UAC INSURANCE MUTUAL

MEMBERSHIP MEETING ATTENDENCE

Max Adams
Paul Barton
Ken Brown
Curtis Dastrup
Beverly Ercanbrack
Dennis Ewing
Sid Groll
Tom Hatch
Gary Herbert
Jerry Hess
Scott Hirschi

Jerry Lewis
Ty Lewis
Louise Liston
John Rausch
Rick Reynolds
Gayle Stevenson
Dixie Thompson
Karen Truman
Steve Wall
Deron Wilkenson

Doug Alexander
Brian Bremner
Harry Bowes
Guy Burningham

Brent Gardner
Jay Odice
Pat Snowball
Jane Stapleton

UAC Insurance Mutual Board of Directors
February 20, 1992

A G E N D A

1. Minutes
2. Refund of Surplus to Uintah County
3. Payment of Start-up Fees
4. Unpaid Start-up Fees
5. Status of Premiums Paid
6. Contracts
   a. Brokerage
   b. Claims
   c. Accounting
   d. Consulting
7. Selection Procedure for Loss Control Staff
8. Appointment of the Litigation Management Committee
9. Appointment of the Sheriff's Loss Control Committee
10. Claims Report - Administrative
11. Status of ULGT 35% Exit Fee
12. Action Plan
13. New Office Improvements
14. Broker Report
15. Any Other Business

UAC INSURANCE MUTUAL

PACKAGE POLICY PREMIUMS

COUNTY	PREMIUM AMOUNT	DATE PAID
BEAVER		
BOX ELDER		
CACHE		
DAVIS	203,457.00	1/28/92
DUCHESNE	89,256.00	1/15/92
EMERY	180,429.00	2/05/92
GARFIELD	47,724.00	2/03/92
GRAND		
IRON		
KANE		
PIUTE	13,802.00	1/21/92
RICH	35,000.00	1/23/92
SAN JUAN	85,264.00	2/05/92
SANPETE	72,363.00	1/17/92
SEVIER		
TOOELE		
UINTAH	95,690.00	1/16/92
UTAH	183,749.00	2/10/92
WASATCH	73,728.00	2/04/92
WASHINGTON	124,196.00	1/13/92

UAC INSURANCE MUTUAL

Unpaid Startup Expenses as of February 1992

RBH Brokerage Fee		$150,000
Legal Fees- Susan Griffiths		
Dec. 1990-Jan. 1991	$3,248.96	
April-May 1991	$2,426.57	
June-Dec. 1991	$4,246.19	
Subtotal		$ 9,921.72
Legal Fees- Bill Peters		$ 2,255.00
Consulting Fees- Harry Bowes		
May 1991	$11,005.50	
Nov.-Dec. 1991 (Travel Expenses)	$ 792.79	
April-Dec. 1991	$ 6,725.10	
Subtotal		$ 18,523.39
Total		$180,700.11
Total w/out RBH Fee		$ 30,700.11

UAC INSURANCE MUTUAL

LITIGATION MANAGEMENT COMMITTEE

Statement of Purpose

The Litigation Management Committee is an advisory committee to the UAC Board of Directors on all legal issues that affect the condition of the Pool. The committee's advice may be sought by the Board of Directors and the Dedicated Claims Representative in the following areas:

1. Examination of legal issues affecting the Pool, other than claims.
2. Selection of defense firms.
3. Qualification of county attorneys for defense work.
4. Complex coverage issues.
5. Legal issues on complex claims.
6. Taking measures to prevent litigation.
7. Controlling litigation and its associated expenses.
8. Appellate litigation involvement.
9. Complaint resolution.
10. Review of Risk Management policies before implementation by Board of Directors.
11. Other matters determined by the Board of Directors.

LITIGATION COMMITTEE POTENTIAL MEMBERS

Jerry Hess - Davis County

Harry Souvall - Uintah County

Gary McKean - Cache County

Don Brown - Sevier County

Lyle Anderson - Grand County

Ross Blackam - Sanpete County

Reed Richards - Weber County

MINUTES

UAC INSURANCE MUTUAL
BOARD OF DIRECTORS

Room 1112, State Office Building 1:30 P. M.
Salt Lake City February 20, 1992

Vice-President Hirschi requested that the roll be called. PRESENT: Max Adams, Uintah County Commissioner; Ken Brown, Rich County Commissioner; Leonard Blackham, Sanpete County Commissioner; Dennis Ewing, Tooele County Clerk; Tom Hatch, Garfield County Commissioner; Jerry Hess, Davis County Attorney; Scott Hirschi, Washington County Commissioner; and Dixie Thompson, Emery County Commissioner. Also in attendance were: Douglas Alexander, Rollins Technical Services (RTS); Sonya White, (RTS) Office Administrator/Claims Support Person; Jess Hurtado, Rollins Burdick & Hunter Broker (RBH); Harry Bowes, UAC Consultant; Guy Burningham, Utah County Attorney; and Brent Gardener, UAC Executive Director.

It was moved by Thompson and seconded by Brown that the minutes of January 23, 1992, be approved as corrected. Motion carried unanimously.

Douglas Alexander and Sonya White of RTS were introduced and shared their job descriptions and backgrounds with the Board.

It was moved by Brown and seconded by Thompson that White record the minutes of the meeting. Motion carried unanimously.

Gardener reported that there was an adjustment in the surplus committed by Uintah County to the surplus account in the amount of $150,000. Through the efforts of Max Adams, it was agreed that Uintah would commit the funds until January 30,1992, to meet the Insurance Division requirements. Davis and Washington Counties contributed $75,000 each to replace the Uintah County's money with the State Treasurers Office. It was moved by Brown and seconded by Thompson that Hatch be authorized to sign the Venture Agreement for Washington and Davis counties. Motion carried unanimously with Hess abstaining.

The issue of start-up costs not paid by counties that have joined the Mutual benefits was discussed. It was estimated that the amount is $16,800. It was agreed by consensus that Gardener should hand deliver letters to the Commissioners of effected counties explaining the situation and requesting that they pay their pro

rated share of the implementation costs. It was also agreed that non participating counties should be contacted and encouraged to profit from the Mutual cooperative advantages.

Hurtado provided a list of counties who have not paid their contributions/premiums. The Bylaws state that payments are delinquent after 60 days. Notices have been mailed to delinquent counties. Bowes suggested that the Board set a policy on delinquent payments at the earliest opportunity. He suggested that interest be charged at prime rate or prime rate plus 2, after the 60 day grace period.

Hurtado stated that he would provide copies of proof of insurance for any counties canceling policies which should permit cancellations and refunds to be dated from December 31, 1991. He stated that he will be mailing copies of the policies for each county with the Certificates of Participation.

It was moved by Blackham and seconded by Brown that the Board inform delinquent counties that the Mutual cannot meet it obligations to the Insurance Division unless all premiums are paid when due, and the Board must insist on payment obligations being made as agreed. Motion carried unanimously.

Hirschi noted that a motion was passed at the last meeting that UAC pay all past due fees and expense once the money was available. It was moved by Hess and seconded by Hirschi that the unpaid expenses be paid as of February 1992. Motion carried unanimously.

Hurtado provided copies of the Brokerage, Claims and Accounting Contracts. Bowes stated that a correction should be made so the Contract reads "Utah Association of Counties Insurance Mutual" rather than UAC. He further stated that the Mutual was the contracting party and all references to UAC after implementation (December 31, 1991) should be deleted. Bowes reiterated his concern that having RBH Utah as the contracting party rather than RBH Group Co. does not really protect the Mutual from RBH's subsidiaries. He stated that the RHB Corporate Attorney had indicated that some language would be drafted in an Addendum to protect the Mutual and the proprietary rights to its data and information. Hirschi agreed that the contract should be with RBH Co. Hurtado agreed to follow-up on the issues. It was moved by Blackham and seconded by Thompson that the matter be tabled and that Hess act as a representative of the Board to bring a revised Brokerage Agreement to the next Board meeting. Motion carried unanimously.

It was moved by Hirschi and seconded by Blackham that the Claims Service Agreement be approved as presented subject to the review and possible modifications suggested by Hess. Motion carried unanimously.

The Board asked who the contact person should be for member questions on the Mutual. Several suggestions were made. Hurtado

stated that a clear line should be made between coverage and claims information and that coverage question should be directed to the broker. Hirschi stated that the issue should be set so that counties do not get the impression that they are receiving the run-around. It was suggested that White be the contact person. Bowes suggested that the Board concern designating Gardener as the responsible "traffic cop" per the Mutual's Administrative Services Contract with UAC.

Gardener reported that advertisements were placed in the Tribune, Deseret News, Utah Safety/Loss Control Chapter Newsletter, and the PRIMA March National Magazine for the UAC Insurance Mutual Loss Control Officer. It was agreed by consensus that Gardener, Bowes, and Alexander screen candidates to three or four finalists for interviews. It was further agreed that the salary range be to be set at $35,000 to $45,000. Hatch stated that the salary range could be reconsidered if warranted by interviews.

Hatch presented a list of suggested names for the Litigation Management Committee as follows: Lyle Anderson, Ross Blackam, Don Brown, Jerry Hess, Gary McKean, Reed Richards, and Harry Souvall. Guy Burningham contacted each attorney and only Anderson declined. Richards appointment will be contingent on his county joining the Mutual. It was moved by Hirschi and seconded by Blackham to appoint the committee as presented. Motion carried unanimously.

Gardener stated that the Sheriff's Organization has been requested to recommended five or six names for the Sheriff's Loss Control Committee but has not yet responded. Hatch suggested that Board members also consider names that they would like to submit for consideration.

Alexander provided a copy of the Loss Experience Report that each county will receive showing their pending claims. All claims reported to date were reviewed by the Board and a narrative report on Uintah County's claim was reviewed because of the large reserve. Bowes suggested that the Board review all claims of $5,000 and above. After the Mutual experience has matured, consideration could be given to setting Board claims review at $10,000 and above. It was agreed by consensus that all claims reserved at $5,000 or above would be reviewed by the Board on a monthly basis.

Hirschi recommended sending an informal letter to those counties that are meeting with the Utah Local Government Trust (ULGT). Blackham suggested that Gardener send the letter on behalf of the Mutual. The above was agreed to by consensus.

Gardener reported that the office improvements and space will be a sublease from UAC to the Mutual and RTS. The cost will be pro rated by square footage. The Board will be provided with the list of improvement and cost by the March meeting.

It was moved by Hirschi and seconded by Blackham that written invitations be sent to member Commissioners, designated county representatives, and Mutual committee members stating that they were encouraged to attend Mutual Board of Directors meetings when possible or convenient.

The meeting was adjourned at 4:35 p.m. The next Board meeting is scheduled for March 19, 1992, at 10:00 a.m. in the RBH Conference Room.

_____ _____

UAC INSURANCE MUTUAL SECRETARY DATE