any attached machinery or equipment:

A. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;

B. Vehicles maintained for use solely on or next to premises the **Member** owns or rents;

C. Vehicles that travel on crawler treads;

D. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted power cranes, shovels, loaders, diggers or drills or to road construction or resurfacing equipment such as graders, scrapers or rollers;

E. Vehicles not described above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types: air compressors, pumps and generators including spraying, welding, building, cleaning, geophysical exploration, lighting and well servicing equipment or cherry pickers and similar devices used to raise or lower workers;

F. Vehicles not described above which are maintained primarily for purposes other than the transportation or persons or cargo.

"Money" means currency, coins, bank notes and bullion, and traveler's checks, register checks and money orders held for sale to the public.

The **"Mutual"** means the Utah Association of Counties Insurance Mutual.

"Occurrence" means an **Accident** or a happening or event or a continuous or repeated exposure to conditions, which result in **Bodily Injury, Personal Injury** or **Property Damage** during the **Agreement** period. All such injuries to one or more persons and/or **Property Damage** arising out of an **Accident** or a happening or event or a continuous or repeated exposure to conditions shall be deemed one **Occurrence**. There may be multiple **Claims** or claimants involved in one **Occurrence**, however only one deductible applies per **Occurrence**.

"Personal Injury" means mental anguish, shock, sickness, disease, disability or wrongful eviction arising out of malicious prosecution, humiliation, invasion of rights of privacy, libel, slander or defamation of character; also piracy and any infringement of

copyright or of property, erroneous service of civil papers, and assault and battery. **Personal Injury** also means false arrest, false imprisonment, detention and violation of civil rights. However, **Personal Injury** does not apply to **Claims** arising out of **Law Enforcement Activities**.

"Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapors, soot, fumes, acids, sounds, alkalis, chemicals, liquids, solids, gases, thermal pollutants, waste and all other irritants or contaminants. "Waste" includes materials to be recycled, reconditioned or reclaimed. However, for purposes of the general liability coverages provided in this agreement, "Pollutants" does not include herbicides or pesticides.

"Premises" means the interior of that portion of a building, which is occupied by the **Member** for business operations.

"Property" or **"Property of the Named Member"** means all real and personal property, including leasehold improvements or betterments which the **Member** owns, property which the **Member** holds on consignment or agrees to cover by any contractual agreement normal to its operations, and the **Member's** own property in the course of construction, repair or renovation.

"Property Damage" means direct damage to or destruction or loss of tangible property, including all resulting loss of use of property. This definition applies to Sections II and III of this **Agreement**. **Property Damage** excludes damage to the property owned by the **Member** but includes damage to property of others in the care, custody or control of the **Member** or property purchased by the **Member** under a contract which provides that the title remain with the sellers until payments are completed, in which case the **Mutual's** liability is limited to the amount of payments outstanding.

"Securities" means all negotiable instruments or contracts representing either money or other property and includes revenue and other stamps in current use, tokens and tickets, but does not include money.

"Sexual Abuse" means any actual, attempted or alleged criminal sexual conduct towards a person by another person, or persons acting in concert, which causes physical and/or mental injury. **Sexual Abuse** includes: sexual molestation, sexual assault, sexual exploitation or sexual injury. **Sexual Abuse** does not include **Sexual Harassment.**

"Ultimate Net Loss" means the total sum that the **Insured** becomes obligated to pay by reason of any **Claim**, either through adjudication or settlement, after making proper deductions for all recoveries and salvages. The term includes hospital, medical and funeral charges and all sums paid as fees, charges and legal costs, premiums on attachment or appeal bonds, interest, expenses for doctors, lawyers, nurses and investigators, and for litigation, settlement, adjustment and investigation of **Claims** and lawsuits which are paid as a consequence of any **Occurrence** covered by the **Mutual**.

Fees paid to the third party administrator are specifically excluded from this definition. **The Mutual does not pay for any claim for front pay, back pay or other incidents of compensation or benefits due to a Member's employees.**

"Wrongful Act" means any actual or alleged error or misstatement, omission, act of neglect or breach of duty including employment related practices, discrimination and violations of civil rights by the **Insured**. If a **Claim** is made that involves a series of related **Wrongful Acts**, the **Claim** date shall be the date when the first of the related **Claims** was made. Only one deductible and one self-insured retention shall apply.

PROPERTY COVERAGE SECTION

I. COVERAGE AGREEMENTS

A. Buildings and Contents

The **Mutual** agrees, subject to limitations, terms and conditions of this **Agreement**, to indemnify the **Named Member** for all physical loss or damage to all real or personal property of every kind and description, wherever located, which occurs during the **Agreement** Period.

B. Automobile and Mobile Equipment Physical Damage

The **Mutual** agrees, subject to the limitations, terms and conditions of this **Agreement**, to indemnify the **Member** for loss or damage to **Automobiles** and **Mobile Equipment** owned by the **Member** or for which the **Member** has an obligation to provide coverage, wherever located, against all risks of direct physical loss or damage including the collision of an **Automobile** with another object.

C. Crime Coverage

The **Mutual** will indemnify **Members** for losses of **Money** and **Securities**, losses caused by forgery and alteration and losses caused by employee dishonesty under the terms and conditions set out in this section.

II. CONDITIONS OF COVERAGE

A. Valuation

On buildings, structures and general contents, the **Mutual** shall not be liable for loss or damage in excess of the cost, as of the date of loss, of replacement of the damaged or destroyed property in a new condition with materials of like size, kind and quality, all subject to the following conditions:

1. If the damaged or destroyed property is not repaired, rebuilt or replaced on the same or another site within two years after the loss or damage, the **Mutual** shall not be liable for more than the actual cash value as of the date of loss (ascertained with proper depreciation) of the property destroyed.

2. Except as provided in subsection 3., the total liability of the **Mutual** under this **Agreement** for loss to **Property** shall not exceed the lesser of the following:

   a) The cost to repair;

   b) The cost to rebuild or replace, all as of the date of loss, on the same site, with new materials of a like size, kind and quality;

   c) The actual expenditure incurred in rebuilding, repairing or replacing on the same or another site; or

   d) The **Member**'s stated value listed on the property schedule.

3. A **Member** may provide for the increased value of an historical building, but only by completing the following steps prior to loss:

   a) Provide written notice of the intention to cover the **Property** for restoration cost instead of replacement cost;

   b) Include a proper description of the building and the desired limits of coverage for the **Property**; and

   c) Provide an appraisal supporting the reported value.

B. Debris Removal

This **Agreement** covers the expense of removal from the premises of debris remaining after any covered loss, including the expense of removal of any foundations, if damaged or unusable.

C. Removal Clause

This **Agreement** covers the expense and damage to property removed from the premises, which results from the property being endangered by the perils covered against.

D. Architect's and Engineer's Fees

Fees are limited to a maximum of seven percent of the repair or replacement cost of damaged property whichever is less.

E. Civil Authority Clause

Notwithstanding anything contained in this **Agreement**, **Property** which is insured under this **Agreement** is also covered against the risk of damage or destruction by civil authority during a fire and for the purpose of retarding the same; provided that neither the fire nor its damage or destruction is caused or contributed to by war, invasion, revolution, rebellion insurrection or other hostilities or warlike operations.

F. Ordinance Deficiency Clause

Notwithstanding anything contained herein to the contrary, the **Mutual** shall be liable also for the loss occasioned by the enforcement of any federal, state or municipal law, ordinance or code, which necessitates, by repairing or rebuilding, replacement of material to meet those requirements. If demolition is required to comply with the enforcement, the **Mutual** shall also be liable for such additional costs.

G. Expense To Reduce Or Prevent Loss

The **Named Member** shall employ every reasonable means to protect **Property** from further damage, including the prompt execution of temporary repairs where necessary for such protection and the separation of damaged from undamaged personal property. The **Mutual** shall be liable for reasonable expenses so incurred to minimize insured loss, but any payment under this provision shall not serve to increase the limit of liability that would otherwise apply at the time and place of loss, nor shall such expenses exceed the amount by which the loss is reduced.

III. EXCLUSIONS

In addition to the general exclusions of this **Coverage Agreement**, this section does not apply to any **Claim** for damages, whether direct or consequential, or for any cause of action which is covered under any other section of this **Agreement**.

In addition, this section does not cover loss or damage to:

A. Land, or land values, atmosphere, standing timber, trees, shrubs, plants, lawn, growing crops, water except water which is normally contained within any type of tank, piping system or other process equipment.

B. Dams, levees or dikes, bridges, roadways, streets, walks or other paved surfaces, railroad beds, ties and tracks, fences, and retaining walls outside of and not forming a part of any building.

C. Underground mines and mining property located below the surface of the ground.

D. Any **Property** undergoing insulation breakdown tests.

E. Accounts, bills, currency, deeds, evidences of debt or title, **Money**, notes or **Securities**, other than covered under Section II - Crime Coverage or by endorsement.

F. With respect to property in the course of construction:

1. Loss or damage to **Property** caused by or resulting from errors in design or testing of that **Property** but not excluding resultant physical loss or damage to **Property** covered hereunder other than the **Property** lost or damaged by error in the design or testing of that property;

2. The repair or replacement of faulty or defective workmanship, material, or construction, but this exclusion shall not apply to physical damage to other **Property** resulting from such faulty or defective workmanship or material; or

3. Penalties for non-completion of, or delay in completion of, contract or non-compliance with contract conditions, nor for loss of use of occupancy however caused.

G. Loss resulting from loss of use, delay or loss of markets.

H. Any loss caused by or resulting from explosion, implosion, rupture, bursting, cracking, burning or bulging of boilers, pressure vessels or the piping or apparatus attached thereto unless fire ensues, and then only for the actual loss or damage caused by the ensuing fire.

I. Error in machine programming or machine instructions, or breakdown or derangement of machinery.

J. Inventory shortage, mysterious disappearance or loss resulting from any kind of infidelity, dishonesty or fraud on the part of the **Member** of any of its employees, whether alone or in collusion with others, except from the perils covered in Section V - Summary of Crime Coverages, Item A, of this **Coverage Agreement**.

K. Loss or damage to electrical appliances, devices, fixtures or wiring caused by artificially generated electric current, unless fire or explosion ensues, and then only for the actual loss or damage caused by such ensuing fire or explosion.

L. Loss or damage to real and personal property caused by processing, renovating, repairing or faulty workmanship thereon, unless fire or explosion ensues, and then only for the direct loss or damage caused by such ensuing fire or explosion.

M. Loss or damage to personal property resulting from shrinkage, evaporation, loss of weight leakage, depletion, erosion, marring, scratching, exposure to light, or change in color, texture or flavor, unless such loss or damage is caused directly by fire or the combating thereof, lightning, windstorm, hail, explosion, strike, riot or civil commotion, aircraft, vehicles, breakage of pipes or apparatus, sprinkler leakage, vandalism and malicious mischief, theft or attempted theft.

N. Loss or damage to real property resulting from cracking, bulging, expansion of pavements, foundations, walls, floors or ceilings, unless one or more of the building or structure's walls or roofs is physically broken and falls to a lower level. If, however, direct loss by liquids or gases not otherwise excluded, or collapse results, then this **Agreement** shall cover only the resulting loss. Loss resulting from extremes or changes of temperature (except to water piping or space heating equipment due to freezing) or changes in relative humidity, all whether atmospheric or not, is also excluded.

O. Any increase of loss due to interference with rebuilding, repairing, or replacing the property or with the resumption or continuation of business at the described premises caused by strikers or other persons.

P. Any increase in loss due to the suspension, lapse or cancellation of any lease or license, contract or order.

Q. Property sold by the Insured under conditional sale, trust agreement, installment payment, or other deferred payment plan, after delivery to customers.

R. Transmission and distribution facilities, except within 1000 feet of the described premises.

S. Contraband, or property in the course of illegal transportation or trade.

T. Loss or damage caused directly or indirectly by the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage.

1. The failure, malfunction or inadequacy of:

a) Any of the following, whether belonging to any insured or to others:

(i) Computer hardware, including microprocessors;

(ii) Computer application software;

(iii) Computer operating systems and related software;

(iv) Computer networks;

(v) Microprocessors (computer chips) not part of any computer system; or

(vi) Any other computerized or electronic equipment or components; or

b) Any other products, and any services, data or functions that directly or indirectly use or rely upon, in any manner, any of the items listed in paragraph T.1.a, due to the inability to correctly recognize, process, distinguish, interpret or accept one or more dates or times. An example is the inability of computer software to recognize the year 2000.

2. Any advice, consultation, design, evaluation, inspection, installation, maintenance, repair, replacement or supervision provided or done by or for an **Insured** to determine, rectify or test for, any potential or actual problems described in paragraph1 of this exclusion.

U. Loss of or injury to animals except as named in a specific endorsement;

IV. EXTENSIONS OF COVERAGE

A. Extra Expense

It is agreed that if the **Member's** property is damaged or destroyed during the period of this **Coverage Agreement** so as to necessitate incurring Extra Expense (as defined below) the **Mutual** shall be liable for the Extra Expense so incurred, not exceeding the actual loss sustained, for not exceeding such length of time, hereinafter referred to as the **Period of Restoration**.

It is further agreed that this extension in coverage shall not operate to increase the **Mutual's** limits of liability here under.

Definitions that Apply to Extra Expense:

1. The term **Extra Expense** means the excess (if any) of the total cost incurred during the Period of Restoration chargeable to the operation of the **Member's** business, over and above the total cost

that would normally have been incurred to conduct the business during the same period had no damage or destruction occurred.

Any salvage value of **Property** obtained for temporary use during the period of restoration, which remains after the resumption of normal operations, shall be taken into consideration in the adjustment of any loss hereunder.

2. The term **normal** means the condition that would have existed had no loss occurred.

3. The word **month** means 30 consecutive days.

4. **Period of restoration** means such length of time commencing with the date of damage and not limited by the date of expiration of the **Coverage Agreement**, as would be required with the exercise of due diligence and dispatch to repair, rebuild or replace such part of the **Member**'s **Property** as has been damaged or destroyed.

Conditions that Apply to Extra Expense:

1. RESUMPTION OF OPERATIONS: It is a condition of the **Coverage Agreement** that as soon as practical, the **Member** shall resume normal operations of the business and shall dispense with such Extra Expense.

2. INTERRUPTION BY CIVIL AUTHORITY: Liability hereunder is extended to include actual loss as covered hereunder, sustained during the period of time, not exceeding two weeks, when as a direct result of peril covered against, access to the premises in which the **Property** described is located is prohibited by order of civil authority.

Exclusions that Apply to Extra Expense:

In addition to the general exclusions of this **Coverage Agreement**, the **Mutual** shall not be liable for Extra Expense resulting from:

1. The suspension, lapse or cancellation of any lease, license contract or order beyond the period of restoration.

2. Interference at a premises by strikers or other persons with rebuilding, repairing or replacing the **Property** damaged or destroyed, or with the resumption or continuation of business.

3. Enforcement of any local or state ordinance or law regulating construction, repair, or demolition of buildings or structures.

Further, the **Mutual** shall not be liable for:

4. More than the amount set forth in the limits of liability for each premises;

5. Loss of income;

6. The cost of repairing or replacing any of the real or personal property covered hereunder, or the cost of research or other expense necessary to replace or restore damaged or destroyed books of account, abstract drawings, card index systems or other records, (including files, tape, disc, drum, cell or other magnetic recording or storage media for electronic data processing), that have been damaged or destroyed by the perils covered against, except cost in excess of the normal cost of such repair, replacement or restoration necessarily incurred for the purpose of reducing loss under the **Coverage Agreement**. In no even shall such excess cost exceed the amount by which the total extra expense loss otherwise payable under this **Coverage Agreement** ensues from theft or attempted theft, and the **Mutual** shall be liable for only such ensuing loss; or

7. Loss resulting from theft of any **Property** which at the time of loss is not an integral part of building or structure (except direct loss by pillage and looting occurring during and at the immediate place of a riot or civil commotion), unless loss by a peril not excluded in this **Coverage Agreement** ensues from theft or attempted theft, and then the **Mutual** shall be liable for only such ensuing loss.

B. Electronic Data Processing Equipment

Property Covered:

1. Data processing systems including equipment and component parts thereof owned by the **Member** or leased, rented or under the control of the **Member**.

2. This **Agreement** insures against the necessary Extra Expense, as defined in this section, incurred by a **Member** in order to continue as nearly as practicable the normal operation of its business, immediately following damage to or destruction of a data processing system including equipment and component parts and

data processing media which is owned, leased, rented or under the control of the **Member**, as a result of all risks of physical loss or damage. In no event shall the insured loss exceed the amount indicated in the limits of this **Coverage Agreement**.

3. This coverage includes actual losses sustained during the period of the **Agreement** including losses where the **Property** is so damaged that access to the **Property** is prevented or when the air conditioning system or electrical system necessary for the operation of the data processing equipment is so damaged that the **Member's** ability to perform normal operations is reduced or suspended.

Property Excluded:

1. Active data processing media which is hereby defined as meaning all forms of converted data and/or program and/or instruction vehicles employed in the **Member's** data processing operation;

2. Accounts, bills, evidences of debt, valuable papers, records, abstracts, deeds, manuscripts, or other documents;

3. **Property** rented or leased to others while away from the premises of the **Member**.

Perils Covered:

This **Agreement** covers against all risks or direct physical loss or damage to the **Property** covered, except as hereinafter provided.

Perils Excluded:

This extension does not cover against loss, damage or expense caused directly or indirectly by:

1. Damage due to mechanical failure, faulty construction, error in design unless fire or explosion ensues, and then only for loss, damage or expense caused by the ensuing fire or explosion;

2. Any dishonest, fraudulent or criminal act by any **Insured**, a partner therein or an officer, director or trustee thereof, whether acting alone or in collusion with others;

Valuation:

Replacement cost - The **Mutual** shall not be liable beyond the actual replacement cost of the **Property** at the time any loss or damage occurs and the loss or damage shall be ascertained or estimated on the basis of the actual cash replacement cost of **Property** similar in kind to that covered at the place of and immediately preceding the time of the loss or damage, but in no event to exceed the limit of liability stipulated in the General Coverage Declarations of this **Coverage Agreement**.

Difference In Conditions:

It is a condition of this coverage that the **Member** shall file with the **Mutual** a copy of any lease or rental agreement pertaining to the property covered hereunder insofar as concerns the lessors' liability for loss or damage to the **Property,** coverage afforded hereunder shall be only for the difference in conditions between those contained in said lease or rental agreement and the terms of the extension. The **Member** agrees to give the **Mutual** 30 days notice of any alteration, cancellation or termination of the above mentioned lease or rental agreement pertaining to the lessors' liability.

C. Valuable Papers and Records

Conditions that Apply to Valuable Papers:

1. The **Mutual** agrees to pay for the loss or damage to valuable papers and records.

2. This extension covers all risks of direct physical loss of, or damage to, valuable papers and records, except as hereinafter provided, which occur during the period of coverage.

Protection of Valuable Papers and Records:

Coverage under this extension shall apply only while the **Member's** valuable papers and records are contained in the premises of the **Member**, and shall be kept in protective receptacles at all times when the premises are not open for business, except while the valuable papers and records are in actual use.

Automatic Extension:

The coverage afforded by this section of the **Agreement** applies while the valuable papers and records are being conveyed outside the premises and while temporarily within other premises, except for storage.

Removal:

The coverage afforded by this section of the **Agreement** applies while the valuable papers and records are being removed to and while at a place of safety because of imminent danger of loss and while being returned from that place, provided the **Member** gives written notice to the **Mutual** of the removal within 10 days thereafter.

Ownership of Valuable Papers and Records. Interest Covered:

Valuable papers and records that are covered may be owned by the **Member** or held by the **Member** in any capacity; provided, the coverage applies only to the interest of the **Member** in the valuable papers and records, including the **Member's** liability to others, and does not apply to the interest of any other person or organization in any of the valuable papers and records unless included in the **Member's** proof of loss.

Limits of Liability, Valuation, Settlement Option:

The limit of the **Mutual's** liability for loss shall not exceed the actual cash value of the valuable papers and records at the time of loss nor what it would then cost to repair or replace the valuable papers and records with others of like kind and quality, nor the applicable limit of coverage. The **Mutual** may pay for the loss in money or may repair or replace the valuable papers and records and may settle any **Claim** for loss of the valuable papers and records either with the **Member** or the owner thereof.

Application of the coverage to valuable papers and records of more than one person shall not operate to increase the applicable limit of coverage.

Notice to any representative or knowledge possessed by any representative or by any other person shall not effect a waiver or a change in any part of this extension or stop the **Mutual** from asserting any right under the terms of this extension nor shall the terms of this extension be waived or changed, except by endorsement issued to form a part of this extension.

Definition of Valuable Papers:

The term "valuable papers and records" means written, printed or otherwise inscribed documents and records, including books, maps, films, drawings, abstracts, deeds, mortgages and manuscripts, but does not mean **Money** or **Securities**.

Exclusions That Apply to Valuable Papers:

This section does not provide coverage for:

1. Loss or damage due to any dishonest, fraudulent or criminal act by any **Insured**, or any officer, director or trustee of the **Member**, whether acting alone or in collusion with others.

2. Loss of or damage to **Property**, if that **Property** cannot be replaced with like kind or quality.

3. Loss of or damage to **Property** held as samples or for sale or delivery after sale.

4. Loss due to electrical or magnetic injury, disturbance or erasure of electronic recordings, except by lightning.

D. Accounts Receivable

In consideration of the **Member** contribution paid and subject to the terms, conditions and exclusions of this **Agreement**, and to the following terms, conditions and exclusions, this coverage description is extended to cover:

1. Subject of Coverage:

   a) All sums due to the **Member** from customers and others provided the **Member** is unable to effect collection thereof as the direct result of loss of or damage to records of accounts receivable.

   b) Interest charges on any loan to offset impaired collections pending repayment of such sums made uncollectable by such loss or damage.

   c) Collection expenses in excess of normal collection costs and made necessary because of the loss or damage.

   d) Other expenses, when reasonable incurred by the **Member** in re-establishing records of accounts receivable following loss or damage.

2. Perils Covered:

All risks of direct physical loss or damage to the **Member's** records of accounts receivable occurring during the period of this **Coverage Agreement**, except as specified in this section.

3. Perils Excluded:

This extension does not cover against:

a) Loss due to any fraudulent, dishonest or criminal act by any **Insured** or an officer, director or trustee of the **Member**, whether acting alone or in collusion with others.

b) Loss due to bookkeeping, accounting or billing errors or omissions.

c) Loss, the proof of which as to factual existence, is dependent upon an audit of records or an inventory computation; but this shall not preclude the use of such procedures in support of **Claim** for loss, which the **Member** can prove through evidence, is due solely to a risk of loss to records of accounts receivable not otherwise excluded hereunder.

d) Loss due to alteration, falsification, manipulation, concealment, destruction or disposal of records of accounts receivable committed to conceal the wrongful giving, taking, obtaining or withholding of **Money**, **Securities** or other **Property** but only to the extent of such wrongful giving, taking, obtaining or withholding.

e) Loss due to electrical or magnetic injury, disturbance or erasure of electronic recordings, except by lightning.

4. Sum Covered:

The **Mutual** shall not be liable under this extension for more than the respective sum covered stated in the declarations in respect of each loss or series of losses arising out of one event.

5. Conditions:

After payment of loss, all amounts recovered by the **Member** on accounts receivable for which the **Member** has been indemnified shall belong to and be paid to the **Mutual** by the **Member** up to the total amount of loss paid by the **Mutual**, but all recoveries in excess of those amounts shall belong to the **Member**.

6. Determination of Receivables, Deductions:

When there is proof that a loss covered by this extension has occurred but the **Member** cannot accurately establish the total amount of accounts receivable outstanding as of the date of such loss, such amount shall be based on the **Member's** monthly statements and shall be computed as follows:

a) Determine the amount of all outstanding accounts receivable at the end of the same fiscal month in the year immediately preceding the year in which the loss occurs;

b) Calculate the percentage of increase or decrease in the average monthly total of accounts receivable for the twelve months immediately preceding the month in which the loss occurs, or such part thereof for which the **Member** has furnished monthly statements to the **Mutual** as compared with the average for the same months of the preceding year;

c) The amount determined under a), increased or decreased by the percentage calculated under subsection b), shall be the agreed total amount of accounts receivable as of the last day of the fiscal month in which the loss occurred;

d) The amount determined under subsection c) above, shall be increased or decreased in conformity with the normal fluctuations in the amount of accounts receivable during the fiscal month involved, due consideration being given to the experience of the business since the last day of the last fiscal month for which the statement has been rendered.

There shall be deducted from the total amount of accounts receivable, however established, the amount of the accounts evidenced by records not lost or damaged, or otherwise established or collected by the **Member**, and an amount to allow for probable bad debts which would normally have not been collectable by the **Member**. All unearned interest and service shall be deducted.

E. Property In Transit

Coverage for **Property** In Transit:

In consideration of the **Member** contribution paid and subject to the terms, limits and conditions of this **Agreement**, and to the following conditions and exclusions, coverage is extended to: personal property of the **Member** or **Property** held by

the **Member** in trust or on commission or on consignment for which the **Member** may be held legally liable while in due course of transit within the limits of the continental United States of America (excluding Hawaii) and Canada, against all risks of direct physical loss or damage to the **Property** covered occurring during the period of this **Coverage Agreement** (including general average and salvage charges on shipments covered while waterborne).

Exclusions that Apply to Transit:

1. This extension does not cover against:

a) Loss or damage to personal property resulting from shrinkage, evaporation, loss of weight, leakage, breakage of glass or other fragile articles, marring, scratching, exposure to light, or change in color, texture or flavor, unless such loss is caused directly by fire or the combating thereof, lightning, windstorm, hail, explosion, strike, riot or civil commotion, aircraft, vehicles, breakage of pipes or apparatus, sprinkler leakage, vandalism and malicious mischief, theft or attempted theft.

b) Loss of use, delay or loss of markets.

c) Loss or damage caused by or resulting from misappropriation, conversion, infidelity or any dishonest act on the part of the **Member** or other party of interest, the **Member's** employees or agents or others to whom the **Property** may be delivered or entrusted (carriers for hire excepted).

d) Loss or damage caused by breakdown or derangement of refrigerating units.

e) Accounts, bills, currency, **Money**, notes, **Securities**, deeds, evidences of debt and valuable papers.

f) Vehicles designed for highway use.

g) Data processing equipment and media, including but not limited to film, tape, disc, drum, cell and other recording or storage media for data processing.

h) **Property** in due course of ocean marine transit.

i) Shipments by mail after delivery into the custody of the Post Office.

Conditions that Apply to Transit:

1. The **Member** may accept without prejudice to this **Coverage Agreement** the ordinary bills of lading or receipts issued by carriers including those constraining released or partially released value provisions, but the **Member** shall not enter into any special agreement with carriers releasing them from their common law or statutory liability.

2. **Property** covered by this section shall be valued as follows:

   a) Sold **Property** at the actual net invoice price of the **Member**;

   b) Unsold **Property** at the actual cash value of the **Property** at the time the loss or damage occurs with proper deduction for depreciation and in no event to exceed what it would cost to repair or replace the **Property** with material of like kind and quality.

F. Loss of Rents

It is hereby understood and agreed that subject to all terms, conditions and exclusions otherwise applicable to Section 1 - Property Coverage, Part 1, Item A, of this **Coverage Agreement** is extended to cover loss of rents directly resulting from the necessary untenantability of a covered building caused by damage to the building or its contents by a peril covered against, and for which a limit of liability for loss to rents has been specified in the declarations.

If the described building or any part of the building, whether rented at the time or not, shall be rendered untenantable by the perils covered against, the **Mutual** shall be liable to the **Member** for an amount not exceeding the actual loss sustained based upon loss of rents of such untenantable parts, not exceeding the limit of liability covering against loss of rents, not for more than one-twelfth of such limit when in the declarations for any one month, and proportionate part thereof for any period less than one month. In case any portion of the building is occupied and used by the **Member**, this **Coverage Agreement** shall extend to and cover the rental value of that portion in the same manner as if under lease to a tenant.

Liability under this **Coverage Agreement** is extended to include actual loss as sustained during the period of time, not exceeding two weeks, when as a direct

result of a peril covered against, access to the **Member's** locations are prohibited by order of civil authority.

The **Mutual** shall not be liable for any increase of loss, which may be occasioned by the suspension, lapse or cancellation of any lease, license or contract, nor for any increase or loss due to interference at the **Member's** locations by strikers or other persons with regard to restoration of the premises to a tenantable condition.

For the purpose of this **Coverage Agreement**, the term "Rents" shall mean the determined rents and rental value, less the charges and expenses that do not necessarily continue after **Occurrence** of the peril.

G. Debris Removal

Debris removal is limited to 25% of the total **Property Damage** loss. This **Coverage Agreement** also covers, within the sum covered:

1. Expenses incurred in removal from the premises of the **Member** of debris of the covered **Property** destroyed or damaged; and

2. The cost of clean up at the premises made necessary as result of the loss or damage. It is a condition precedent to recovery under this extension that the **Mutual** shall have paid or agreed to pay for physical loss or damage and that the **Member** shall give notice to the **Mutual** of the intent to file a **Claim** for cost of removal of debris or cost of clean up **NO LATER THAN 12 MONTHS AFTER THE DATE OF SUCH PHYSICAL LOSS OR DAMAGE.**

H. Unnamed Locations

It is hereby understood and agreed that subject to the limits of coverage and all terms, conditions and exclusions of this **Agreement**, coverage is extended to real property that is not listed on the **Member's** stated value of Property Schedule, and not otherwise covered, for direct physical loss or damage.

V. SUMMARY OF CRIME COVERAGES

A. Money and Securities

Property Covered:

Money and **Securities** inside the premises or outside the premises or in banking premises are covered under this **Agreement**.

Perils Insured:

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

Coverage Description:

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

1. 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.

2. **Money** and **Securities** outside the premises in the care and custody of a messenger.

3. Loss of **Property** covered 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.

Exclusions:

1. 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) **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 **Property** while outside the premises or in banking premises or in the care and custody of a messenger if the **Member**:

      (i) Had no knowledge of any threat at the time the conveyance began; or

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

b) Loss resulting from the giving or surrendering of **Property** in any exchange or purchase.

c) Loss of **Property** in any **Money** operated device unless the amount of **Money** deposited in it is recorded by a continuous recording instrument in the device.

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.

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

Coverage Description:

The **Mutual** 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.

Perils Covered:

Forgery or alteration of, on or in any covered instrument.

Coverage Description:

The **Mutual** 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 **Mutual** 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.

Additional Conditions:

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

2. For the purposes of this coverage section, the word Instrument has the same meaning as covered **Property**.

3. 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. Employee Dishonesty

Coverage Description:

The **Mutual** 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.

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.

Faithful Performance:

The **Mutual** 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.

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.

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:

1. Loss caused by any county official required to be individually bonded or insured under Utah Code Ann. §17-16-11 (1995);

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

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

4. Legal expenses for any indirect loss.

LIABILITY SECTION

PART A — GENERAL LIABILITY

I. COVERAGE AGREEMENTS

The **Mutual** agrees to pay those sums that the **Insured** becomes legally obligated to pay as **Money Damages** because of **Bodily Injury, Property Damage, Personal Injury** or **Law Enforcement Personal Injury** to which this coverage applies. The **Bodily Injury, Personal Injury** or **Law Enforcement Personal Injury** or **Property Damage** must be caused by an **Occurrence**. This coverage includes but is not limited to **Host/Liquor Liability, Products Liability, Completed Operations, Incidental Malpractice** and **Law Enforcement Activities.**

Notwithstanding the Agreements above, the **Mutual** shall not be liable to pay on behalf of or indemnify the **Insured** for any sum which the **Insured** shall be obligated to pay if a judgment or final adjudication in any action brought against the **Insured** shall be based on a determination that acts of fraud or dishonesty were committed by the **Insured.**

II. DEFINITIONS THAT APPLY TO GENERAL LIABILITY

"Completed Operations" means **Bodily Injury** or **Property Damage** arising out of operations or reliance upon a representation or warranty made at anytime with respect thereto, but only if the **Bodily Injury** or **Property Damage** occurs after the operations have been completed or abandoned and occurs away from premises owned by or rented to the **Member**. Operations include materials, parts or equipment furnished in connection therewith. Operations shall be deemed completed at the earliest of the following times:

A. When all operations to be performed by or on behalf of the **Member** under the contract have been completed, or

B. When all operations to be performed by or on behalf of the **Member** at the site of the operations have been completed, or

C. When the portion of the work out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.

Operations which may require further service or maintenance work, or correction, repair or replacement because of any defect or deficiency, but which are otherwise complete, shall be deemed completed.

"Host/Liquor Liability" means indemnification for the **Insured's** liability for the sale or distribution of alcoholic beverage.

"Incidental Malpractice" means emergency medical services rendered or which should have been rendered to any person or persons (other than Employees of the **Member** injured during the course of their employment) by any duly qualified medical practitioner, nurse, technician or other employee employed by and acting on behalf of the **Member**. This coverage does not apply to persons rendering medical care pursuant to a contract with the **Named Member**.

"Money Damages" means all sums recoverable by law from any liability covered under this **Agreement** excluding punitive damages, but not including any sums awarded for plaintiff's attorney fees under 42 U.S. Code, Section 1988 in any case in which monetary damages are not specifically sought or not awarded.

"Products Liability" means **Bodily Injury** or **Property Damage** arising out of the **Member's** products or reliance upon a representation or warranty made at any time with respect thereto, but only if the **Bodily Injury** or **Property Damage** occurs away from premises owned by or rented to the **Member** and after physical possession of such products has been relinquished to others.

"Suit" means an action in which a complaint, requesting **Money Damages** to which this insurance applies, has been filed in court. **"Suit"** also includes an alternative dispute resolution proceeding alleging such damages to which the insured must submit or submits with both our consent, and our agreement to pay for defense.

III. EXCLUSIONS APPLICABLE TO GENERAL LIABILITY

The **Mutual** will provide a defense and indemnification, subject to a reservation of all exclusions and defenses, to any **Member's** public official, employee or authorized volunteer who is alleged to have committed an act of sexual harassment. In no event shall indemnity be provided for any damages awarded against a **Member's** public official, employee or authorized volunteer where it is determined by the court that the claimant was willfully and intentional sexually and physically abused or molested.

In addition to the general exclusions of this **Coverage Agreement,** this section does not apply to:

A. Any **Claim** for damages, whether direct or consequential, or for any cause of action which is covered under any other section of this **Agreement**.

B. **Bodily Injury, Personal Injury, Law Enforcement Personal Injury** or **Property Damage** intended or expected from the standpoint of the **Insured**. This exclusion does not apply to **Bodily Injury, Personal**

Injury or Law Enforcement Personal Injury resulting from the use of reasonable force to protect persons or property.

C. The withdrawal, inspection, repair, replacement, or loss of use of the **Member's** products or work completed by or on behalf of the **Member** or of any **Property** of which such products or work form a part, if such products, work or **Property** are withdrawn from the market, or from use, because of any known or suspected defect or deficiency therein.

D. Any liability arising out of the operation of any aircraft, airport or any other aviation activities.

E. Any obligation for which the **Member** may be held liable under any workers' compensation, unemployment compensation, disability benefits law, employers liability or under any similar law or to bodily injuries to any employee or to any liability for indemnity or contribution brought by any party for bodily injuries to any employee.

F. **Bodily Injury, Property Damage, Personal Injury, Law Enforcement Personal Injury** or any other damages whatsoever caused by the maintenance, operation or use of an **Automobile**.

G. Any investigatory, disciplinary or criminal proceedings against an individual **Insured** except that the **Mutual** may at its own option assign counsel in the defense of any such investigatory, administrative or disciplinary proceeding. Should the **Mutual** elect to assign counsel that shall not constitute a waiver or estoppel of any rights the **Mutual** may have pursuant to the terms, conditions, exclusions, and limitations of this **Agreement**.

H. Any **Claim** arising out of a dishonest, fraudulent or criminal act. The Mutual may elect to defend an **Insured** until it is determined that the **Claim** did arise out of a dishonest, fraudulent or criminal act without a waiver of any rights under this **Agreement**.

I. Any **Claim** seeking relief or redress, in any form other than **Money Damages**, and for fees or expenses relating to **Claims**, demands or actions seeking relief in any form other than **Money Damages**. This exclusion includes but is not limited to all costs incurred to comply with injunctive relief ordered under the Americans with Disabilities Act but shall not apply to **Claims** for monetary damages under the Americans with Disabilities Act.

J. To any **Claim** for back pay, overtime pay or other incidents of compensation or benefits due to a **Member's** employees.

K. To any **Claim** arising out of a breach of contract.

L. To medical or hospital expenses or costs incurred by the **Insured** in providing or furnishing medical aid or treatment to an inmate or detainee at a jail or correctional facility as a result of the **Insured's** statutory or constitutional obligation to furnish medical or hospital care to an inmate or detainee within its physical custody; this exclusion does not apply to **Claims** brought by an inmate alleging the **Insured**, through the acts or omissions of its representatives or employees, caused injury to an inmate or violated his constitutional or civil rights by not providing medical care or treatment.

M. **Employment Related Practices**.

N. Any liability arising out of the operation of the principals of eminent domain, condemnation proceedings or **Claims**, inverse condemnation claims, or regulatory taking by whatever name called, whether that liability accrues directly against the Insured or by virtue of any agreement entered into, by or on behalf of the Member. **Claims** alleging civil rights or statutory violations arising out of any of the listed principals, **Claims** or proceedings are also excluded.

IV. SPECIFIC CONDITIONS LIABILITY SECTION

A. Cross Liability

1. In the event of liability being incurred by reason of injury suffered by any employee of one **Member** which does not arise out of the injured employee's employment, for which another **Member** is liable, then this **Agreement** shall indemnify the **Member** for that liability in the same manner as if separate agreements had been issued to each **Member**.

2. In the event of liability being incurred by reason of **Property Damage** to **Property** belonging to any **Member** for which another **Member** is liable, then this **Agreement** shall indemnify the **Member** in the same manner as if separate agreements had been issued to each **Member**.

3. Nothing contained in this condition shall operate to:

a) Increase the **Mutual's** limits of liability; or

b) Include coverage for a **Member** who sustains **Property Damage** as a consequence of its own employee's acts.

B. Defense, Judgment and Settlement

The **Mutual** has the right and duty to defend any **Suit** against the **Insured** claiming **Money Damages** for which coverage is afforded under this **Agreement** for an **Occurrence** during the **Agreement** period, even if any of the allegations of the suit are groundless, false, or fraudulent, and may make such investigation and settlement of any **Claim** or suit as it deems expedient. The **Mutual** has the right to select counsel; however, an **Insured** may hire co-defense counsel, at **Insured**'s expense, to assist in the defense of **Claims**, provided the attorney selected by the **Mutual** shall be lead counsel. The **Mutual's** duty to defend shall arise when the complaint or **Claim** alleges facts, which would obligate the **Mutual** to indemnify the insured if the alleged facts were proven. The **Mutual** will only be responsible for payment of that portion of a settlement or judgment, which relates to **Claims** for which coverage is afforded under the terms of this **Agreement**. Provided, however, the **Mutual** shall not be obligated to pay any settlement or judgment or to defend any suit after the applicable limits of liability have been exhausted.

The limits of liability set forth in the General and Auto Liability Sections shall include all costs, attorney's fees and expenses awarded to an adverse party in a litigated or contested **Claim**. All costs, attorney's fees and expenses incurred in the defense of a litigated or contested **Claim**, shall be excess of the limits of liability set forth.

In the event of bankruptcy or insolvency of the **Member**, such bankruptcy or insolvency may not diminish the coverage provided by this section regarding third parties. If execution against the **Insured** is returned unsatisfied, an action may be maintained against the **Mutual** to the extent that the liability is covered by this section.

V. LIMIT OF LIABILITY

The **Mutual's** liability for damages as the result of any one **Occurrence** is limited as described in the Limits of Coverage of this **Agreement** less the amount of the **Insured's** deductible.

For the purpose of determining the limit of liability, all damages arising out of continuous or repeated exposure to substantially the same general conditions shall be considered as arising out of one **Occurrence**.

PART B — PUBLIC OFFICIALS ERRORS & OMISSIONS LIABILITY

I. COVERAGE AGREEMENTS

The **Mutual** agrees, subject to the limitations, terms and conditions of this **Agreement**, to defend any **Suit** and pay on behalf of the **Insured** all **Money Damages** incurred by the **Insured** by reason of any **Wrongful Act** arising out of any **Claim** first made during the period of this **Coverage Agreement,** or any applicable extended reporting period.

The **Mutual** will pay on behalf of the **Insured, Money Damages** and expenses incurred by the **Mutual**, the cost of attachment or similar bonds (but without any obligation on the part of the **Mutual** to apply for or furnish such bonds), and costs, charges and expenses incurred in connection with any governmental investigation provided that a **Claim** is brought against the **Insured** for a **Wrongful Act** that is or was a subject of a governmental investigation, and that **Claim** is otherwise covered by this **Agreement**.

II. EXCLUSIONS APPLICABLE TO ERRORS & OMISSIONS LIABILITY

In addition to the general exclusions of this **Coverage Agreement**, this section shall not apply to any **Claim** made against the **Insured**:

A. Based upon or attributable to them gaining in fact any personal profit or advantage to which they were not legally entitled including remuneration paid in violation of law as determined by the courts.

B. Brought about or contributed to by fraud, dishonesty or criminal act of any **Insured**.

C. Based upon or attributable to the rendering or failure to render any opinion, treatment, consultation or service if that opinion, treatment, consultation or service was rendered or failed to have been rendered while the **Insured** was engaged in any activity for which they received compensation from any source other than as a public entity or an employee of a public entity.

D. Arising out of estimates of probable costs or cost estimates being exceeded or for faulty preparation of bid specifications or plans or to injury to, destruction or disappearance of any tangible Property (including Money) or the loss of use thereof.

E. Arising out of the failure to supply a specific amount of electrical power or fuel arising out of the interruption of the electrical power or fuel supply.

F. For which the **Insured** is entitled to indemnity and/or payment by reason of having given notice of any circumstances which might give rise to a **Claim** under any agreement or agreements the term of which has commenced prior to the inception date of this **Agreement**.

G. Arising out of or in any way involving any employee benefit plan of the **Member**.

H. For any **Claim** covered under the General Liability section.

I. For any liability arising out of or in any way connected with the operations of the principles of eminent domain, condemnation proceedings or **Claims**, inverse condemnation, inverse condemnation proceedings or regulatory taking, by whatever name called, whether such liability accrues directly against the **Insured** or by virtue of any agreement entered into by or on behalf of the **Member**. **Claims** alleging civil rights violations arising out of any of the above listed principals, **Claims** or proceedings, are also excluded.

However, a defense will be provided, up to a maximum of $25,000 for **Suits** alleging inverse condemnation, but only for claims arising out of or in any way connected with the operations of the principles of eminent domain, condemnation proceedings or regulatory takings, by whatever name called. Such defense limits shall be eroded by the costs of defending other claims, whether covered or not covered under this Agreement, included in the same **Suit** or arising from the same **Occurrence**.

Liability coverage under this Agreement is provided for monetary damages arising from a decision by the **Member** or its officers or Employees to issue or not issue certificates of occupancy, business licenses, alcoholic beverage licenses, or licenses the **Member** is authorized by law to issue.

J. Any liability arising out of the operation of any aircraft, airport or any other aviation activities.

K. Seeking relief or redress in any other form other than **Money Damages**, and for fees or expenses relating to **Claims**, demands or actions seeking relief in any form other than **Money Damages**. This exclusion includes but is not limited to all costs incurred to comply with injunctive relief ordered under the Americans with Disabilities Act but shall not apply to **Claims** for **Money Damages** under the American with Disabilities Act.

L. Arising out of a breach of contract other than an implied-in-fact employment contract.

PART C — EMPLOYEE BENEFITS LIABILITY

I. COVERAGE AGREEMENTS

In consideration of the **Insured** contribution charged and subject to the terms, exclusions and definitions of this **Agreement**, the **Mutual** agrees to pay on behalf of the **Insured** all sums which the **Insured** shall become legally obligated to pay as a result of **Money Damages** sustained by an employee, prospective employee, former employee or the beneficiaries or legal representatives thereof in the administration of the **Member**'s employee benefit programs as defined in this section and caused by any negligent act, error or omission by the **Insured** or any other person for whose acts the **Member** is legally liable, occurring during the coverage period and then only if **Claim** is made or **Suit** is brought during the coverage period or as defined under General Coverage Conditions.

II. DEFINITIONS

"Employee Benefit Programs" means group life insurance, group health insurance, profit sharing plans, pension plans, employee stock subscription plans, workers compensation, unemployment insurance, social security, disability benefits insurance and travel, savings or vacation plans.

The unqualified word **"Administration"** wherever used means:

A. Giving counsel to employees with respect to the employee benefits program;

B. Interpreting the employee benefit programs;

C. Handling records in connection with the employee benefits program; or

D. Effecting the enrollment, termination or cancellation of employees under the employee benefits programs; provided all such acts are authorized by the **Member**.

III. EXCLUSIONS APPLICABLE TO ERRORS & OMISSIONS AND EMPLOYEE BENEFITS LIABILITY

In addition to the general exclusions of this **Coverage Agreement,** Employee Benefits Liability does not apply to:

A. Any dishonest, fraudulent, criminal or malicious act, libel, slander, discrimination or humiliation.

B. **Bodily Injury** to, or sickness, disease, or death, of any person, or to injury to or destruction of any tangible property including the loss of use thereof.

C. Any **Claim** for failure of performance of contract by any insurer, including failure of any employee benefit program.

D. Any **Claim** based upon the **Insured's** failure to comply with any law concerning workers' compensation, unemployment insurance, social security or disability benefits.

E. Any **Claim** based upon:

1. Failure of stock to perform as represented by any **Insured**;

2. Advice given by an **Insured** to an employee to participate or not to participate in stock subscription plans;

3. The investment or non-investment of funds.

F. Any **Claim** resulting from an **Occurrence,** which commences prior to the **Retroactive Date,** set in the General Coverage Declarations.

G. In the event of bankruptcy or insolvency of the **Member**, such bankruptcy or insolvency may not diminish the coverage provided by this section regarding third parties. If execution against the **Insured** is returned unsatisfied, an action may be maintained against the **Mutual** to the extent that the liability is covered by this section.

AUTOMOBILE LIABILITY SECTION

I. COVERAGE AGREEMENTS

The **Mutual** agrees to pay for those sums, which the **Insured** becomes legally obligated to pay as damages because of **Bodily Injury** or **Property Damage** arising out of the ownership, maintenance or use of any **Member** owned **Automobile**, or **Hired Auto**, subject to the limitations, terms and conditions of this **Coverage Agreement**. The **Claim** or lawsuit must be the result of an **Accident** and be brought solely by reason of bodily injury (including death resulting at any time from the **Accident**) or damage or destruction of property or its loss of use arising out of the ownership, maintenance or use of an **Automobile**.

II. EXCLUSIONS THAT APPLY TO AUTO LIABILITY

In addition to the general exclusions of this **Coverage Agreement**, this **Agreement** does not cover:

A. Any **Claim** for damages or for any cause of action, which is covered under any other section of this **Agreement**.

B. Any obligation for which the **Member** may be held liable under any workers' compensation, unemployment compensation, disability benefits law, employer's liability or under any similar law or for bodily injuries to any employee or for any liability for indemnity or contribution brought by any party for bodily injuries to any employee.

C. Any **Claim** arising out of any dishonest, fraudulent or criminal act. The **Mutual** may elect to defend an **Insured** until it is determined that the **Claim** did arise out of a dishonest, fraudulent or criminal act without a waiver of any rights under this **Agreement**.

D. Any **Claim** seeking relief or redress, in any form other than **Money Damages** and fees or expenses related to **Claims**, demands or actions seeking relief in any form other than **Money Damages** are excluded, except as added by separate endorsement.

E. **Bodily Injury** or **Property Damage** expected or intended from the standpoint of the **Insured**.

III. SPECIFIC CONDITIONS — AUTO LIABILITY

A. In the event that liability is incurred by reason of **Bodily Injury** suffered by any employee of a **Member** which does not arise out of the injured employee's employment and for which another **Member** is liable, then this **Agreement** shall indemnify the **Member** for that liability in the same manner as if separate agreements had been issued to each **Member**.

B. In the event that liability is incurred by reason of **Property Damage** to property belonging to any **Member** for which another **Member** is liable, then this **Agreement** shall indemnify the **Member** in the same manner as if separate agreements had been issued to each **Member**.

Nothing contained in this condition shall operate to increase the **Mutual's** limits of liability.

Utah Association of Counties Insurance Mutual

Endorsements

Endorsement No. 1

Named Members

This endorsement attaches to and forms part of Policy No. UACIM-03.100

The effective date of this endorsement is January 1, 2003.

It is understood and agreed that Utah Association of Counties Insurance Mutual is comprised of the following participating **Members**:

Beaver County
Box Elder County
Cache County
Carbon County
Daggett County
Davis County
Duchesne County
Emery County
Garfield County
Grand County
Iron County
Juab County
Kane County
Millard County
Morgan County
Piute County
Rich County
San Juan County
Sanpete County
Sevier County
Uintah County
Utah County
Wasatch County
Washington County
Wayne County
Weber County

Subject otherwise to all terms, clauses and conditions of this policy.

Utah Association of Counties Insurance Mutual

Endorsements

Endorsement No. 2

Utah Governmental Immunity Act Endorsement

This endorsement attaches to and forms part of Policy No. UACIM-03.100

The effective date of this endorsement is January 1, 2003.

It is hereby understood and agreed that coverage will apply to claims and actions for which immunity is not available under, or is waived by the **INSURED** or by a **Member,** the Utah Governmental Immunity Act, Utah Code Ann. §63-30-1 et. seq. (1997 & Supp.1998), as amended from time to time, and to defense and supplementary payments only as defined in this **Agreement**, for such claims and actions. Notwithstanding, any such waiver of the Utah Governmental Immunity Act, as amended from time to time, must be approved by the **Mutual** and the **Member** for coverage to attach in excess of the applicable immunity limits.

All other terms and conditions remain unchanged.

Utah Association of Counties Insurance Mutual

Endorsements

Endorsement No. 3

Personal Injury Protection Endorsement

This endorsement attaches to and forms part of Section III – Auto Liability, Policy No. UACIM-03.100.

The effective date of this endorsement is January 1, 2003.

This endorsement provides personal injury protection coverage required by Utah Code Ann. §31A-22-307 (1994), applicable to the operation and use of **Member** owned **Automobiles** and **Hired Autos**.

SCHEDULE

Benefits	Limits
Medical	$3,000 per person
Loss of Income	The lesser of $250 per week or 85% of any loss of gross income; and a special damage allowance not exceeding $20 per day, for services actually rendered or expenses reasonably incurred for services that, but for the injury, the injured person would have performed for his household
Funeral Expense	$1,500 per person
Survivor Loss	$3,000 per person

This endorsement provides only those personal Injury protection coverages required by Utah Code Ann. §31A-22-307 (Sup. 2001) and related sections of chapter 22. The definitions of chapter 22 and restrictions permitted by that chapter for personal injury protection, together with all other terms, conditions and exclusions of the policy apply.

Utah Association of Counties Insurance Mutual

Endorsements

Endorsement No. 4

Uninsured Motorist Coverage Endorsement

This endorsement attaches to and forms part of Section III – Auto Liability, Policy No. UACIM-03.100.

The effective date of this endorsement is January 1, 2003.

This endorsement provides uninsured motorist coverage required by Utah Code Ann. §31A-22-304 and §31A-22-305 (1994 & Supp. 1998), applicable to the operation and use of **Member** owned automobiles and **Hired Autos**.

SCHEDULE

Benefits	Limits
Bodily Injury	$25,000 per person $50,000 per accident

This endorsement provides only those uninsured motorist coverages required by Utah Code Ann. §31A-22-304 and §31-22-305 (1999 & Supp. 2001), and related sections of chapter 22. The definitions of chapter 22 and restrictions permitted by that chapter for uninsured motorist coverage, together with all other terms, conditions and exclusions of the policy apply.

Utah Association of Counties Insurance Mutual

Endorsements

Endorsement No. 5

Underinsured Motorist Coverage Endorsement

This endorsement attaches to and forms part of Section III – Auto Liability, Policy No. UACIM-03.100.

The effective date of this endorsement is January 1, 2003.

This endorsement provides the underinsured motorist coverage required by Utah Code Ann. §31A-22-305 (Supp. 1998), applicable to the operation and use of **Member** owned automobiles and **Hired Autos**.

SCHEDULE

Benefits	Limits
Bodily Injury	$10,000 per person $20,000 per accident

This endorsement provides only those underinsured motorist coverages required by Utah Code Ann. §31-22-305 (Supp. 2001) and related sections of chapter 22. The definitions of chapter 22 and restrictions permitted by that chapter for underinsured motorist coverage, together with all other terms, conditions and exclusions of the policy apply.

Utah Association of Counties Insurance Mutual

Endorsements

Endorsement No. 6

Exclusion Of War, Military Action And Terrorism

The following is added under Part III, EXCLUSIONS, of the Property Coverage:

A. The Standard War and Military Action Clause(s) is replaced by the following Exclusion. With respect to any form, endorsement or coverage to which the War and Military Action Exclusion does not apply, that Exclusion is hereby added as follows:

1. **War and Military Action**

We will not pay loss and damage caused directly or indirectly by the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

a) War, including undeclared or civil war; or

b) Warlike action by a military force, including action hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or

c) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

With respect to any action that comes within the terms of this exclusion and involves nuclear reaction or radiation, or radioactive contamination, this War and Military Exclusion supercedes the Nuclear Hazard Exclusion.

The following Exclusion is added:

2. **Terrorism**

We will not pay for loss or damage caused directly or indirectly by terrorism, including action in hindering or defending against an actual or expected incident

of terrorism. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

Terrorism means activities against persons, organizations or property of any nature:

a) That involve the following or preparation for the following:

(1). Use or threat of force or violence;

(2). Commission or threat of a dangerous act; or

(3). Commission or threat of an act that interferes with or disrupts an electronic, communication, information, or mechanical system; and

b) When one or both of the following applies:

(1). The effect is to intimidate or coerce a government, or to cause chaos among the civilization population or any segment thereof, or to disrupt any segment of the economy; or

(2). It is reasonable to believe that the intent is to intimidate or coerce a government, or to seek revenge or retaliate, or to further political, ideological, religious, social or economic objectives or to express (or express opposition to) a philosophy or ideology.

But with respect to any such activity that also comes within the terms of the War and Military Action Exclusion, that exclusion supercedes this Terrorism Exclusion.

In the event of an act of terrorism that involves nuclear reaction or radiation, or radioactive contamination, this Terrorism Exclusion supercedes the Nuclear Hazard Exclusion.

APPENDIX

Utah Code Sections applicable to Endorsements 3, 4 and 5.

2002 Risk Management Program Prerequisits

2002 RMP Premium Credits

County	Renewal Questionnaire	Property Schedule	Vehicle Schedule	MVR List	2003 Premium	3%	RMP%	Credit
Beaver	4/10/02	4/10/02	4/10/02	6/3/02	70,907	2,127	0.28	596
Box Elder	4/10/02	4/10/02	4/10/02	5/30/02	160,800	4,824	0.75	3,618
Cache	4/10/02	4/10/02	4/10/02	5/16/02	198,194	5,946	0.82	4,876
Carbon	4/10/02	4/10/02	4/10/02		111,413	3,342	DNQ	
Daggett	4/10/02	4/10/02	4/10/02	5/31/02	41,250	1,238	0.78	965
Davis	4/10/02	4/10/02	4/10/02	4/10/02	430,230	12,907	0.98	12,649
Duchesne	4/12/02	4/12/02	4/12/02	4/16/02	94,179	2,825	0.48	1,356
Emery	4/10/02	4/10/02	4/10/02	5/31/02	163,980	4,919	0.58	2,853
Garfield	4/10/02	4/10/02	4/10/02	6/3/02	68,171	2,045	0.42	859
Grand	4/10/02	4/10/02	4/10/02	5/30/02	92,354	2,771	0.72	1,995
Iron	4/10/02	4/10/02	4/10/02	6/3/02	138,399	4,152	0.58	2,408
Juab	4/10/02	4/10/02	4/10/02	5/29/02	115,543	3,466	0.23	797
Kane	4/10/02	4/10/02	4/10/02	6/11/02	75,166	2,255	DNQ	
Millard	4/10/02	4/10/02	4/10/02	5/10/02	145,870	4,376	0.90	3,938
Piute			6/24/02	6/6/02	24,950	749	DNQ	
Rich	4/10/02	4/10/02	4/10/02	5/30/02	42,009	1,260	DNQ	
San Juan	3/28/02	3/28/02	3/28/02	2/19/02	165,655	4,970	0.77	3,827
Sanpete	4/18/02	3/4/02	3/4/02	6/10/02	82,776	2,483	DNQ	
Sevier	4/10/02	4/10/02	4/10/02	6/3/02	81,720	2,452	DNQ	
Uintah	4/10/02	4/10/02	4/10/02	6/19/02	184,482	5,534	DNQ	
Utah	4/10/02	4/10/02	4/10/02	3/27/02	466,001	13,980	1.00	13,980
Wasatch	4/10/02	4/10/02	4/10/02	5/9/02	178,120	5,344	0.66	3,527
Washington	4/10/02	4/10/02	4/10/02	5/31/02	234,403	7,032	0.74	5,204
Wayne	4/10/02	4/10/02	4/10/02		40,448	1,213	DNQ	
Weber	4/10/02	4/10/02	4/10/02	6/3/02	451,062	13,532	0.94	12,720

UTAH ASSOCIATION
OF COUNTIES
INSURANCE MUTUAL

2003

RISK MANAGEMENT PROGRAM

5397 S. VINE STREET, SALT LAKE CITY, UTAH, 84107
TELEPHONE: (801) 265-1331 FACSIMILE: (801) 265-9485

SECTION ONE
PREREQUISITES

The following prerequisites must be met before the county can receive a premium credit:

☐ 1.1 A risk manager or safety officer who is responsible for the implementation of the UACIM Risk Management Program must be appointed by the county Commission/Council.

Please list the name & title of the person responsible:

☐ 1.2 The county must adopt a formal policy in writing establishing a Safety Committee and/or Accident Review Board (ARB). The Safety Committee or ARB must :

a. Meet on a regular basis, but not less than quarterly (unless there are no accidents to review;

b. Keep written minutes of each meeting. A copy of the minutes must be forwarded to the UACIM Loss Control Manager;

c. Review all auto accidents and may also review any injury claims, or property claims reported to UACIM

Please attach a copy of the policy establishing the Safety Committee and/or ARB.

☐ 1.3 The county must respond to each risk review or walk through inspection conducted by UACIM within 30 days of receipt of the report.

This section will be verified by UACIM staff.

☐ 1.4 a. ALL policy renewal information must be received by UACIM on or before **APRIL 11, 2003.** (NO EXCEPTIONS.) **Contact Sonya White** for details.

b. All information and documents required by the Risk Management Program shall be received by UACIM on or before **NOVEMBER 30th 2003 in order to be considered in the calculation of premium credit. Contact Mark Brady** for details.

This section will be verified by UACIM staff.

☐ 1.5 Driver's licenses (Motor Vehicle Reports) of all operators of county vehicles and those who the County should reasonably anticipate will drive a vehicle in the scope of County employment are checked:

a. Before extending offer of employment or, in the alternative, extend a conditional offer of employment based upon County's satisfaction with the drivers license history; and

b. Annually to determine status, restrictions, or modifications.

This section will be verified by UACIM staff.

☐ 1.6 a. Provide a written statement to be received by UACIM on or before **JUNE 1, 2003** (NO EXCEPTIONS), which lists the names of each insured whose Motor Vehicle Report was obtained along with the reports of any insured who has any of the following offenses on the record:

i. DUI, drugs, alcohol, or alcohol related reckless during last 12 months,

ii. Two or more moving violations during last 12 months, or

iii. Driver's license revoked or suspended in the last 12 months.

b. Maintain records obtained for each insured pursuant to 1.5 and 1.6a on file until 1 June 2003 and make them available for inspection upon request of the Mutual.

This section will be verified by UACIM staff.

SECTION TWO
CLAIMS & LITIGATION MANAGEMENT
MAXIMUM CREDIT: 5%

The following credit is available in Section Two:

☐ 2.1 The county must have written policies and procedures for handling claims and lawsuits. This may be accomplished through circulation of a memo. The written policy or memo for handling claims and lawsuits must state that all lawsuits and Notice of Claims received shall be forwarded to the individual designated by the county. That person shall send a copy of all potential UACIM-covered claims by certified mail, fax, or electronically to the UACIM Claims Manager within two business days.

Please attach a copy of the policy/memo.

Maximum Credit: 2%

☐ 2.2 All potential UACIM-covered claims are reported to the UACIM Claims Manager within ten days after receipt of the claim along with:

a. A completed notice of claim form;
b. A copy of the claim;
c. Copies of all relevant reports, including police reports.

This section will be verified by UACIM staff.

Maximum Credit: 1%

☐ 2.3 The county notifies UACIM within one business day of serious occurrences likely to give rise to litigation or significant liability. These occurrences include:

a. Any accidents involving death, hospitalization, or personal injury;
b. Vehicle pursuits which result in death, injury of any person, or destruction of third party property;
c. Shootings involving deputies;
d. Involuntary terminations which the county reasonably believes might result in litigation;
e. Sexual harassment allegations which the county reasonably believes might result in litigation;
f. Planning and zoning issues where the parties threaten litigation or that are likely to result in claims or lawsuits.

This section will be verified by UACIM staff.

Maximum Credit: 2%

SECTION THREE
VEHICLE SAFETY
MAXIMUM CREDIT: 26%

Prerequisites. The following prerequisites must be met in order to receive credit under this section:

a. All accidents involving county drivers (including road department and Sheriff's Office personnel) and/or vehicles that have been reported to UACIM must be reviewed by the safety committee/ARB; and

b. Copies of the accident reviews must be sent to UACIM.

This section will be verified by UACIM staff.

The following credit is available in Section Three:

3.1 The county maintains written records of all maintenance performed on each county-owned vehicle or heavy equipment.

Please specify where the records are kept and who maintains them:

Maximum Credit: 2%

3.2 County road department personnel have been trained on how to conduct a pre-trip inspection on licensed heavy vehicles, are required to conduct pre-trip inspections, and keep written logs of the inspections in the vehicle.

Please attach a sample pre-trip inspection form used by the county.

Maximum Credit: 4%

3.3 The county has the following written polices:

a. Use of seat belts required of all drivers and passengers in county vehicles;

b. All accidents involving county vehicles are to be reported immediately to the department head;

c. All CDL holders will comply with federal and state law regarding the reporting of accidents, citations, or driving convictions involving the CDL holder. The policy, or a memo circulated to CDL holders, states clearly when the CDL must report accidents and citations.

d. A cell-phone use policy for drivers of motor vehicles.

Please attach a copy of the policies.

Maximum Credit: 2%

☐ 3.4 The county has a written policy that employees who have, while driving in the course of employment, caused two or more vehicle accidents as determined by the ARB within a two-year period of time shall lose driving privileges, be reassigned to a non-driving position, or be terminated from employment.

Please attach a copy of the policies.

Maximum Credit: 5%

☐ 3.5 The county has, within the last five years, conducted the National Safety Council four-hour Defensive Driver Course--or a UACIM-approved or UACIM-conducted defensive driver course--for all county employees and volunteers who drive while on county business.

Please attach a copy of the attendance rosters from the DDC course(s).

Maximum Credit: 5%

☐ 3.6 The county has an incentive program for county employees who drive while in the course of employment that recognizes and rewards those who have not caused any accidents, nor had any moving violations during the previous year. Such a program would, at minimum, recognize Public Works employees and Sheriff's Office employees.

Please describe the program.

Maximum Credit: 4%

☐ 3.7 The county:

. a. Requires each insured who drives a motor vehicle within the scope of his or her employment and has an offense as set forth in Section 1.5, above, to complete a driver-training course which is approved by or, offered by the Mutual, prior to September 1 of the current year.

b. Requires each insured who drives a county vehicle within the scope of his or her employment to complete a driver's training course which is approved by, or offered by, the Mutual during the first year of employment with the county.

Please attach a copy of the attendance roster from the defensive Driver Course.

Maximum Credit: 4%

SECTION FOUR
PERSONNEL
MAXIMUM CREDIT: 24%

☐ The following prerequisites must be met in order to receive credit under this section:
The following personnel policies must be adopted in writing:

a. Established procedures for recruitment, interviewing, and hiring;
b. Requirement that ADA compliant job descriptions be established for each county position;
c. Prohibitions against illegal discrimination;
d. Established procedures for discipline and termination.

Copies of these policies must be attached.

The following credit is available in Section Four:

☐ 4.1 The county has adopted a policy that states clearly at the beginning of the policy that the policy does not create a contract between the county and the employee.

Please attach a copy of the policy.

Maximum Credit: 2%

☐ 4.2 The county has written personnel policies and procedures and has distributed a copy to each employee. In the alternative, the county has made a copy available to the employee and explained to the employee in writing where a copy of the policies can be obtained for reference. Each employee has signed a statement that the employee has received and read the policy.

Maximum Credit: 2%

☐ 4.3 The county has adopted a written drug and alcohol testing program that is consistent with federal and state statutes. The policy contains the following elements when applicable:

a. Pre-employment testing;
b. Reasonable suspicion testing;
c. Post accident testing in accordance with county policy;
d. Random testing in accordance with federal regulations for drivers holding a Commercial Driver's License (CDL);
e. Policy regarding positive results which includes a statement of the employee's rights

Please attach a copy of the policy.

Maximum Credit: 2%

☐ 4.4 The county updates the personnel policies and procedures on an annual basis and updates are circulated to all employees.

Please list the last date the policy was reviewed/updated:

Maximum Credit: 1%

☐ 4.5 The county trains all supervisory personnel, including elected officials, on the county's personnel policies and procedures--including Harassment and Discipline.

Please list the training dates and attach an agenda/training materials if available.

Maximum Credit: 7%

☐ 4.6 The county has adopted a written Title VII harassment policy that:

a. States the type of conduct prohibited;
b. Does not require or advise the victim to address a complaint to the alleged harasser;
c. States clearly how a complaint may be made and to whom;
d. Provides for an alternate to whom a complaint may be made and at least one of the persons to whom a complaint may be made is a female; and
e. Clearly states the appeals process or refers to the county's appeals process under which an appeal for specified personnel actions may be made.

Please attach a copy of the policy.

Maximum Credit: 3%

☐ 4.7 The county has attended the most recent UACIM annual personnel workshop.

Maximum Credit: 3%

☐ 4.8 The county has verified that it does/does not comply with the requirements of the County Personnel Management Act.

Please attach a statement indicating that the county does or does not comply with the County Personnel Management Act. If the county does not comply with the Act, please:

a. State why, i.e. the county does not have 130 or more employees not covered by another merit system; and

b. Please state the maximum number of full-time, part-time, & seasonal employees employed by the county during the year. Include elected officials.

Maximum Credit: 4%

SECTION FIVE
LAW ENFORCEMENT
MAXIMUM CREDIT: 16%

☐ The following prerequisites must be met in order to receive credit under this section:
The following policies must be adopted in writing:

a. Use of force;
b. Vehicle pursuits;
c. Searches and seizures; and
d. Jail policies regarding pornography & grievances.

Please list the sections or page numbers in the S.O. policies where the above referenced policies are located:

☐ 5.1 The Sheriff's Office has adopted a form of the Utah Jail Standards.

Maximum Credit: 2%

☐ 5.2 All Sheriff's Deputies receive **Annual** training on Use of Force, Vehicle Pursuits, Arrest and Detention, and Search and Seizure. All Corrections personnel receive **Annual** training on Use of Force, Search and Seizure, and Grievances. Annual training shall include mandatory training on Civil Rights liability.

Please provide a list of the dates and topics for each training session.

Maximum Credit: 7%

☐ 5.3 Sheriff's Office personnel who are required as part of their duties to engage in emergency vehicle operations (EVO) shall receive annual EVO training in the same type of vehicle operated by the employee or, in the alternative, shall participate in at least one day training on EVO which includes simulator-based instruction.

Please provide a list of personnel who have attended EVO training in the past year.

Maximum Credit: 7%

SECTION SIX
TRAFFIC CONTROL DEVICES
MAXIMUM CREDIT: 4%

☐

The following prerequisites must be met in order to receive credit under this section:

1. At least one copy of the Manual on Uniform Traffic Control Devices (MUTCD) must be on hand for reference by personnel responsible for the placing and maintaining of traffic control devices.
2. The county must maintain a written (or computerized) inventory of all county-maintained traffic control devices. At least 98% of all signs must be included in the inventory to qualify.

The following policies must be adopted in writing:

☐ 6.1 Written records of regular inspections of all traffic signs must be kept. Inspections must be conducted at least quarterly and include any maintenance conducted.

Please provide a sample of the county's inspection report form.

Maximum Credit: 2%

☐ 6.2 The county has a written emergency response program for reports of damaged or missing signs that:

a. Specifies the employee to whom reports are to be forwarded;
b. Specifies the priority for response to a report of a missing or damaged sign;
c. Specifies that "stop" signs are to be replaced immediately, and, when necessary, the county will request the Sheriff's Office to respond to a report of missing or damaged "stop" signs at hazardous intersections until the sign is replaced; and
d. Requires that all reports of missing or damaged signs are kept along with a written report stating the replacement or repair date, the employee who made the repair, and the time the repair was made.

Please provide a copy of the memo or policy.

Maximum Credit: 2%

SECTION SEVEN
PLANNING AND ZONING
MAXIMUM CREDIT: 5%

☐ The following prerequisites must be met in order to receive credit under this section:

1. The county must have adopted a General Plan in accordance with the Utah Code;
2. The county must have adopted a zoning ordinance in accordance with the Utah Code; and
3. The county must have adopted a subdivision ordinance in accordance with the Utah Code.

The following policies must be adopted in writing:

☐ 7.1 All members of the planning commission have received training within the previous twenty-four months regarding the legal duties of a planning commissioner.

Maximum Credit: 2%

☐ 7.2 All Planning and Zoning Officers have received training regarding the legal duties of their position within the past 12 months.

Maximum Credit: 3%

SECTION EIGHT
USE OF COUNTY FACILITIES BY THIRD PARTIES; COUNTY FAIRS
MAXIMUM CREDIT: 8%

The following policies must be adopted in writing:

☐ 8.1 The county requires third-party users of county-owned or leased facilities, including all facilities insured by the county through UACIM, to sign an indemnification (hold-harmless) agreement approved by the county attorney.

Please attach a copy of the policy and sample hold-harmless agreement.

Maximum Credit: 2%

☐ 8.2 The county has adopted a policy requiring:

a. Liability insurance certificates from third parties using county-owned facilities, including all facilities insured by the county through UACIM;
b. That the insurance certificate name the county as an additional insured;
c. That written criteria be developed specifying when the insurance requirement might be waived;
d. That approval by the county governing body or its designate be obtained in writing before waiving the insurance requirement;
e. That copies be obtained of all certificates, and that written record of the waiver by the county of the insurance requirement and copies of certificates be kept on file for a period of at least five years; and
f. That the certificates be in the amount of at least $1 million.

Please attach a copy of the policy.
Note: If your county does not have property that is leased or used by third parties, you may qualify for this credit if you provide a signed statement certifying that county facilities are not leased or used by third parties.

Maximum Credit: 3%

☐ 8.3 The county has a written policy that no alcohol be served at county-owned facilities, including all facilities insured by the county through UACIM, unless additional insurance has been obtained covering alcohol related services.

Please attach a copy of the policy. Counties that have a ban on alcohol at county facilities may also receive credit if the policy is attached.

Maximum Credit: 1%

☐ 8.4 When alcohol is served at county-owned facilities, the county must have written policies requiring or including the following:

a. Additional security around the vendor selling alcohol;
b. Hours of service (including no later than one hour before event closing time);
c. Designation of non-drinking areas (including parking lots as non drinking areas);
d. Stating that alcohol is not to be sold to vendors, employees of any vendor, employees of the fair, employees of any carnival, ride, or attraction, security personnel, or participants in events.

Counties that have a ban on alcohol at county facilities can receive credit if the policy banning alcohol is attached.

Maximum Credit: 1%

☐ 8.5 The county has written policies governing the use of fairgrounds, including use of arenas, buildings, and property. The rules for the use of the facilities are posted at each facility and clearly and conspicuously state that use of the facility as at the risk of the user and the county is not liable for damages or injuries.

Please attach a copy of the policy and verify that the rules are posted at each facility.

Maximum Credit: 1%

SECTION NINE
FIRE DEPARTMENTS/AMBULANCES/EMT
MAXIMUM CREDIT: 6%

The following prerequisites must be adopted in writing:

☐ 9.1 The county has stated in writing the operational authority of the fire departments/ambulance services/EMT operating under county jurisdiction, and has interlocal agreements or MOUs with other jurisdictions/agencies when the fire department/ambulance service/EMT is multi-jurisdictional. The agreement or MOU clearly states how liabilities will be apportioned among the jurisdictions/agencies.

Please attach a copy of the interlocal agreement(s) and/or MOU.

The following policies must be adopted in writing:

☐ 9.2 The county has adopted written policies and procedures establishing:

a. What fire protection/ambulance/EMT services are provided;
b. What areas of the county will be serviced; and
c. The requirements for responding to fires and medical calls

Please attach a copy of the policies.

Maximum Credit: 1%

☐ 9.3 The county has a written policy that all apparatus/ambulance drivers maintain EVO certification with the Utah Fire and Rescue Academy. No other persons will be allowed to drive apparatus/ambulances.

Please attach a copy of the policy.

Maximum Credit: 3%

☐ 9.4 The county has a written policy that all county employee fire fighters be at least wild land firefighter certified in areas where that certification is appropriate. All others will be fire fighter I certified.

Please attach a copy of the policy.

Maximum Credit: 1%

☐ 9.5 The county has a written policy stating that a vehicle maintenance schedule be developed for county insured fire fighting vehicles and ambulances and that written records will be maintained for each vehicle.

Please attach a copy of the policy.

Maximum Credit: 1%

SECTION TEN
SPECIAL SERVICE DISTRICTS
MAXIMUM CREDIT: 3%

☐ 10.1 The county has a comprehensive list of all special service districts in the county along with a list of all board members and officers for each district and in cases where the county deems necessary, that the special service district has named the county as an additional insured

Please attach a copy of the list.

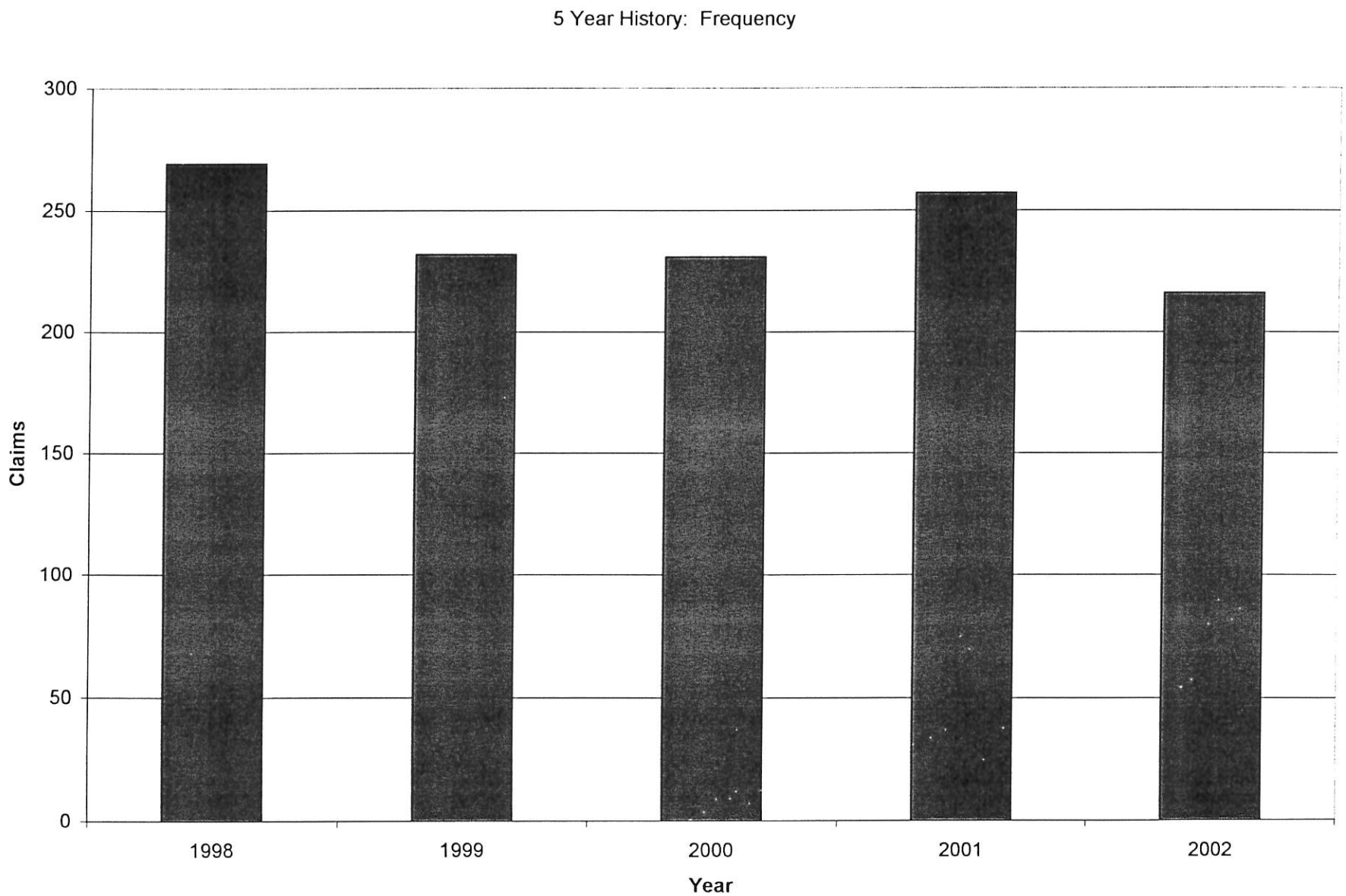
Maximum Credit: 3%

SECTION ELEVEN
ADDITIONAL CREDIT FOR INSTALLATION OF SAFETY-RELATED DEVICES AND PROGRAMS
MAXIMUM CREDIT: 3%

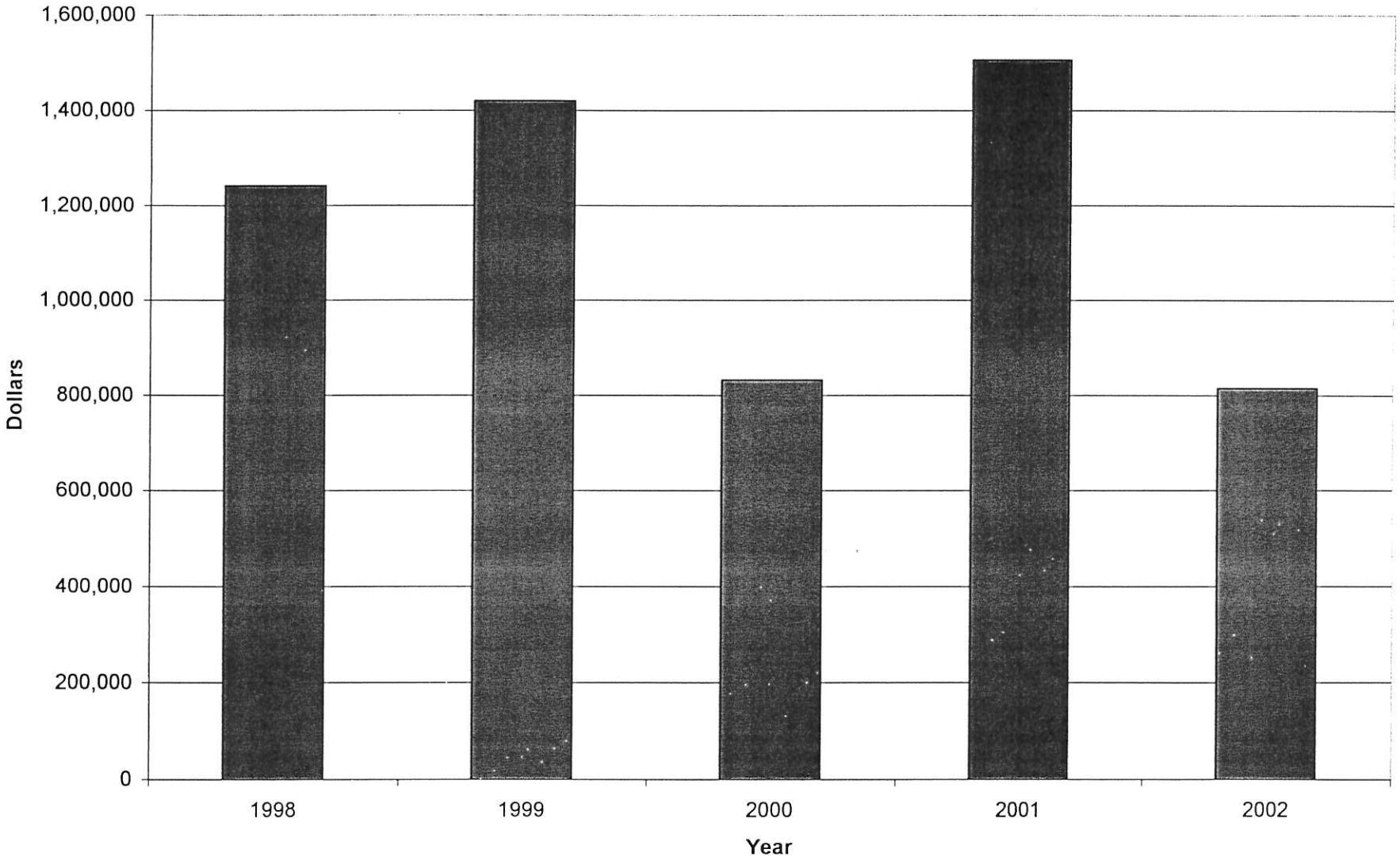
☐ 11.1 The county may qualify for an additional credit for the installation of safety-related devices or the participation in safety related training programs for employees. Please list the devise or program below, along with the cost and description of the risk or exposure the devise or program is aimed at reducing or eliminating.

Maximum Credit: 3%

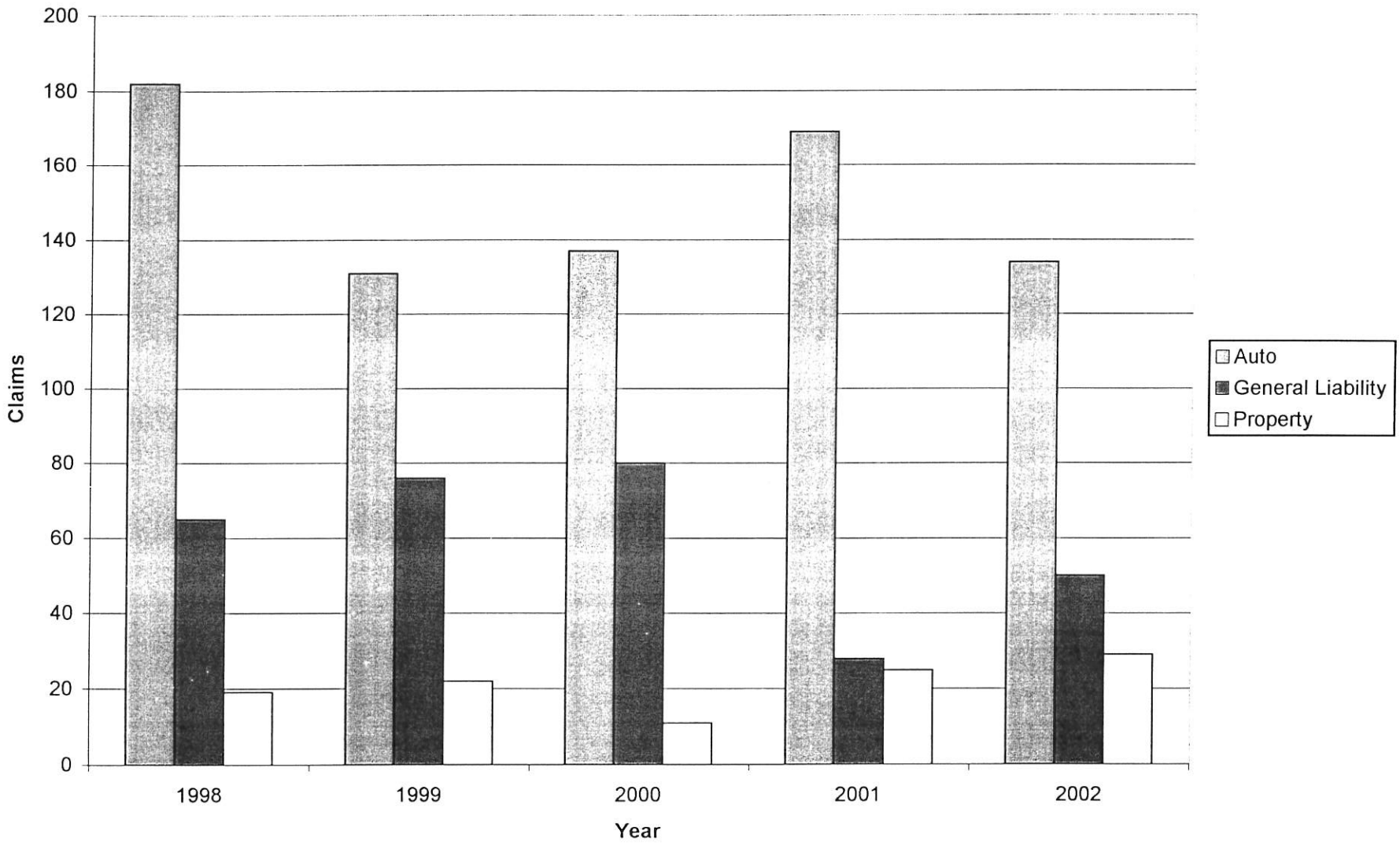
Credit will be determined by UACIM staff based on the responses to this section.


5 Year History: Frequency
300
250
200
150
100
50
0
Claims
1998
1999
2000
2001
2002
Year

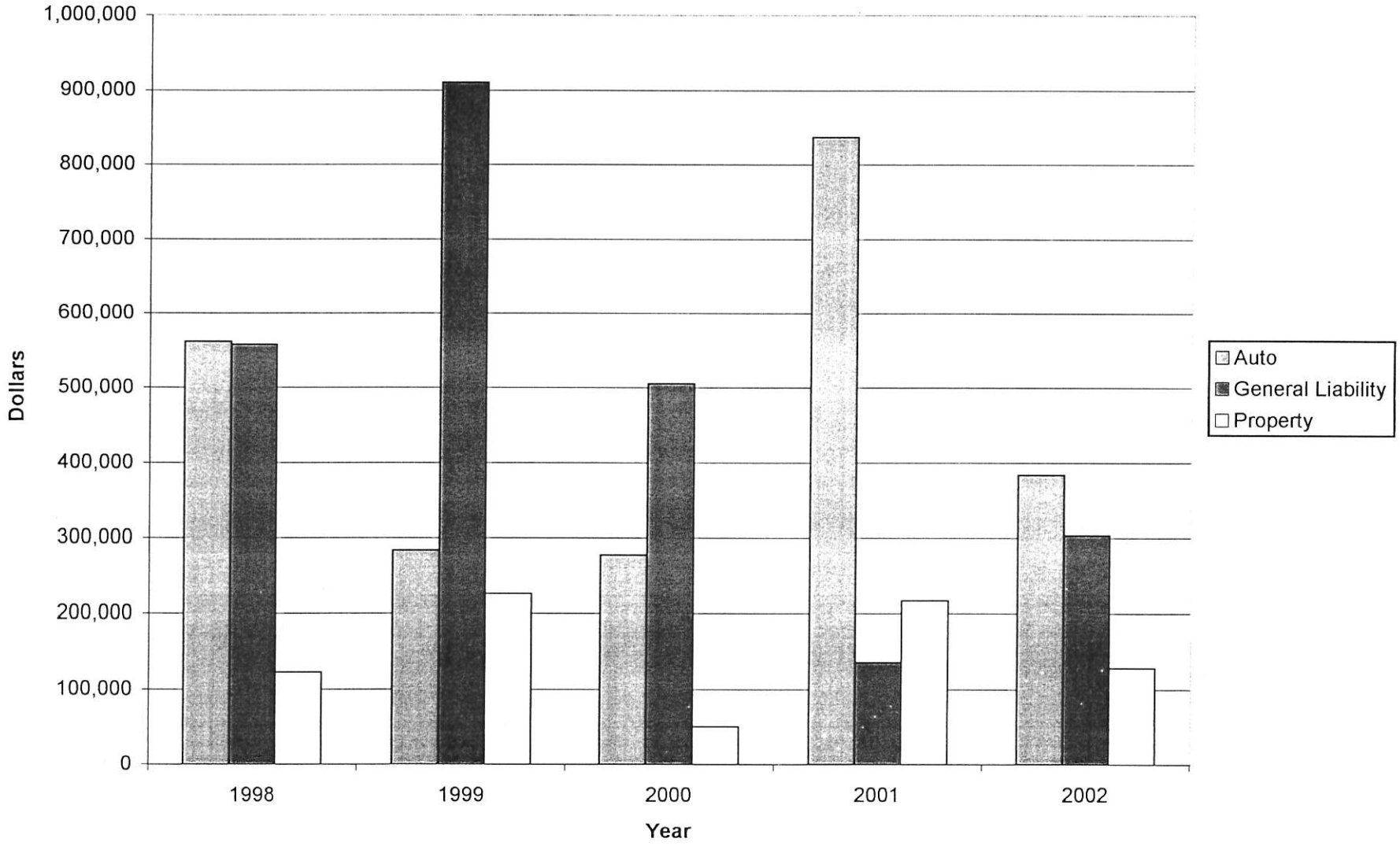
5 Year History: Severity

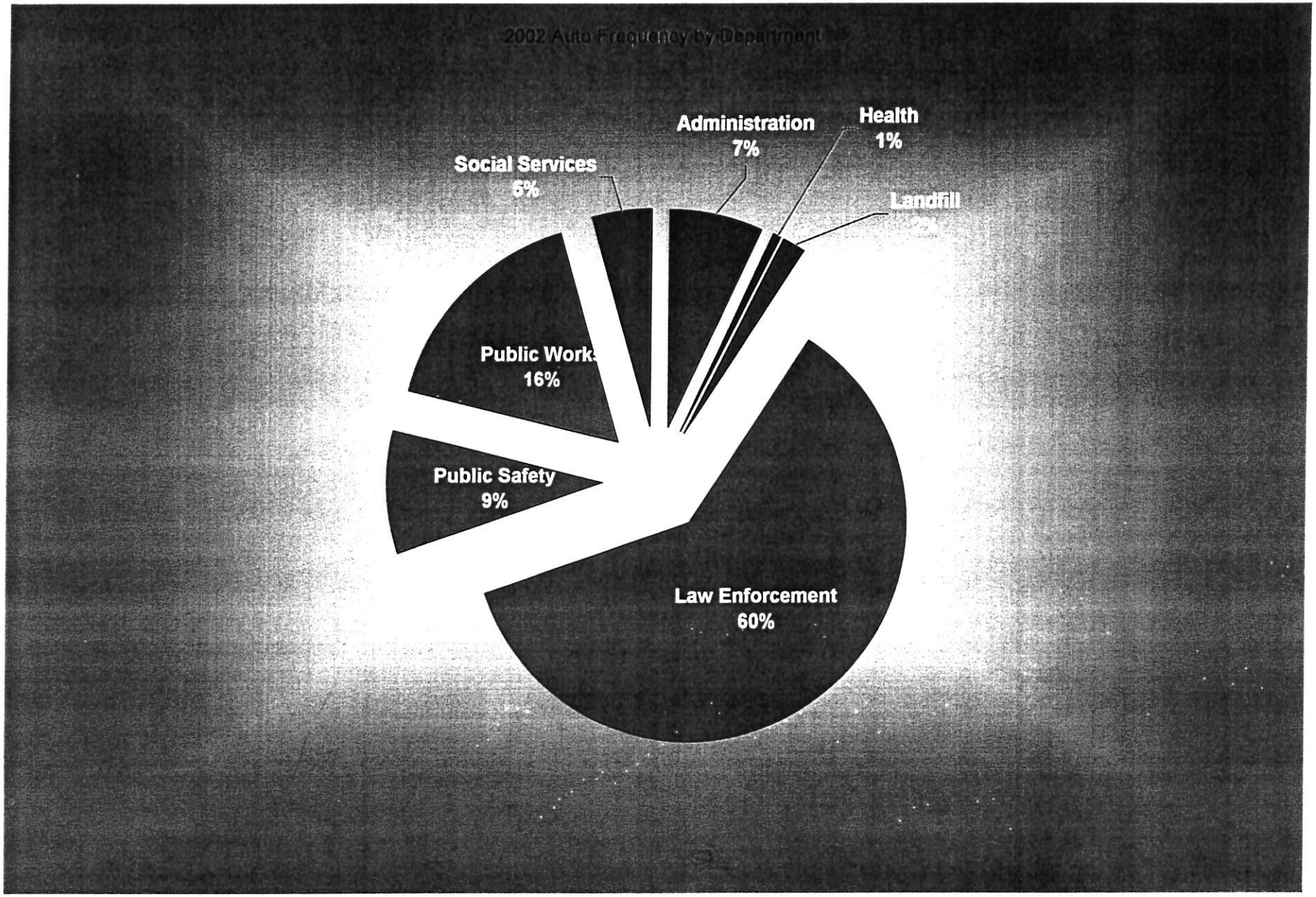


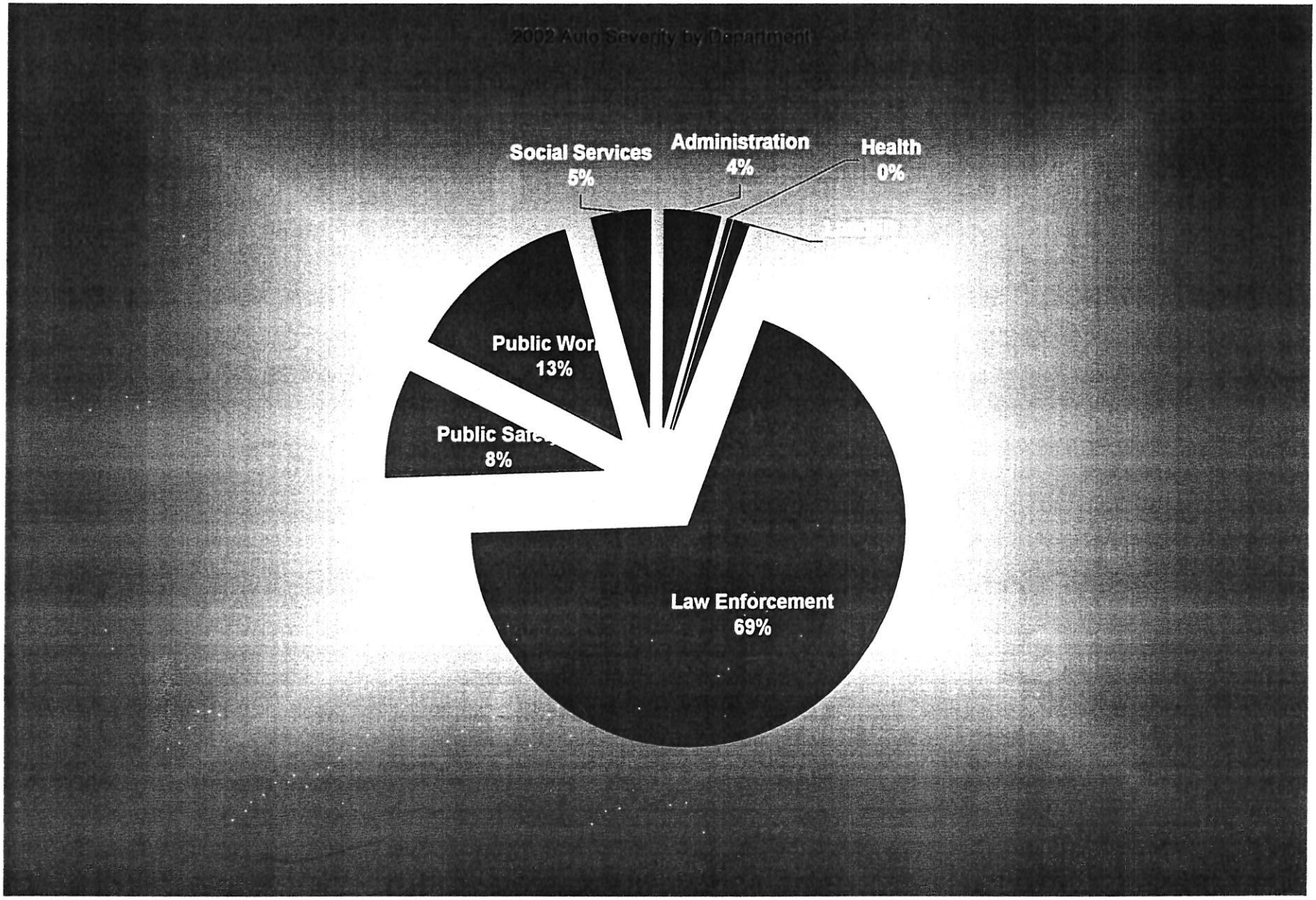
5 Year History: Frequency by Category



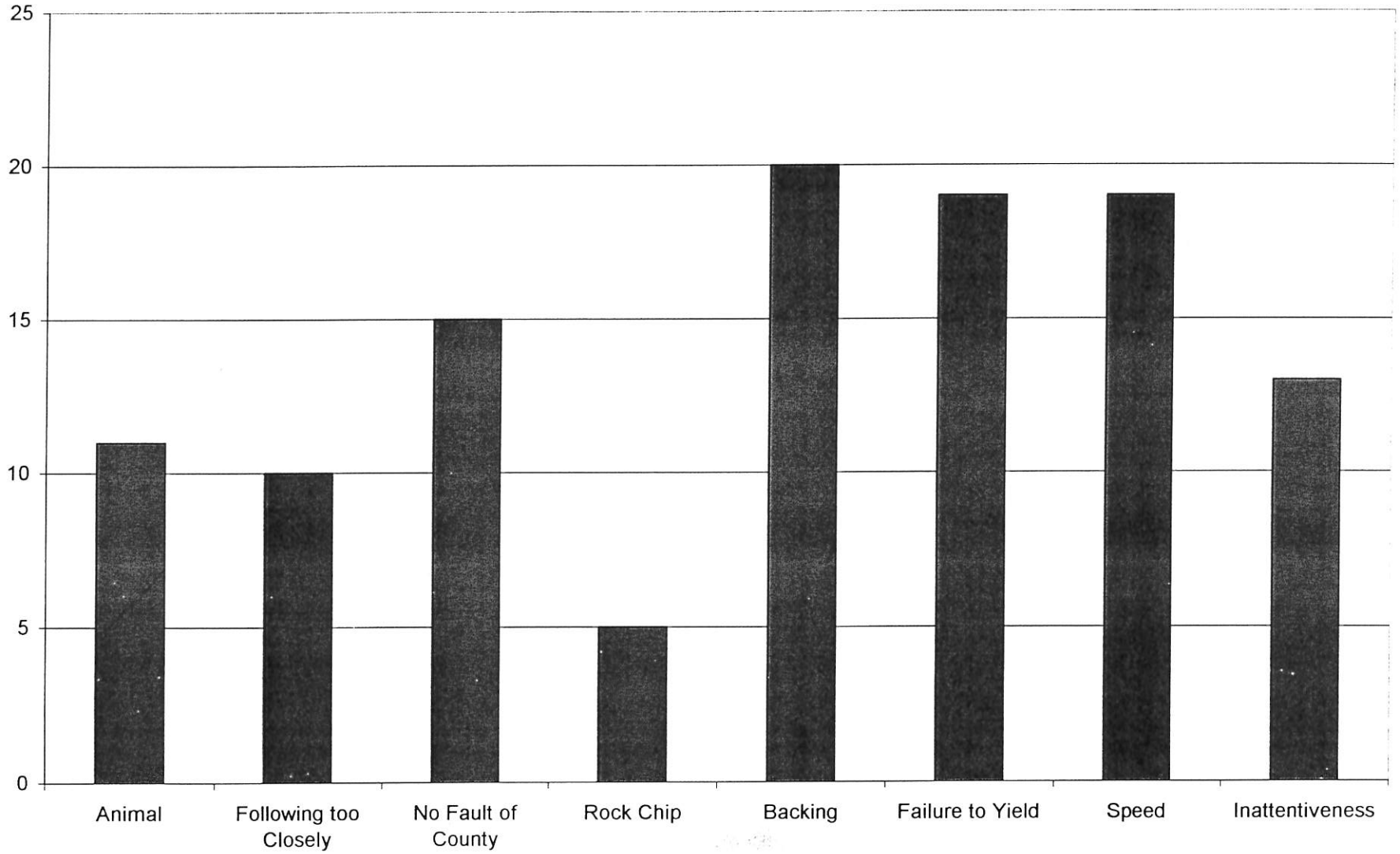
5 Year History: Severity by Category

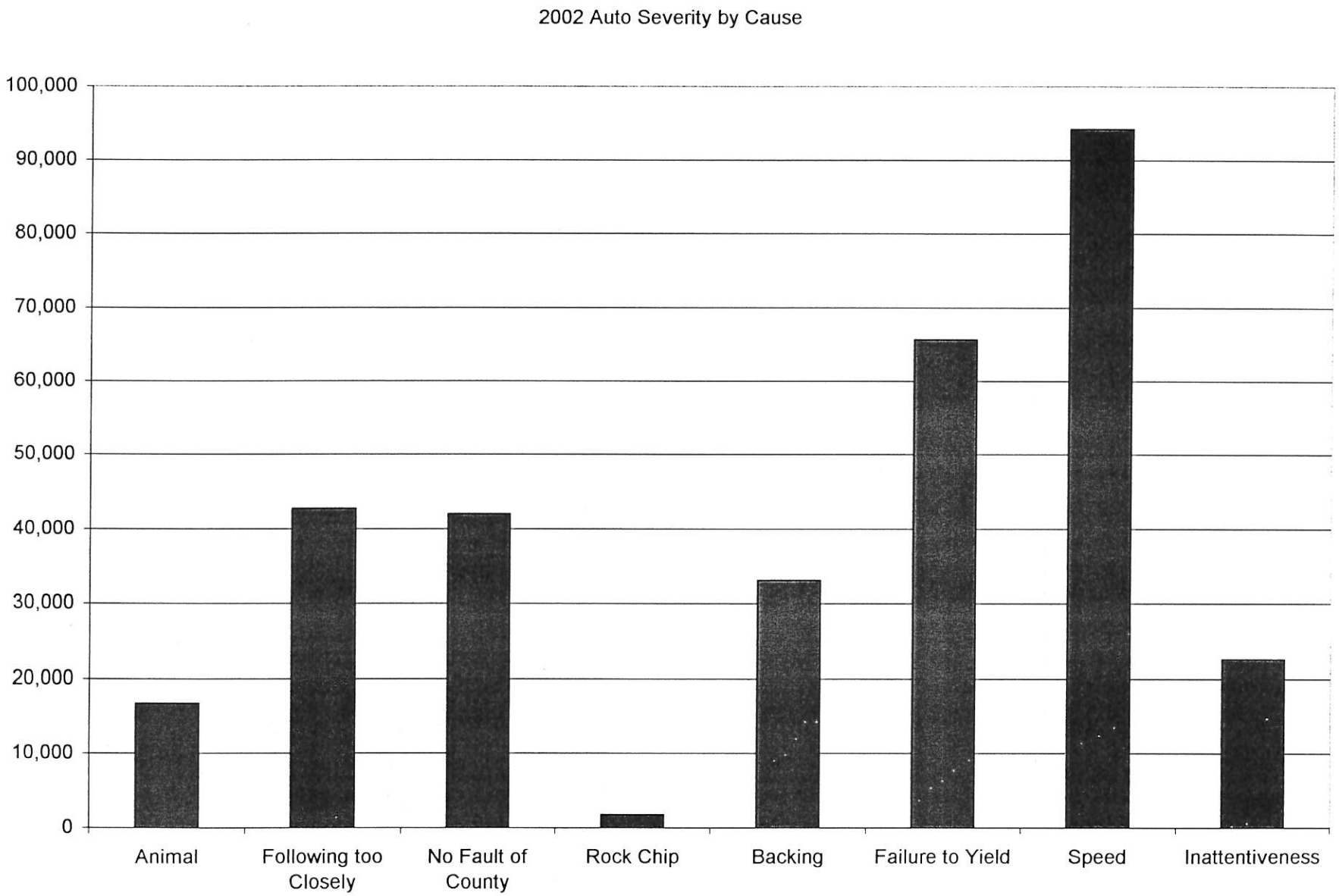


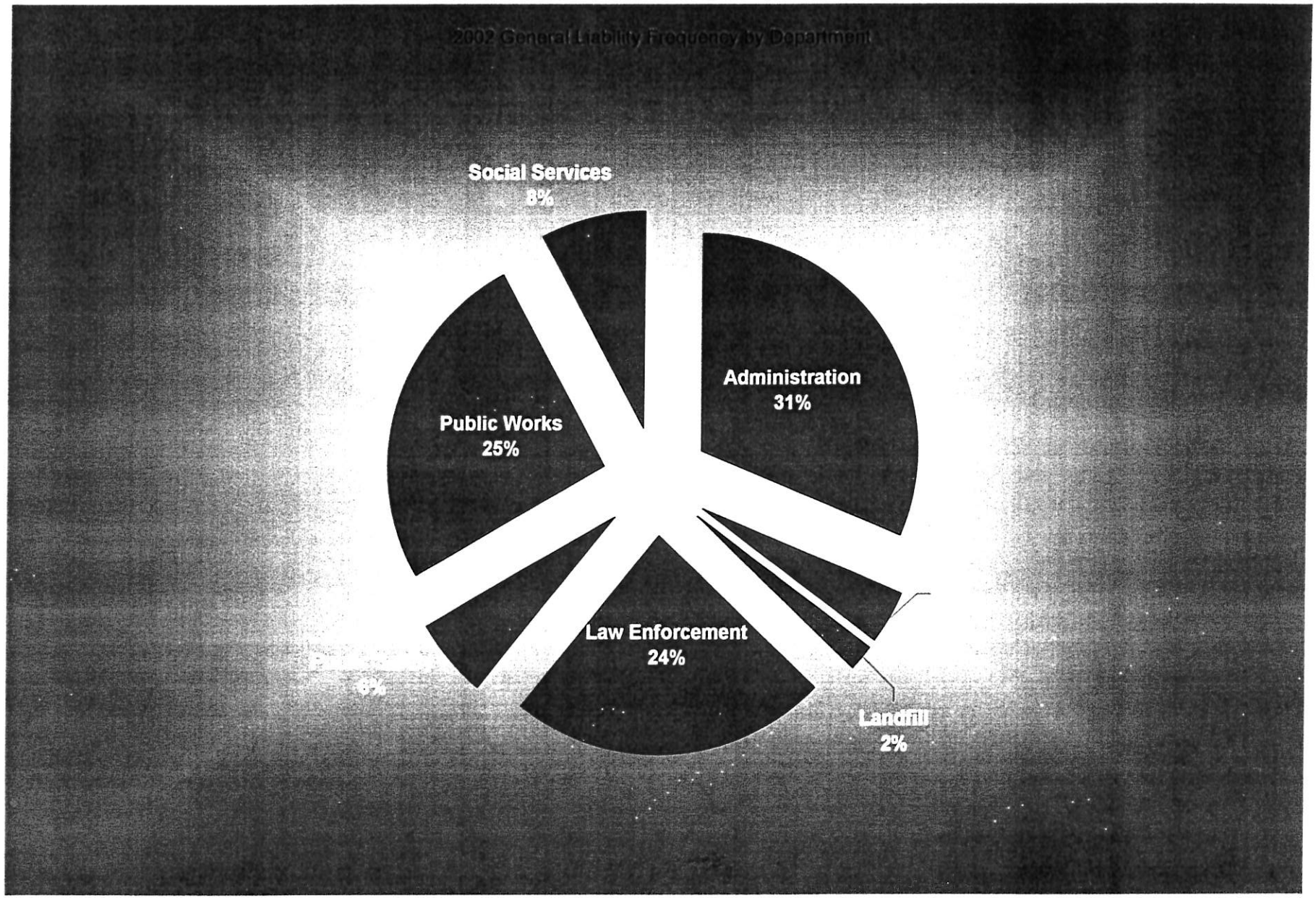

2002 Auto Frequency by Department
Administration
7%
Health
1%
Social Services
5%
Landfill
Public Work
16%
Public Safety
9%
Law Enforcement
60%

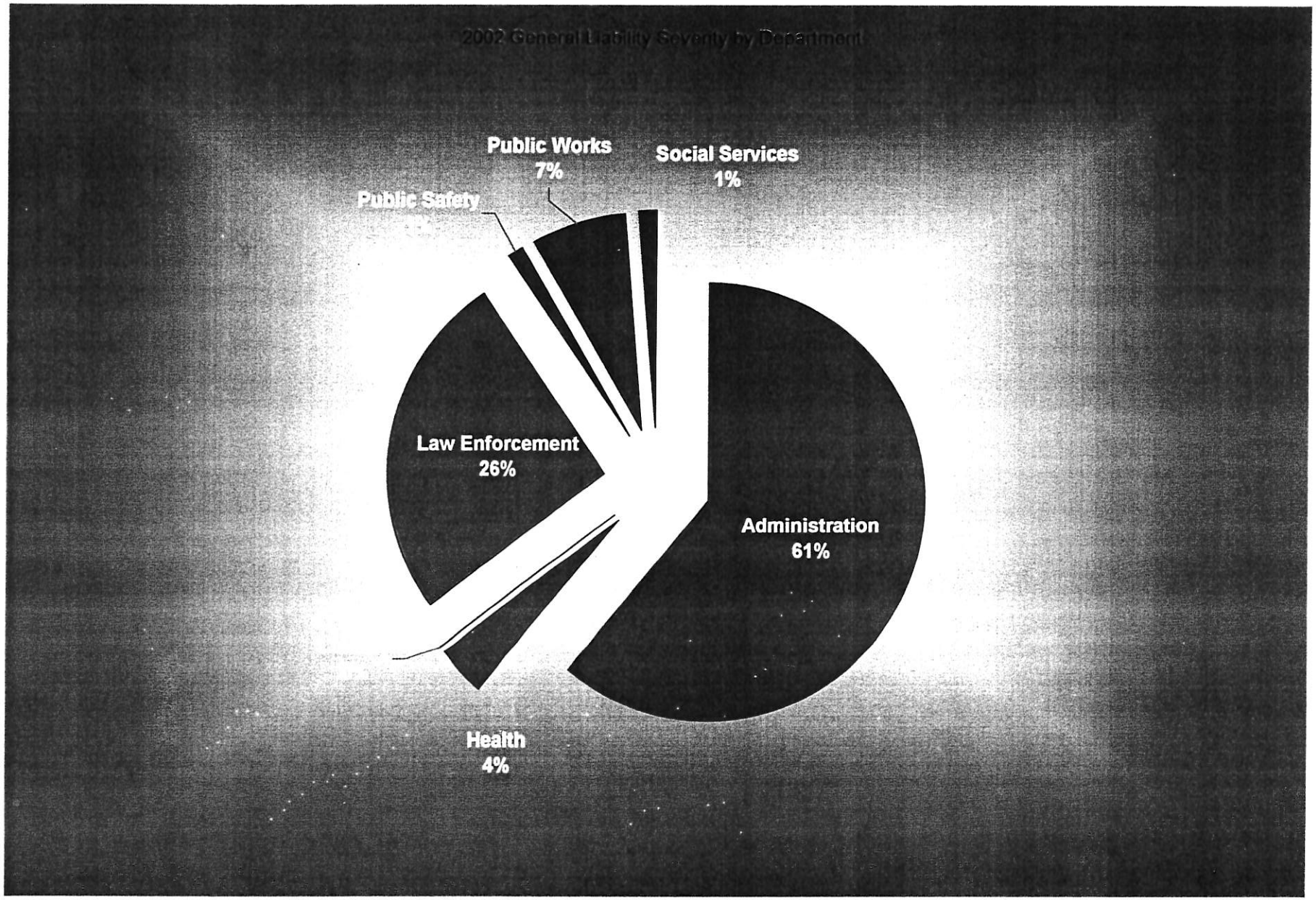

2002 Auto Severity by Department
Social Services
5%
Administration
4%
Health
0%
Public Wor
13%
Public Safe
8%
Law Enforcement
69%

2002 Auto Frequency by Cause

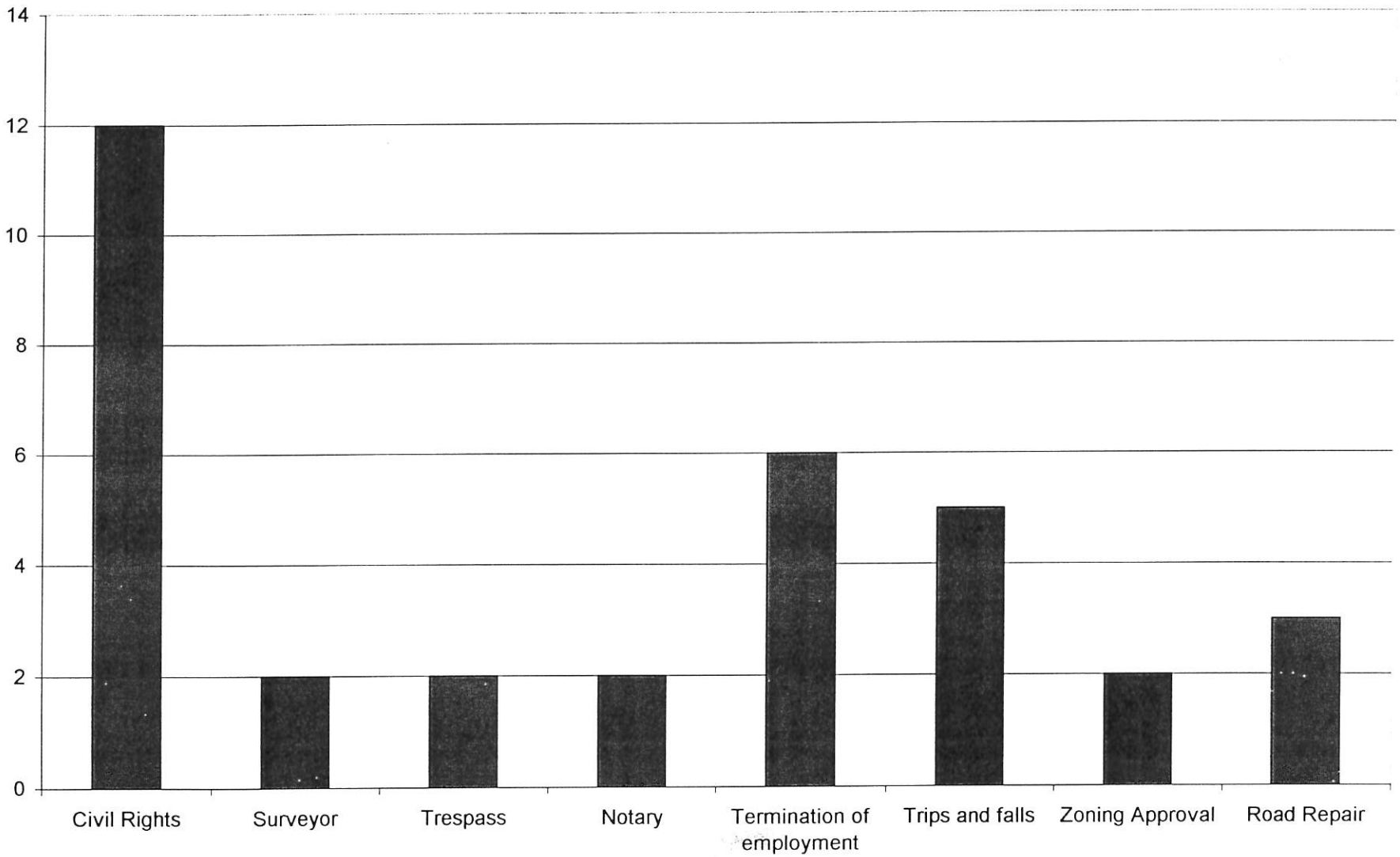


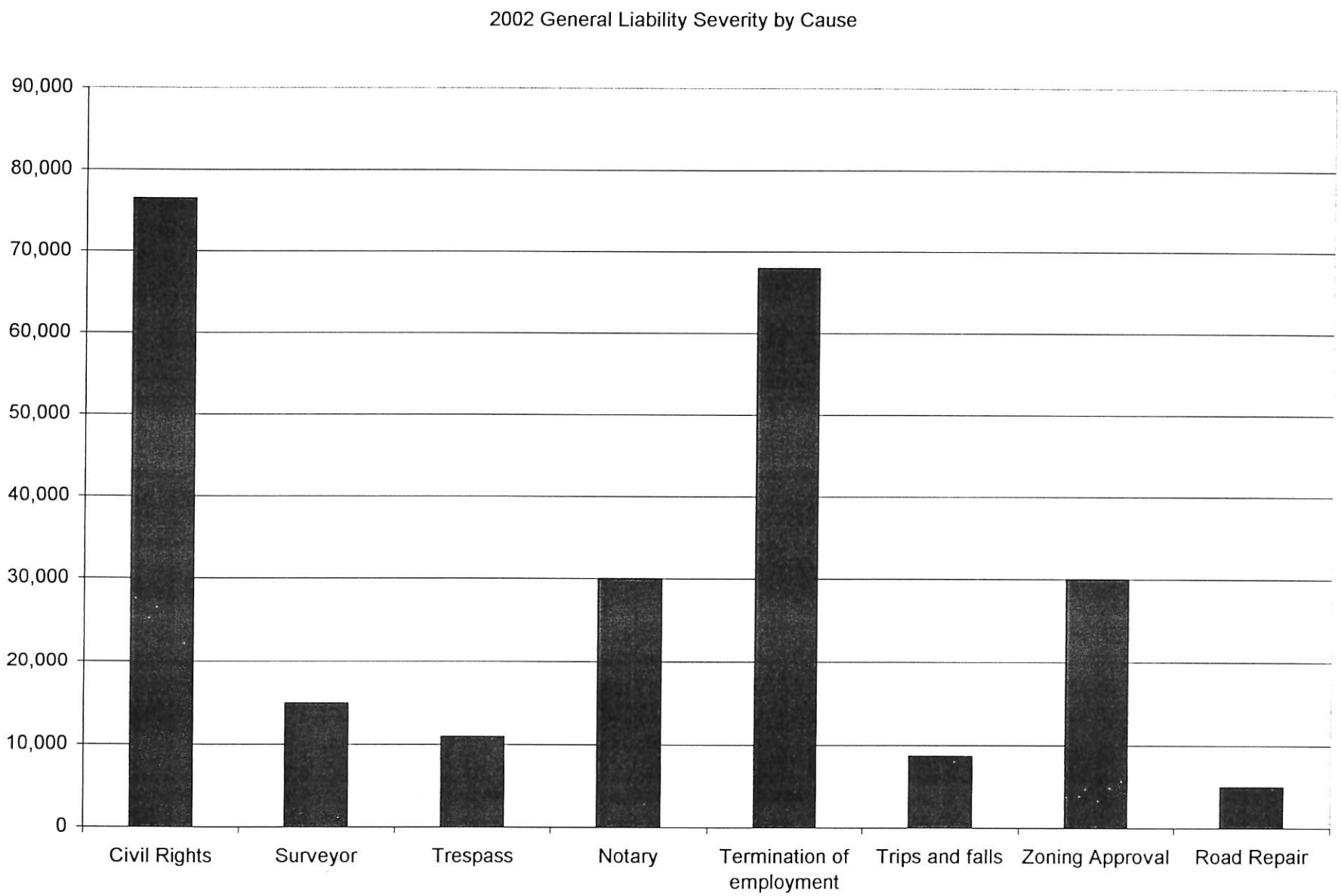

2002 Auto Severity by Cause
100,000
90,000
80,000
70,000
60,000
50,000
40,000
30,000
20,000
10,000
0
Animal
Following too Closely
No Fault of County
Rock Chip
Backing
Failure to Yield
Speed
Inattentiveness


2002 General Liability Frequency by Department
Social Services
8%
Administration
31%
Public Works
25%
Law Enforcement
24%
Landfill
2%

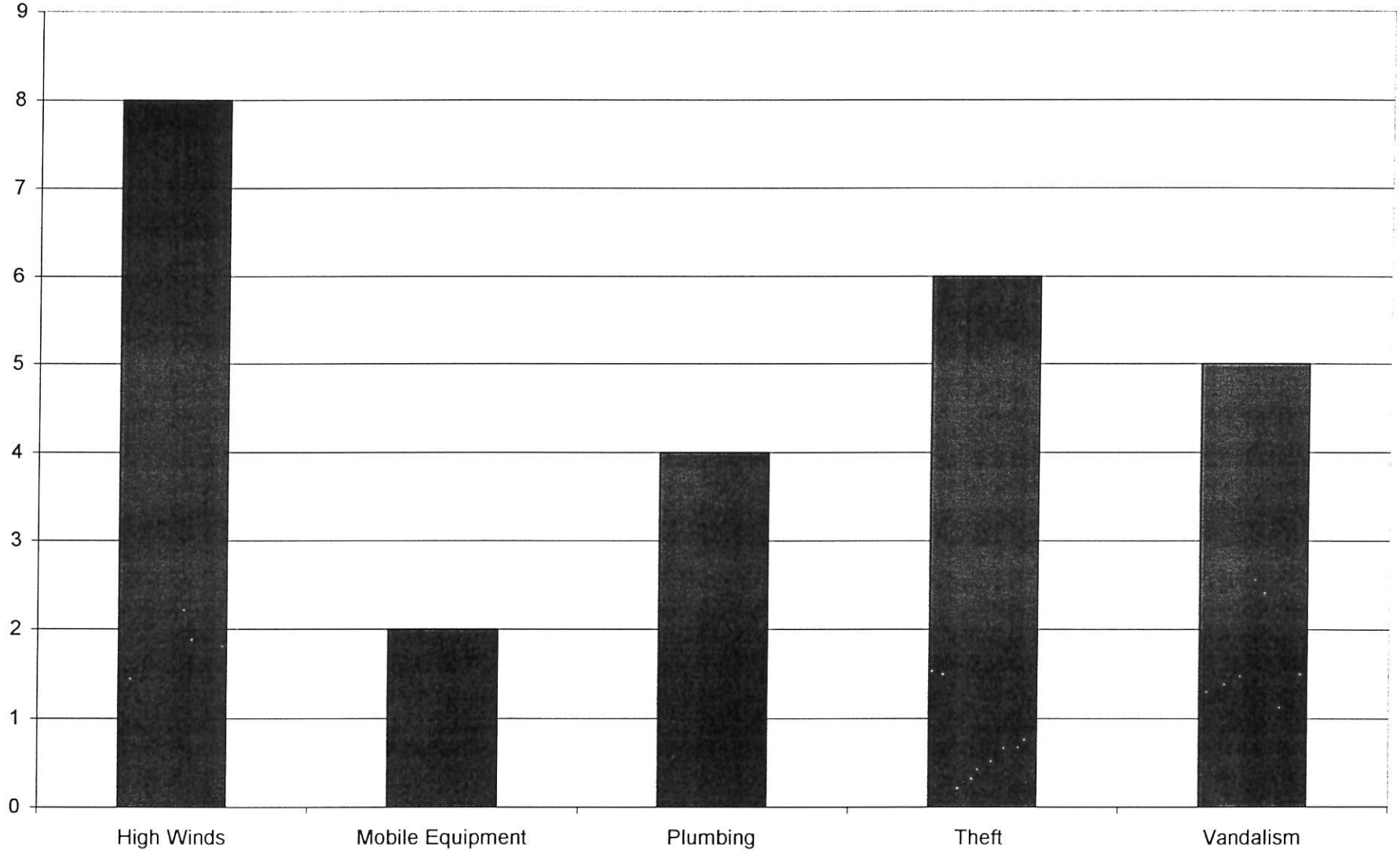

2002 General Liability Severity by Department
Public Works
7%
Social Services
1%
Public Safety
Law Enforcement
26%
Administration
61%
Health
4%

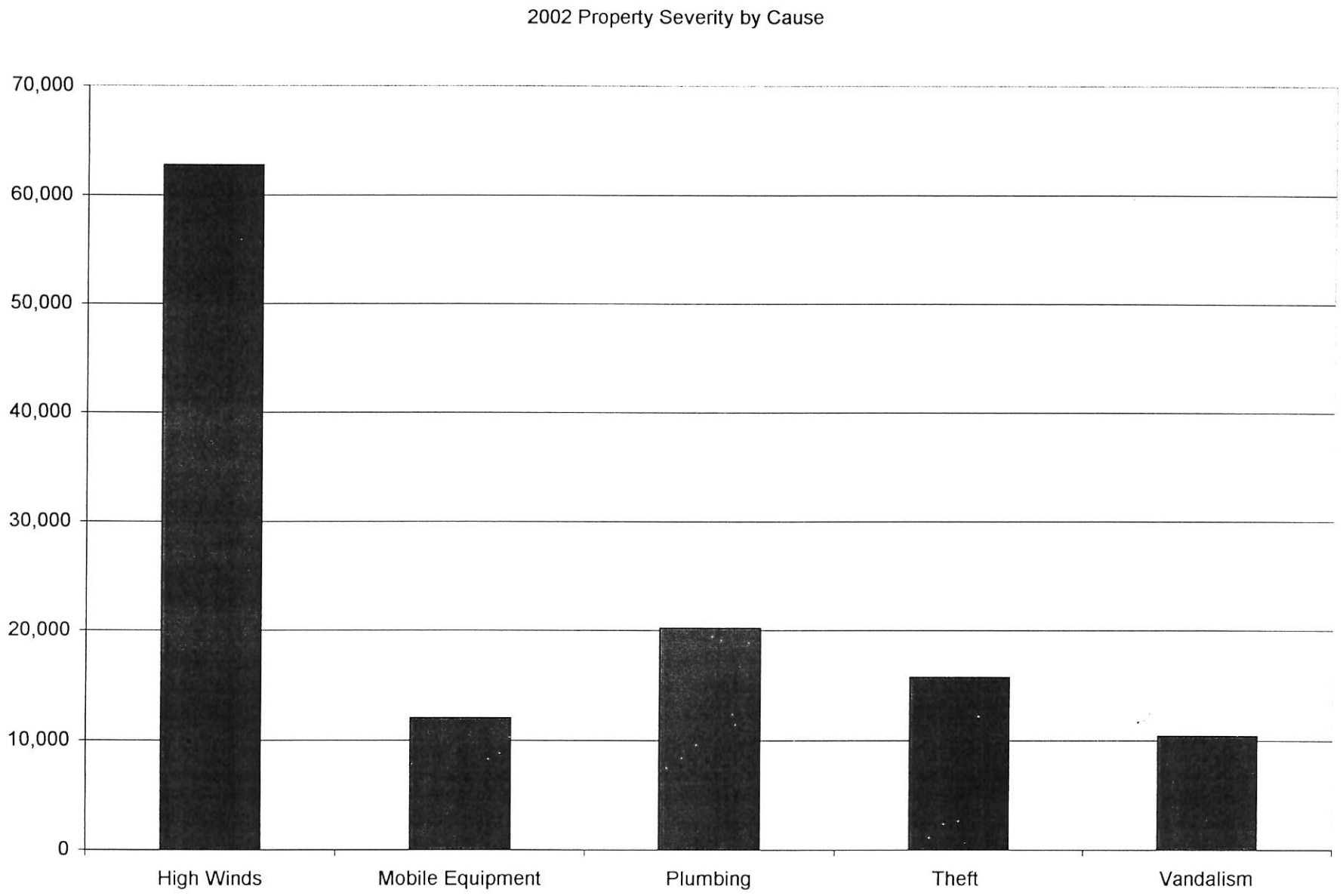
2002 General Liability Frequency by Cause




2002 General Liability Severity by Cause
90,000
80,000
70,000
60,000
50,000
40,000
30,000
20,000
10,000
0
Civil Rights
Surveyor
Trespass
Notary
Termination of employment
Trips and falls
Zoning Approval
Road Repair

2002 Property Frequency by Cause




2002 Property Severity by Cause
70,000
60,000
50,000
40,000
30,000
20,000
10,000
0
High Winds
Mobile Equipment
Plumbing
Theft
Vandalism

DISTRICT ATTORNEY

SALT LAKE COUNTY

DAVID E. YOCOM
DISTRICT ATTORNEY

SALT LAKE COUNTY

CIVIL DIVISION

Karl Hendrickson
Division Administrator

Mary Ellen Sloan
Assistant Division Administrator

December 20, 2002

CONFIDENTIAL; JOINT ATTORNEY-CLIENT PRIVILEGE; ATTORNEY-WORK PRODUCT

fax: 801-538-1121 and first class mail

Mr. Ray Hintze
Chief Deputy
Utah Attorney General's Office
236 State Capitol
Salt Lake City, UT 84114

Re: Proposed Amendments Concerning Bioterrorist Response

Dear Ray:

Thank you taking the time to meet with members of the Salt Lake County District Attorney's office on December 18, 2002. We appreciate your concern about properly authorizing both state and local responses to federal directives under the Homeland Security Act and other responses to bioterrorism and control of potential epidemics and analyzing potential liability. Enclosed are draft proposed amendments to the following statutes:

1. Pharmacy Practice Act § 58-1-207(4), allowing the division and board of DOPL to suspend the licensure requirements in connection with responding to emergencies and other federal declarations.
2. Pharmacy Practice Act § 58-17a-620, allowing the state and local health departments to prescribe, distribute, dispense and administer STD treatment, fluoride treatment, travel immunization, immunizations, and responses to emergencies or federal declarations.
3. Local Health Department Powers § 26A-1-114(o), (p), cross-referencing other powers in § 26-23b-108 and authorizing local health departments to respond to emergencies and federal directives.
4. Governmental Immunity § 63-30-3, providing immunity for state agencies and political subdivisions in connection with preventing epidemics, investigating bioterrorism, and responding to emergencies and other federal declarations.
5. Emergency Care Provided by Licensee § 58-13-2, amending medical provider's good samaritan act to allow them to volunteer in governmental responses to

2001 South State Street, S3600 Salt Lake City, Utah 84190-1210 Telephone (801) 468-3420 Fax (801) 468-2646

epidemics, investigating bioterrorism, and emergencies and other federal declarations.

6. Good Samaritan Act § 78-11-22, allowing volunteers to participate in governmental responses to epidemics, investigating bioterrorism, and emergencies and other federal declarations.

It may also be useful to amend the Utah Department of Health's ("UDOH") general statutes (Title 26) to formally authorize its participation in distribution of the NPS and smallpox vaccine. These amendments would be similar to those proposed for § 26A-1-114. However, any such amendments to Title 26 might more properly be addressed by the Attorney General's office.

I would also like to request clarification of the role of local health departments in vaccinating the initial 3000 medical responders (vaccination Tier 1). It was our understanding during the meeting on December 18, 2002, that local hospitals and private providers, not local health departments, would be involved in providing vaccinations during Tier 1. If local health departments are involved, it appears that their responsibilities will be limited to making the vaccine available to other providers. This procedure, however, would likely raise other issues under the Pharmacy Practice Act.

The Utah Smallpox Vaccination Program ("USVP") information provided by the Utah Department of Health (UDOH), does not clearly identify local health departments' role. The USVP indicates that the vaccine is to be transferred from UDOH to local health departments, not to private providers. USVP p. 13. The USVP appears to require local health departments to implement clinic operations, p. 14, and select local vaccination sites and vaccination teams, pp. 10, 12. Local health departments also appear to be involved in the screening and data management. USVP pp. 17, 25. Local health departments need to know whether they are expected (1) to participate in transferring the vaccine from UDOH to other providers; (2) to participate in screening and data management; (3) prescribe and administer the vaccinations, and/or (4) all of the above.

I would appreciate clarification of the role that local health departments are to have in vaccination Tier 1 and other UDOH plans. This information is critical because it is the authority of local health departments to participate in such plans that is at issue. Salt Lake County cannot ascertain whether it has the requisite authority to participate until it is clear about what it is expected to do. Because other local health departments participate in the Risk Management Fund, Utah Code Ann. § 63A-4-205, this may be an important issue for Risk Management as well.

UAC Insurance Mutual
Expenses to be Paid
January 15, 2003

Date	Name	Memo	Account	Original Amount
01/15/2003	A La Carte Catering	**Invoice Number: 1620** Litigation Management Committee Lunch	Board Expense	-95.00
01/15/2003	AJ Gallagher Risk Management Services Inc	**Invoice Number: 167320** Travelers Policy Number: KTKFAC123D178303	Property	-614,615.00
01/15/2003	AJ Gallagher Risk Management Services Inc	**Invoice Number: 167522** Travelers Policy Number: 103757576	Crime	-5,060.00
01/15/2003	AJ Gallagher Risk Management Services Inc	**Invoice Number: 167510** Travelers Policy Number: 339K9387	Boiler & Machinery	-35,067.00
01/15/2003	AJ Gallagher Risk Management Services Inc	**Invoice Number: 167526** Client Code: UTAASSCO	Brokerage Fee	-80,000.00
01/15/2003	AJ Gallagher Risk Management Services Inc	**Invoice Number: 169162** American Re Policy Number: 203320001	Liability	-700,000.00
01/15/2003	Arthur J. Gallagher & Co.	**Invoice Number: 44629** Item Number: 263211	Flood Zone A	-10,467.00
01/15/2003	Civic Research Institute	**Order Number: 1015311-R4** Corrections Managers' Report (6 issues)	Dues / Subscriptions	-169.95
01/15/2003	International Special Risk Service, Inc.	**Invoice 5872** Travelers Policy Number: 103545879	Bonds	-12,640.00
01/15/2003	iPhusion	**Invoice Number: 1103** Web Design	Information Technology	-50.00
01/15/2003	Kneaders Bakery Cafe	**Board Lunch 01/02/03** Director Interviews	Board Expense	-67.62
01/15/2003	Larson & Company	**Invoice Number: 5209** November Compilation	Professional Fee	-590.00
01/15/2003	Mark W. Brady	**Pay Period 01/01/03 - 01/15/03**	Payroll Expenses	-1,971.88
01/15/2003	Sonya J. White	**Pay Period 01/01/03 - 01/15/03**	Payroll Expenses	-1,138.88
01/15/2003	Suitter Axland	**Invoice Number: 1261216** Wasatch County adv. Am. Natl. (Nov02)	Other Expense	-157.00
01/15/2003	Thompson Publishing Group, Inc.	**Account Number: 5545124** ADA Compliance Guide TLR RNON (Renewal) Family & Medical Leave Handbook TLR REN (Renewal)	Dues / Subscriptions Dues / Subscriptions	-628.00
01/15/2003	Tooele County	**Coleen Outzen, Nurses Med Malp. Refund** Coleen Ooutzen, Nurses Med Malp. Dublicate Pmt. Rtn.	Refund	-89.00
01/15/2003	Utah Association of Counties	**Pass Through Monies**	Misc. Expenses	-9,813.82
01/15/2003	Utah Local Governments Trust	**Group Number: 15760** January & February 2003	**Expense** Medical	-3,415.28
01/15/2003	Utah Safety Council	**Invoice Number: 75410** Annual Defensive Driving Video Lease	**Expense** Loss Control / Training	-340.00
01/15/2003	VeriClaim, Inc.	**Invoice #2420945003** January and February 2003	**Expense** Claims Management	-40,379.67
TOTAL				-1,516,755.10