AGENDA

Utah Counties Indemnity Pool Board of Directors Meeting

Thursday, April 20, 2023 12:30 p.m.

UAC/UCIP Offices 5397 S Vine St Murray UT

12:30	Open Meeting, Pledge of Allegiance	Bruce Adams
ITEM	ACTION	
1.	Welcome	Bruce Adams
2.	Review/Excuse Board Members Absent	Bruce Adams
3.	Review/Approve February 16, 2023 Meeting Minutes	Mike Wilkins
4.	Ratification/Approval of Payments and Credit Card Transactions	Mike Wilkins
5.	Review/Approve Fraud Risk Assessment	Mike Wilkins
6.	Review/Approve 2022 Financial Audit	Mike Wilkins
7.	Review/Approve 2022 Member Equity	Johnnie Miller
8.	Review/Approve Invoicing of 2022 WCF Insurance Payroll Audit	Sonya White
9.	Review/Approve Property Reinsurance Renewal and Retention Options	Johnnie Miller
10.	Review/Approve First Quarter 2023 Financial Statements	Sonya White
11.	Review/Approve URS Contribution Rates 2023/2024	Sonya White
12.	Review/Approve WIR Event Request	Johnnie Miller
13.	Review/Approve Investment Policy Amendments	Johnnie Miller
14.	Review/Approve Coverage Addendum Amendments	Johnnie Miller
15.	Set Date and Time for Closed Meeting to Discuss Character, Professional Competence, Physical/Mental Health of an Individual	Bruce Adams
16.	Action on Personnel Matters	Craig Blake
17.	Set Date and Time for Closed Meeting to Discuss Pending or Reasonably Imminent Litigation	Bruce Adams
18.	Action on Litigation Matters	Christopher Crockett
	INFORMATION	
19.	Zions Wealth Advisors Report	Scott Burnett
20.	Chief Executive Officer’s Report	Johnnie Miller
21.	Calendar Items	Aly Michale
22.	Other Reports	Bruce Adams

Electronic Meeting Notice: 681-999-0167, Participant Passcode: 675642, Anchor Location: 5397 S Vine St, Murray

UTAH
COUNTIES
INDEMNITY POOL

BOARD OF DIRECTORS
MEETING MINUTES

Date and Time
April 20, 2023, 12:30 p.m.

Location
UAC/UCIP Offices, 5397 S Vine St, Murray, Utah

Directors Present
Bruce Adams, *President,* San Juan County Commissioner
William Cox, *Vice President,* Rich County Commissioner
Michael Wilkins, *Secretary/Treasurer,* Uintah County Clerk/Auditor
Craig Blake, Sevier County Human Resource Director
Greg Miles, Duchesne County Commissioner
Kelly Sparks, Davis County Sheriff
Bob Stevenson, Davis County Commissioner
David Tebbs, Garfield County Commissioner
Sim Weston, Rich County Commissioner

Directors Participating Telephonically
Victor Iverson, Washington County Commissioner
Stan Summers, Box Elder County Commissioner

Directors Absent
Christopher Crockett, Weber County Deputy Attorney
Gage Froerer, Weber County Commissioner

Officers and Staff Present
Johnnie Miller, UCIP Chief Executive Officer
Sonya White, UCIP Chief Financial Officer
Aly Michale, UCIP Executive Administrative Specialist

Call to Order
Bruce Adams called the meeting of the Utah Counties Indemnity Pool's Board of Directors to order at 12:30 p.m. on April 20, 2023. Adams welcomed attendees and led the Pledge of Allegiance.

Review/Excuse Board Members Absent
William Cox made a motion to excuse Christopher Crockett and Gage Froerer from this meeting. Michael Wilkins seconded the motion, which passed unanimously.

Review/Approve February 16, 2023 Meeting Minutes
The draft minutes of the Board of Director's meetings held on February 16, 2023 were previously sent to the Board Members for review (see attachment number one). Michael Wilkins made a motion to approve the February 16, 2023 minutes as written, with the exception of two typographical errors. William Cox seconded the motion, which passed unanimously.

Ratification/Approval of Payments and Credit Card Transactions
Michael Wilkins reported that he has reviewed the payments made and credit card transactions of the Pool as of April 20, 2023 (see attachment number two). Michael Wilkins made a motion to approve the payments and credit card transactions as presented. William Cox seconded the motion, which passed unanimously.

Zions Wealth Advisors Report
Agenda item number 19 was moved to item number five. Scott Barnett provided the Board with a market update (see attachment number three).

Review/Approve Fraud Risk Assessment
The Fraud Risk Assessment was previously sent to the Board for review (see attachment number four). Michael Wilkins explained that the assessment provides a basic evaluation of the Pool's fraud risk. The UCIP Audit Committee has reviewed and discussed the assessment with staff. Michael Wilkins made a motion to approve the annual Fraud Risk Assessment as presented, with the exception of changing question number 3 and 3A to "No". David Tebbs seconded the motion, which passed unanimously.

Review/Approve 2022 Financial Audit
The draft 2022 financial audit, performed by Larson & Company, was previously sent to the Board for review (see attachment number five). Michael Wilkins reported that the Audit Committee met with the independent auditors and UCIP Management to review the draft 2022 financial audit. No significant risks were identified, with no internal control and state compliance findings for the year ending 2022. UCIP's net position increased $1,985,690 from the prior year with a net position of $11,198,910. Michael Wilkins made a motion to approve the 2022 Financial Audit as presented. Bob Stevenson seconded the motion, which passed unanimously.

Review/Approve Member Equity
The member equity calculations were previously sent to the Board for review (see attachment number six). Johnnie Miller reported that the Pool's actuary calculates the equity, per member, from the Pool's surplus, using a formula from the Interlocal Agreement. Miller explained that with the exception of Morgan and Weber County, who joined the pool later than most members, all counties are currently above 100% of their annual contribution; the Pool's total equity is 133% of annual contributions. Greg Miles made a motion to approve the member equity calculations as presented. William Cox seconded the motion, which passed unanimously. Equity letters will be emailed to each county member.

Johnnie Miller reported that the Pool's equity in County Reinsurance Limited has grown to $1.4 million from the Pool's initial investment of $150,000 in 2004 (see attachment number seven).

Review/Approve Invoicing of 2022 WCF Insurance Payroll Audit
Information from the WCF 2022 Premium Audit report was previously sent to the Board for review (see attachment number eight). Sonya White eplained that staff met with WCF Insurance representatives for the Pool's annual team meeting and audit results. White reported that the audited member payroll was underestimated by ten percent for a total adjustment of $180,094 additional premium due; three counties over estimated payroll and will receive a refund. White noted that while payroll has steadily increased since 2016, premiums have stayed stable and classification rates have decreased. William Cox made a motion to approve the payment of $180,094 to WCF Insurance and accept the audit report as presented. Bob Stevenson seconded the motion, which passed unanimously. Individual invoicing and credits will be sent to the members.

Review/Approve Property Reinsurance Renewal and Retention Options
A self insured retention (SIR) analysis was previously sent to the Board for review (see attachment number nine). Johnnie Miller explained that the Pool's reinsurance property coverage renewal, with County Reinsurane Limited (CRL), begins on July 1, 2023. The Pool currently has a $250,000 SIR and this year, with review of Pool actuaries, a higher retention would benefit the Pool. Increasing

the retention to $350,000 would allow for a $143,800 premium credit from CRL. Bob Stevenson made a motion to increase the Pool's self insured retention to $350,000 for CRL's property program effective July 1, 2023. Michael Wilkins seconded the motion, which passed unanimously.

Review/Approve First Quarter 2023 Financial Statements
The first quarter 2023 financial statements were previously sent to the Board for review (see attachment number 10). Sonya White reported that the in-house prepared, unaudited quarterly financials statements include the Balance Sheet comprised of the total assets, total liabilities and net position of the Pool for the quarter ending March 31, 2023. White included a comparison to the 2022 audited Balance Sheet. Net Position at quarter ending March 31, 2023 totaled $11,906,725 compared to $11,198,910 at year end 2022. The Income Statement provides the budget to actual revenues and expenses. At quarter ending March 31, 2023, operating income is at 28% of budget, totaling $2,500,167; underwriting expenses are at 22% of budget, totaling $1,524,761;administration expenses are at 21%, totaling $284,113; and change in fair value of investments is $16,523. Total change in net position at the end of the first quarter is $707,815. The Cash Flow Statement is comprised of the financial activities during the first quarter. Michael Wilkins made a motion to approve the first quarter 2023 unaudited financial statements as presented. Greg Miles seconded the motion, which passed unanimously.

Review/Approve URS Contribution Rates 2023/2024
The final Utah Retirement Systems (URS) contribution rates, for the fiscal year July 1, 2023 to June 30, 2024 were previously sent to the Board for review (see attachment number 11). Sonya White reported that Pool employees are in the Noncontributory Retirement System 15 for Local Governments. The rate did not change from the prior year. William Cox made a motion to approve the URS rates, as presented, effective July 1, 2023. Michael Wilkins seconded the motion, which passed unanimously.

Review/Approve WIR Event Request
Johnnie Miller reported to the Board that Darin Bushman, Commissioner of Piute County, has made a request for a contribution of funds to help pay for a barbeque for the Republican Commissioners group, within NACO (National Association of Counties), during the WIR (Western Interstate Region Conference). Bob Stevenson questioned if the sponsorship would be an opportunity for the Pool to appeal to non-members attending the event. William Cox responded that there will be three other counties attending that are not members of the Pool. David Tebbs asked if the sponsorship could cause other organizations to view UCIP as a source for sponsoring events? Miller responded that typically the Pool only sponsors affiliate groups where UCIP will be presenting. Bob Stevenson made a motion to sponsor $2,500 to the WIR event. Craig Blake seconded the motion, which passed. Voting yes: Bruce Adams, Craig Blake, Kelly Sparks, Bob Stevenson, David Tebbs, Sim Weston and Michael Wilkins. Voting no: William Cox and Greg Miles. Absent for the vote: Christopher Crockett and Gage Froerer.

Review/Approve Investment Policy Amendments
Proposed amendments of the Investment Policy were previously sent to the Board for review (see attachment number 12). Johnnie Miller reviewed the policy with the Board and explained the amendments as follows: Strike "asset backed obligations" from Diversification.The Money Management Act does not allow for asset backed security types. During discussion, the recommended amendment to 50 percent of total assets will remain at 20 percent. Miller explained adding language that "the maximum maturity will not exceed five years" and to strike the rest of the sentence originally sent to the Board. Miller also proposed striking CFO from Reporting and adding CEO, as there will no longer be a CFO position reporting to the Board after Sonya White retires. Greg Miles made a motion to approve the Investment Policy Amendments as presented, with the exception of striking both "50 percent" and "unless otherwise directed by and authorization received from the CEO, UCIP Treasurer or Deputy Treasurer." Kelly Sparks seconded the motion, which passed unanimously.

Review/Approve Coverage Addendum Amendments
The proposed amendment to definition of Covered Contract under the Liability Coverage Addendum was previously sent to the Board (see attachment number 13). Johnnie Miller proposed adding language to include "A Covered Contract does not include a contract for medical treatment provided in a correctional facility." Michael Wilkins made a motion to approve the amendment to the Coverage Addendum as presented to the Board. Greg Miles seconded the motion, which passed unanimously.

Set Date and Time for Closed Meeting
Bob Stevenson made a motion to strike agenda item: *Set Date and Time for a Closed Meeting to Discuss Character, Professional Competence, Physical/Mental Health of an Individual*. Greg Miles seconded the motion, which passed unanimously.

Action on Personnel Matters
Bob Stevenson made a motion to strike agenda item: *Action on Personnel Matters*. Greg Miles seconded the motion, which passed unanimously.

Set Date and Time for Closed Meeting
Bob Stevenson made a motion to strike agenda item: *Set Date and Time for Closed Meeting to Discuss Pending or Reasonably Imminent Litigation.* Greg Miles seconded the motion, which passed unanimously.

Action on Litigation Matters
Bob Stevenson made a motion to strike agenda item: *Action on Litigation Matters.* Greg Miles seconded the motion, which passed unanimously.

Chief Executive Officer's Report
Johnnie Miller updated the Board that with the pending retirement of Sonya White, UCIP has found a candidate for the Accounting Specialist position and has extended a job offer to the applicant and is awaiting a reply, hoping to have them start employment within the next two weeks.

The claims system that UCIP has been using for the past 20 years, Claim Zone, owned by Mountainview Computer Systems, recently contacted UCIP to announce that the system will be retiring at the end of the year. As one of the first clients contracted with the company, UCIP has been grandfathered into the same cost for 20 years, reaping large savings compared to counterparts in other states, paying as much as 100 times more. The Pool will need to find a new claims system to utilize by January 1, 2024. Miller explained that given his experience with migrating systems in the past and other pool's experiences, it can be a difficult process. Going through the RFQ and RFP processes then transferring data and running the new system by January 1, 2024 would likely not be feasible. Another claims company that has been working with Claim Zone is looking to offer a package deal for the data migration fee and will attempt to keep the contract price the same as grandfathered or the price other Claim Zone clients pay. The Board agrees this process should by bypassed to complete the migration within the necessary time. Korby Siggard, UCIP Claims Manager will also be retiring at the first of 2024. With these changes, it will be imperative to have a new claims employee by the date of migration to the new system, to learn the new system and assist with the migration, while Siggard continues handling claims within Claim Zone. It is likely the new system and old system will need to run at the same time for a couple months in advance to avoid any issues. Because of this, UCIP will be looking to hire the new employee sooner than had been originally planned.

Miller reminded the Board that renewing property and cyber reinsurance with CRL will be difficult to find on the market next year and the CRL Board has been talking about adding more equity to reinsure themselves. Coverage and limits will change and be discussed further during the 2023 Board of Directors Strategic Planning.

Miller reported that he attended the Building Utah Conference and had discussions with elected officials about non-member counties returning to the Pool. This is something that will be discussed further during the Board's Strategic Planning session.

Miller reminded the Board of upcoming conferences; the UAC Management Conference will be held at the Salt Palace Convention Center, in Salt Lake City, April 27th-29th, CRL's Pool Board Member Training in Boise, ID will be held from July 11th-14th, and the 2023 Board of Directors Strategic Planning will be in Ogden, June 7th-9th. Other items to discuss and review during the strategic planning will be management ratios, asset management plans and the dividend plan, along with updates to staffing and cyber liability restructure. Miller asked the Board to reach out with any other discussions that should be had for long-term strategies for the pool.

Calendar Items

Aly Michale gave further details of the Strategic Planning session and asked the Board members to contact her to make arrangements for travel if they have not already. Michale will also register and arrange travel to the directors that plan to attend the CRL Pool Board Governance Conference.

Michale also informed the Board that the Risk Coordinator Training will be held on May 10th, at WCF Headquarters in Sandy. Board members are invited to attend.

Other Reports

The next meeting of the Board of Directors will be held Friday, June 9, 2023, at 8:00 a.m., at the Weber Center, 2380 Washington Blvd., in Ogden, UT 84401, in conjunction with the Board of Directors Strategic Planning.

Bob Stevenson made a motion to adjourn the Utah Counties Indemnity Pool Board of Directors Meeting. Greg Miles seconded the motion, which passed unanimously. Bruce Adams adjourned the meeting at 2:40 p.m. on February 16, 2023.

Prepared by: Aly Michale

Aly Michale, UCIP Executive Administrative Specialist

Submitted on this 9 day of June 2023

Michael W. Wilkins

Michael W Wilkins, Secretary/Treasurer

Approved on this 9 day of June 2023

Bruce Adams

Bruce Adams, President

Support

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General Information

Government Type:

Interlocal

Entity:

Utah Counties Indemnity Pool

Public Body:

Board of Directors

Notice Information

Emergency Notice:

No

Notice Title:

Board Meeting

Notice Subject:

Administrative Services

Notice Type(s):

Meeting

Event Start Date & Time:

April 20, 2023 12:30 PM

Event End Date & Time:

April 20, 2023 03:30 PM

Description/Agenda:

Open Meeting, Pledge of Allegiance
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Review/Approve February 16, 2023 Meeting Minutes
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Action on Litigation Matters
Zions Wealth Advisors Report
Chief Executive Officer's Report
Calendar Items
Other Reports

Notice of Special Accommodations (ADA):

In compliance with the Americans with Disabilities Act, individuals needing special accommodations (including auxiliary communicative aids and services) during this meeting should notify Aly Michale at the Utah Counties Indemnity Pool, 5397 S Vine St, Murray, UT 84107-6757, or call 801-307-2122, at least three days prior to the meeting.

Notice of Electronic or Telephone Participation:

Any Member of the Utah Counties Indemnity Pool Board of Directors may participate telephonically.

Send copy of notice to:

amichale@ucip.utah.gov

Meeting Information

Street Address:

5397 S. Vine Street

City:

Murray

ZIP Code:

84107

Download Attachments

File Name	Category	Date Added
Agenda 230420.pdf	Other	2023/04/19 10:17 AM

UTAH COUNTIES
INDEMNITY POOL

BOARD OF DIRECTORS
MEETING MINUTES

Date and Time
February 16, 2023, 12:30 p.m.

Location
UAC/UCIP Offices, 5397 S Vine St, Murray, Uah

Directors Present
Bruce Adams, *President,* San Juan County Commissioner
William Cox, *Vice President,* Rich County Commissioner
Michael Wilkins, *Secretary/Treasurer,* Uintah County Clerk/Auditor
Christopher Crockett, Weber County Deputy Attorney
Bob Stevenson, Davis County Commissioner
Victor Iverson, Washington County Commissioner
Stan Summers, Box Elder County Commissioner
Sim Weston, Rich County Commissioner
Greg Miles, Duchesne County Commissioner
Gage Froerer, Weber County Commisisioner
Craig Blake, Sevier County Human Resources Director

Directors Absent
Kelly Sparks, Davis County Sheriff
David Tebbs, Garfield County Commissioner

Officers and Staff Present
Johnnie Miller, UCIP Chief Executive Officer
Sonya White, UCIP Chief Financial Officer
Aly Michale, UCIP Executive Administrative Specialist
Korby Siggard, UCIP Claims Manager
Marty Stevens, UCIP Loss Control Underwriting Specialist

Call to Order
Bruce Adams called the meeting of the Utah Counties Indemnity Pool's Board of Directors to order at 12:35 p.m. on February 16, 2023 and welcomed attendees.

Welcome New Board Members
Bruce Adams and the Board welcomed the new Board Members: Craig Blake, Gage Froerer, Greg Miles, Kelly Sparks and Simeon Weston.

Review/Excuse Board Members Absent
William Cox made a motion to excuse Kelly Sparks and David Tebbs from this meeting. Bob Stevenson seconded the motion, which passed unanimously.

Review/Discuss Board/Officer Conflicet of Interest Disclosures
William Cox explained to the Board that the Conflict of Interest Disclosure forms only need to be completed when there is a conflict of interest to be disclosed. Cox reported that no conflicts were reported by any of the Board Members or Officers of the Board.

Review/Approve December 15 and 20, 2022 Meeting Minutes
The draft minutes of the Board of Director's meetings held on December 15 and 20, 2022 were previously sent to the Board Members for review (see attachment number one and two). Michael Wilkins made a motion to approve the December 15 and 20, 2022 minutes as written. Bob Stevenson seconded the motion, which passed unanimously.

Ratification/Approval of Payments and Credit Card Transactions
Michael Wilkins reported that he has reviewed the payments made and the credit card transactions of the Pool as of February 16, 2023 (see attachment number three). Michael Wilkins made a motion to approve the payments and credit card transactions as presented. Gage Froerer seconded the motion, which passed unanimously.

Review/Approve 2022 Actuarial Reserve Analysis
Exhibits from the 2022 By The Numbers Actuarial Consulting Actuarial Reserve Analysis was previously sent to the Board Members for review (see attachment number four). Johnnie Miller explained that exhibit, Figure 1, charts the Pool's losses, for the years 2005 to 2022, by paid (blue), case reserves (green) and the estimated incurred but not reported (IBNR) (yellow) losses for all lines of coverage. The next exhibit, Comparison of Estimated Ultimate Incurred Losses, displays that from December 31, 2021, the estimate of the amount needed for 2022 decreased by 18.5%. Miller included that these amounts are estimated using past data. In reviewing the history, Miller noted that over all the past years from 2005 to current, there has been an overall reduction of 4.4%. Figure 2 charts the incurred losses comparing the current paid, case reserves and IBNR from the prior actuarial report. Appendix C, Estimated Unallocated Loss Adjustment Expense (ULAE) Reserve, displays an estimate, using actual UCIP claims data, of what it would cost the Pool to pay an outside adjusting firm to handle the claims to resolution if the Pool were dissolved. In the event of that case, the estimated cost would be $107,450, which has been booked in UCIP's financials. Table 43 provides an estimate of required reserves as of December 31, 2022, The estimated ultimate incurred losses total $52,966,279 and incurred losses of $47,880,458, totalling $44,821152 paid. These numbers do not include reinsurance amounts above UCIP's self-insurance retention of $250,000 for each line of coverage. The estimated total of case reserves showing $3,059,306 and IBNR at $5,085,821. The findings are that the expected required reserves needed for the Pool at year end of 2022 are $8,145,000 for all lines of coverage. Exhibit, Figure 5 chart, demonstrates how the actuary calculates reserves for each line of coverage, using Law Enforcement Liability as an example. Exhibit, Figure 6, charts historical profitability of the Pool. Over the years, UCIP planned to and has built up a surplus to take a higher retention with reinsurers to save money, starting on January 1, 2023. Table 46 provides the Board with the combined 17 year loss ratio of 0.956. William Cox made a motion to approve the 2022 Actuarial Reserve Analysis as presented. Mike Wilkins seconded the motion, which passed unanimously.

Review/Approve Committees of the Board Policy Ammendments
Proposed amendments to the Committees of the Board Policy were previously sent to the Board for review (see attachment number five). Johnnie Miller recommended to strike language from the Committees of the Board Policy, as provided on page 2, and add language clarifying UCIP staff soliciting candidates from the Clerk/Auditors Association for the Audit Committee for the Board to consider and appoint. Miller also recommended adding language to include that the Chair of the Governance Committee shall be appointed by the UCIP Chair and members of the Committee shall be appointed by majority vote of the Board upon recommendation of the Committee Chair, as provided on page 3, along with adding language for staff to solicit 2-3 candidates from the Utah Sheriffs Association for the Boards consideration and chair of the Law Enforcement Committee. Law Enforcement Committee shall be appointed the UCIP Chair upon recommendation of the

Committee Chair. Miller recommended language, as provided on page 4, that the UCIP staff shall also recommend 2-3 candidates for the Board's and chair of the Litigation Management Committee to consider. Members of the Litigation Management Committee shall be appointed by majority vote of the Board upon recommendation of the Committee Chair. Miller also recommended to strike language from the Nominating Committee and instead include that the Chair of the Nominating Committee be appointed by the UCIP Chair from amot the directors that serve at their county's appointment, avoiding conflict of the Committee Chair being nominated to stand for election/re-election of the Board. Adding language is also recommended to include that UCIP staff shall provide 2-3 candidates for the Board's consideration to be appointed Chair of the Personnel Committee. Members of the Personnel Committee shall be appointed by majority vote of the Board upon the recommendation of the Committee Chair. Bob Stevenson made a motion to approve amendments to the UCIP Committees of the Board Policy as presented. Michael Wilkins seconded the motion, which passed unanimously.

Review/Approve Board Committee Appointments
A listing of the members of the Committees of the Board were previously sent to the Board for review (see aggachment number six). William Cox made a motion to appoint Kelly Sparks, Simeon Weston, and Craig Blake to serve on the Education Committee, Gage Froerer and Craig Blake to serve on the Governance Committee, Michael Wilkins and Simeon Weston to serve on the Membership Approval Committee, and Gage Froerer, Michael Wilkins and Simeon Weston to serve on the Nominating Committee. Stan Summers seconded the motion, which passed unanimously.

Set Date and Time for Closed Meeting
Bob Stevenson made a motion to strike agenda item: *Set Date and Time for a Closed Meeting to Discuss Character, Professional Competence, Physical/Mental Health of an Individual*. Gage Froerer seconded the motion, which passed unanimously.

Action on Personnel Matters
Bob Stevenson made a motion to strike agenda item: *Action on Personnel Matters*. Gage Froerer seconded the motion, which passed unanimously.

Set Date and Time for Closed Meeting
Christopher Crockett made a motion to strike agenda item: *Set Date and Time for Closed Meeting to Discuss Pending or Reasonably Imminent Litigation.* Bob Stevenson seconded the motion, which passed unanimously.

Action on Litigation Matters
Christopher Crockett made a motion to strike agenda item: *Action on Litigation Matters.* Bob Stevenson seconded the motion, which passed unanimously.

Claims Report
Charts of total claims and dollar amounts, paid from 2018 through 2022, were previously sent to the Board for review (see attachment number seven). Korby Siggard reported that since 2019, the number of claims have decreased each year, while noting that out of a total of 892 claims in five years, 604 have been county vehicle related claims. In comparing amounts paid for claims, $3,684,500 was paid out for property and buildings loss; this high amount is largely due to disasters in 2020 causing more claims than average.

Loss Control Underwriting Report
Marty Stevens provided a summery of the underwriting process conducted by UCIP each year. Rates and exposures are finalized at the end of November each year, but the process starts in February to collect information, beginning with the appraisal process. Stevens reported that between UCIP's 70 members, 22 being counties and the rest being special service districts, over $2.5 billion of combined property is on the property schedule, which includes buildings, contents, vehicles, trailers, snowmobiles, watercrafts and drones. Every five years, through a rotating cycle,

each member's property is appraised and given a valuation. Once the appraisal process has begun, an affirmation letter is sent to the member's at the beginning of March, for the county to verify and update their exposures. Once the appraisals and exposure affirmations are received, UCIP adjusts the values and inflation guard, to the buildings that were not appraised, on the schedule. During this time, the appraisal firm also provides a structure cost analysis, which has continued to rise each year. Once all exposure information is in place, claim, loss and financial history, along with exposure information, is sent to the actuary to determine rates for the next year. This information is also sent to the reinsurance company to be rated. The rating structure is approved by the Board in August and budget estimates are sent to members in September indicating contributions for the next year. The worker's compensation underwriting process starts in the fall and crime coverage information is compiled and given to the carrier to quote, which is generally available in November.

Financial Report
Sonya White reported that the independent auditors completed their field work for the 2022 audit. White is currently working on preparing the draft financial statements, notes and management discussion and analysis to provide to the auditors for review. White has not received the 2022 equity indications from Counties Reinsurance Limited to finalize the financial statements. Preliminary indications show the Pool increasing net income by $3 million. The draft independent audit report will be ready for the Board to review at the April 2023 Board meeting.

Chief Executive Officer's Report
Johnnie Miller reported that with the new year and newly elected officials, he has been busy in the last two months doing training for several counties with the new commissioners and elected officials and refresher courses, including GRAMA, ethics laws and fiduciary responsibility. Miller has a few more to conduct over the next couple of weeks and then will start with sexual harassment trainings for the counties.

Miller met with the new State Risk Manager, Rachel Terry and her staff at the end of the year. The former State Risk Manager, Brian Nelson, has retired. Terry was the Deputy Director of The Utah League of Cities and Towns, who Miller has worked closely with on bills for both counties and cities during the last legislative sessions. Miller believes UCIP will continue to have good relations with the State Risk Management Department.

Millerhas been very active with the legislature this year, working on and tracking several bills. Miller has been working with the CIVLAC group each week, giving his perspective on a liability standpoint, along with assisting the Sheriffs Association with bills that impact their liability.

During the interim, Miller worked on HB11, which deals with government volunteers. In the past, the Volunteer Government Worker's Act made it so that a volunteer could not be paid, only reimbursed for expenses, which caused a problem finding and maintaining volunteers. Last year, in working with the State Risk Manager and The Legue and was able to pass the legislation to allow some compensation to volunteers. He then drafted a committee bill, that has now passed legislation, to pay volunteers more.

HB21, that deals with changes to the Open Public Meeting Act. This bill requires that all meetings of every public body would need to have reasonable comment from the public. Miller and county attorneys are opposed to that as they believe that it can cause issues conducting business productively, and create liability for the county. Scheduling an Open Public Hearing for specific situations where public comment would be needed for particular circumstances would be more productive. Johnnie believes that this bill will not be passed.

HB64, Waiver of Punitive Damages, is something Miller has been concerned about because although you are not supposed to be able to fine for punitive damages against a government entity, when settling a claim or releasing a claim, it waives punitive damages as part of the lawsuit, which UCIP would not be able to do anymore with that bill. He does not see this bill moving forward.

HB173 was discussed with UAC regarding government attorney fees. If someone were to sue a county, city or special service district in the state, and win, all attorney fees would need to be paid by the government entity. Currently, attorney fees must be paid on federal claims, which typically cost more than the actual damages. Miller suspects that this would now be the case with many lawsuits in state courts, if passed. The Governers office, Attorney Generals office, State Risk Management and the League are all opposed to this bill. Unfortunately, this bill has been pushed forward, but he is hopeful that it doesn't make it. There are already processes in place to get those fees, if the city or county is suing or defending in bad faith. Christopher Crockett is going to write a letter as to why this bill would not be good for the government and tax payers.

Miller has also met with commissioners on HB263, Apprenticeship and Public Works, which would require that all Public Works projects would have to have 10% of the work done by apprentices. Miller does not see this going forward for the rest of the session.

HB317, Pre-trial Release: Currently, for bail, there is a provision that allows the Sheriff to appoint one or more deputies as a bail commissioner, who would need to take a separate Oath of Office and bond. Currently, there is no such bond that can be issued in the State of Utah, as there is no surety that will issue a public official's bond. This bill would change the bail commissioner to a designee of the Sheriff's Department, which would in turn, be covered by UCIP. Miller has been working with SWAP attorneys with their concerns to make changes that will work for both UCIP and them. This bill is still in House but waiting for county attorneys to work out final details.

S.B. 98, Legal Costs Recovery, has been sent to the senate. This bill states that if a county were not to move forward with charges with one of their employees or officials, and the Attorney General prosecutes that employee, then the Attorney General would pay the costs of litigation, not the county.

Another Bill that Johnnie has been watching is S.B. 113, Local Agricultural Ammendments, would do away with any all regulations of animal type operations, which would effect fairs and how people manage their livestock. This bill is in House Natural Resources.

Lastly, UCIP has been working on hiring a new staff member for accounting. They have reached out to auditors and treasurers, with the job description, for references, and hope to have someone hired and trained by mid-year.

Calendar Items

Aly Michale informed the Board that UCIP's Risk Coordinator Training will be held on April 26, 2023, in conjunction with Utah Association of Counties Management Conference, which will be April 27 & 28, 2023. It will be at the Salt Palace Convention Center in Salt Lake City. Details are currently being worked out with more information to come. Michale is also looking to start planning the Strategic Planning of the Board and is looking for locations for it to be held. The Board agreed that June 7-9, 2023 would work best for all and to move the June Board of Directors meeting from June 15, 2023 to June 9, 2023, to be included in the Strategic Planning session. Some counties and locations suggested are Weber, Davis, Wasatch and Washington Counties. Michale will look into these locations.

Michale discussed a new way of sending reminders to the Board for upcoming meetings. For all future meetings, a text will be sent with details that can easily be saved to calendars. The Board agreed that these reminders would be most useful if sent the day after the previous Board meeting, one week prior to the meeting and the day before the meeting is scheduled for.

Johnnie Miller also reminded the Board that July 11-14, 2023, Counties Reinsurance Limited (CRL) will be having their Governance Conference. Miller is on the planning group to do training for board members of county pools which will provide useful information, including an actuary demonstrating how they work along with an accountant showing how financials are done. This conference will be held in Boise, Idaho. Aly Michale will soon be registering and making travel arrangements for UCIP staff and Board members to attend.

Other Reports
The next meeting of the Board of Directors will be held Thursday, April 20, 2023, at 12:30 p.m. at the UAC/UCIP offices, 5397 South Vine Street, Murray, UT

Bruce Adams adjourned the Utah Counties Indemnity Pool Board of Directors Meeting at 2:45 p.m. on February 16, 2023.

Prepared by:

____

Aly Michale, UCIP Executive Administrative Specialist

Submitted on this _______ day of _____________ 2023

____

Michael W Wilkins, Secretary/Treasurer

Approved on this _______ day of _____________ 2023

____

Bruce Adams, President

UTAH COUNTIES INDEMNITY POOL
Payments and Credit Card Transactions
February 17 - April 20, 2023

Date	Transaction Type	Num	Name	Memo/Description	Amount
500-000000-10010100 ZionsMLC					
02/17/2023	Check	ACH	Box Elder County	Claim: BOX0000332023	-1,503.90
02/17/2023	Check	ACH	CAC	Claim: DAV0001142022	-2,165.00
02/17/2023	Check	ACH	Davis County	Claim: DAV0001162023	-5,171.42
02/17/2023	Check	ACH	Mylar Law, PC	Invoice: 01231	-19,388.49
02/17/2023	Check	BILLPAY	Old School Body Shop	Invoice: 347015	-712.84
02/17/2023	Check	ACH	Frontier Adjusters, Inc.	Invoice: T1035068	-520.00
02/17/2023	Check	ACH	Kane County	Claim: KAN0000452023	-3,255.62
02/17/2023	Check	BILLPAY	Enterprise Rent-A-Car Company of UT, LLC	Invoice: 8RPXM5	-522.43
02/17/2023	Check	BILLPAY	Brad Gwinnup	Claim: WAT0000342023	-1,929.92
02/17/2023	Check	BILLPAY	Donald Smyrl	Claim: WEB0001772023	-8,100.00
02/17/2023	Check	ACH	Beckstrom Body Shop North	Invoice: 8007	-857.12
02/28/2023	Check	ACH	Dentons Durham Jones & Pinegar	Invoice: 865949	-4,649.34
02/28/2023	Check	ACH	Dentons Durham Jones & Pinegar	Invoice: 865950	-705.00
02/28/2023	Check	ACH	Dentons Durham Jones & Pinegar	Invoice: 865952	-1,152.50
02/28/2023	Check	ACH	Dentons Durham Jones & Pinegar	Invoice: 865953	-1,641.90
02/28/2023	Check	ACH	Dentons Durham Jones & Pinegar	Invoice: 865954	-1,555.00
02/28/2023	Check	ACH	Dentons Durham Jones & Pinegar	Invoice: 865955	-415.30
02/28/2023	Check	ACH	Dentons Durham Jones & Pinegar	Invoice: 867098	-4,387.50
03/03/2023	Check	BILLPAY	Mutual of Enumclaw Insurance Company	Invoice: 550000257680	-9,841.88
03/03/2023	Check	ACH	Central Utah Public Health Department	Claim: CUP0000012023	-9,137.20
03/03/2023	Check	ACH	Kunz PC	Invoice: 29	-810.00
03/03/2023	Check	ACH	Kunz PC	Invoice: 30	-432.00
03/03/2023	Check	ACH	Kunz PC	Invoice: 31	-2,788.52
03/03/2023	Check	ACH	Kunz PC	Invoice: 32	-3,723.76
03/03/2023	Check	ACH	Kunz PC	Invoice: 33	-234.00
03/03/2023	Check	ACH	Mylar Law, PC	Invoice: 01235	-2,360.86
03/03/2023	Check	ACH	Mylar Law, PC	Invoice: 01236	-5,326.15
03/03/2023	Check	ACH	Mylar Law, PC	Invoice: 01237	-22,494.05
03/03/2023	Check	ACH	Suitter Axland	Invoice: 2278	-22,097.14
03/03/2023	Check	ACH	Suitter Axland	Invoice: 2279	-5,984.00
03/03/2023	Check	ACH	Suitter Axland	Invoice: 2280	-57.00
03/03/2023	Check	ACH	Strong & Hanni	Invoice: 306364	-833.22
03/03/2023	Check	ACH	Strong & Hanni	Invoice: 306366	-2,875.50
03/03/2023	Check	ACH	Strong & Hanni	Invoice: 306367	-1,463.00
03/03/2023	Check	ACH	Strong & Hanni	Invoice: 306368	-3,097.00
03/03/2023	Check	ACH	Strong & Hanni	Invoice: 306369	-237.50
03/03/2023	Check	ACH	Strong & Hanni	Invoice: 306370	-5,882.05
03/03/2023	Check	ACH	Strong & Hanni	Invoice: 306371	-3,603.00
03/03/2023	Check	ACH	Frontier Adjusters, Inc.	Invoice: T1035784	-567.70
03/03/2023	Check	ACH	Millard County	Claim: MIL0000482023	-17,266.66
03/03/2023	Check	BILLPAY	Uintah County	Claim: UIN0000492023	-3,388.22
03/03/2023	Check	BILLPAY	Uintah County	Claim: UIN0000502023	-10,796.15
03/03/2023	Check	BILLPAY	Uintah County	Claim: UIN0000512023	-160.13
03/03/2023	Check	BILLPAY	Uintah County	Claim: UIN0000512023	-3,710.03
03/03/2023	Check	BILLPAY	Uintah County	Claim: UIN0000522023	-1,557.01

UTAH COUNTIES INDEMNITY POOL
Payments and Credit Card Transactions
February 17 - April 20, 2023

03/03/2023	Check	ACH	Washington County	Claim: WAS0000652023	-3,573.75
03/03/2023	Check	ACH	Weber-Morgan Health Department	Claim: WMH0000112023	-3,230.61
03/03/2023	Check	ACH	Weber-Morgan Health Department	Claim: WMH0000122023	-1,257.70
03/10/2023	Check	ACH	Mylar Law, PC	Invoice: 01241	-11,580.12
03/10/2023	Check	ACH	Mylar Law, PC	Invoice: 01242	-1,151.00
03/10/2023	Check	ACH	Strong & Hanni	Invoice: 308980	-2,603.00
03/10/2023	Check	ACH	Strong & Hanni	Invoice: 308984	-3,582.23
03/10/2023	Check	ACH	Strong & Hanni	Invoice: 308985	-2,902.00
03/10/2023	Check	ACH	Strong & Hanni	Invoice: 310849	-9,888.01
03/10/2023	Check	ACH	Strong & Hanni	Invoice: 310850	-1,311.00
03/10/2023	Check	BILLPAY	Beckstrom Body Shop North	Invoice: 7486	-424.71
03/10/2023	Check	BILLPAY	Ken Garff Body & Glass	Invoice: 926407	-1,539.29
03/10/2023	Check	BILLPAY	Rocky Mountain Collision of St George	Invoice: 6002491	-4,241.08
03/10/2023	Check	ACH	Frontier Adjusters, Inc.	Invoice: T1037966	-160.00
03/10/2023	Check	BILLPAY	Uintah County	Claim: UIN0000472022	-10,445.74
03/17/2023	Check	BILLPAY	Hansen's Collision Center, LLC	Invoice: 13349	-911.53
03/17/2023	Check	ACH	Mylar Law, PC	Invoice: 01248	-8,960.40
03/17/2023	Check	ACH	Mylar Law, PC	Invoice: 01250	-47,099.93
03/17/2023	Check	ACH	Frontier Adjusters, Inc.	Invoice: T1040381	-437.50
03/17/2023	Check	BILLPAY	Brad Gwinnup	Claim: WAT0000342023	-462.76
03/17/2023	Check	ACH	Weber County	Claim: WEB0001802023	-1,441.58
03/17/2023	Check	BILLPAY	David's Auto Body & Collision Repair LLC	Invoice: 6afc4539	-10,088.38
03/17/2023	Check	BILLPAY	Shaylynn Woods	Claim: WSW0001352023	-2,193.00
03/24/2023	Check	ACH	Davis County	Claim: DAV0001172023	-4,284.30
03/24/2023	Check	ACH	Washington County	Claim: WAS0000662023	-15,065.47
03/24/2023	Check	ACH	Weber County	Claim: WEB0001812023	-1,392.52
03/24/2023	Check	ACH	Mylar Law, PC	Invoice: 01251	-11,562.29
03/24/2023	Check	ACH	Mylar Law, PC	Invoice: 01252	-7,986.58
03/24/2023	Check	BILLPAY	Tyson Henrie	Claim: WAT0000352023	-812.00
03/31/2023	Check	ACH	Box Elder County	Claim: BOX0000342023	-2,157.96
03/31/2023	Check	ACH	Mylar Law, PC	Invoice: 01239	-444.28
03/31/2023	Check	ACH	Mylar Law, PC	Invoice: 01257	-7,441.41
03/31/2023	Check	ACH	Mylar Law, PC	Invoice: 01258	-4,381.00
03/31/2023	Check	ACH	Dentons Durham Jones & Pinegar	Invoice: 870225	-6,590.44
03/31/2023	Check	ACH	Dentons Durham Jones & Pinegar	Invoice: 870230	-5,488.90
03/31/2023	Check	ACH	Dentons Durham Jones & Pinegar	Invoice: 870227	-3,395.00
03/31/2023	Check	ACH	Dentons Durham Jones & Pinegar	Invoice: 870228	-3,975.00
03/31/2023	Check	ACH	WCPR	Claim: WCP0000032023	-18,044.50
03/31/2023	Check	BILLPAY	Enterprise Rent-A-Car Company of UT, LLC	Invoice: 8THLKG	-4,417.65
04/17/2023	Check	BILLPAY	The Hartford	Claim: Y3P AC 46802	-223.89
04/17/2023	Check	ACH	Duchesne County	Claim: DUC0000552023	-4,539.32
04/17/2023	Check	ACH	Duchesne County	Claim: DUC0000562023	-4,000.18
04/17/2023	Check	ACH	Kunz PC	Invoice: 35	-6,052.68
04/17/2023	Check	ACH	Kunz PC	Invoice: 36	-4,176.00
04/17/2023	Check	ACH	Mylar Law, PC	Invoice: 01259	-4,061.00
04/17/2023	Check	ACH	Mylar Law, PC	Invoice: 01266	-3,089.50
04/17/2023	Check	ACH	Mylar Law, PC	Invoice: 01267	-746.50
04/17/2023	Check	ACH	Mylar Law, PC	Invoice: 01268	-3,331.50

UTAH COUNTIES INDEMNITY POOL
Payments and Credit Card Transactions
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04/17/2023	Check	ACH	Suitter Axland	Invoice: 2341	-95.00
04/17/2023	Check	ACH	Suitter Axland	Invoice: 2342	-868.90
04/17/2023	Check	ACH	Suitter Axland	Invoice: 2343	-3,398.50
04/17/2023	Check	ACH	Suitter Axland	Invoice: 2344	-8,880.00
04/17/2023	Check	ACH	Suitter Axland	Invoice: 2345	-8,401.00
04/17/2023	Check	ACH	Suitter Axland	Invoice: 2346	-1,469.77
04/17/2023	Check	ACH	Strong & Hanni	Invoice: 311610	-4,466.67
04/17/2023	Check	ACH	Strong & Hanni	Invoice: 313689	-6,797.88
04/17/2023	Check	ACH	Strong & Hanni	Invoice: 313690	-1,938.00
04/17/2023	Check	ACH	Frontier Adjusters, Inc.	Invoice: T1045238	-296.50
04/17/2023	Check	ACH	Frontier Adjusters, Inc.	Invoice: T1045231	-345.00
04/17/2023	Check	BILLPAY	Val's Body & Paint Shop, Inc.	Invoice: 788bb446	-1,451.01
04/17/2023	Check	BILLPAY	Enterprise Rent-A-Car Company of UT, LLC	Invoice: 92N8MR	-417.70
04/17/2023	Check	BILLPAY	Rocky Mountain Collision of St George	Invoice: 6002491	-1,010.84
04/17/2023	Check	ACH	Sevier County	Claim: SEV0000442023	-1,854.85
04/17/2023	Check	BILLPAY	Warren Jessop	Claim: WAS0000682023	-3,355.67
04/17/2023	Check	ACH	Weber County	Claim: WEB0005952023	-656.71
04/17/2023	Check	BILLPAY	Rocky Mountain Movers, Inc.	Claim: WSW0000142023	-11,799.92
Total for 500-000000-10010100 ZionsMLC					**-$ 514,006.12**
500-000000-10010100 ZionsMLE					
02/17/2023	Bill Payment (Check)	ACH	By The Numbers Actuarial Consulting, Inc.	Invoice: 2023-023	-7,500.00
02/24/2023	Check	ACH	Public Employees Health Program	Invoice: 0123959818	-538.15
02/24/2023	Check	ACH	PEHP-LTD	Agency: 1076	-241.21
02/24/2023	Bill Payment (Check)	ACH	Gallagher Bassett Services, Inc.	Invoice: 15531	-156.00
02/24/2023	Bill Payment (Check)	ACH	Gallagher Bassett Services, Inc.	Invoice: 15532	-204.00
02/24/2023	Check	BILLPAY	Bruce Adams	Mileage Reimbursement	-368.11
02/24/2023	Check	ACH	Bob Stevenson	Mileage Reimbursement	-30.79
02/24/2023	Check	ACH	Christopher Crockett	Mileage Reimbursement	-60.26
02/24/2023	Check	ACH	Gage Froerer	Mileage Reimbursement	-58.95
02/24/2023	Check	ACH	Gage Froerer	Mileage Reimbursement	-58.95
02/24/2023	Check	ACH	Stan Summers	Mileage Reimbursement	-55.68
02/24/2023	Check	ACH	Sevier County	CB Mileage Reimbursement	-209.60
02/24/2023	Check	ACH	Sevier County	CB Mileage Reimbursement	-203.05
02/24/2023	Check	ACH	Washington County	VI Mileage Reimbursement	-193.23
02/24/2023	Check	BILLPAY	Mike Wilkins	Mileage Reimbursement	-226.63
02/28/2023	Payroll Check	DD	Alyssa Michale	02/28/2023 02/16/2023 to	-1,217.04
02/28/2023	Payroll Check	DD	Johnnie R. Miller	02/28/2023 02/16/2023 to	-3,689.85
02/28/2023	Payroll Check	DD	Johnnie R. Miller	02/28/2023 02/16/2023 to	-2,500.00
02/28/2023	Payroll Check	DD	Korby M. Siggard	02/28/2023 02/16/2023 to	-2,217.81
02/28/2023	Payroll Check	DD	Sonya J. White	02/28/2023 02/16/2023 to	-2,559.70
02/28/2023	Payroll Check	DD	Marty L. Stevens	02/28/2023 02/16/2023 to	-1,813.12
02/28/2023	Tax Payment		IRS	02/25/2023-02/28/2023 EFT	-6,544.43
03/02/2023	Bill Payment (Check)	ONLINE	US Bank	Account: 7814	-3,282.43
03/02/2023	Check	ONLINE	Utah Retirement Systems	Confirmation: 030142307383	-14,307.42
03/02/2023	Check	ONLINE	Nationwide Retirement Solutions	Entity: 0036786001	-4,118.21
03/02/2023	Tax Payment		UT State Tax Commission	02/01/2023-02/28/2023	-1,998.71
03/02/2023	Check	ACH	Public Employees Health Program	(MAR)	-8,417.97
03/10/2023	Bill Payment (Check)	ACH	State of Utah Mail	Invoice: 23L5812601	-75.35

UTAH COUNTIES INDEMNITY POOL
Payments and Credit Card Transactions
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03/10/2023	Bill Payment (Check)	ACH	Strong & Hanni	Invoice: 308982	-475.00
03/10/2023	Bill Payment (Check)	ACH	Whitney Advertising & Design, Inc.	Invoice: 28721	-1,644.51
03/10/2023	Bill Payment (Check)	ACH	Whitney Advertising & Design, Inc.	Invoice: 28727	-1,339.42
03/10/2023	Bill Payment (Check)	BILLPAY	Utah Clerk Auditor Association	Workshop Sponsorship	-250.00
03/15/2023	Payroll Check	DD	Johnnie R. Miller	03/15/2023 03/01/2023 to	-3,689.84
03/15/2023	Payroll Check	DD	Johnnie R. Miller	03/15/2023 03/01/2023 to	-2,500.00
03/15/2023	Payroll Check	DD	Alyssa Michale	03/15/2023 03/01/2023 to	-1,510.31
03/15/2023	Payroll Check	DD	Marty L. Stevens	03/15/2023 03/01/2023 to	-2,256.94
03/15/2023	Payroll Check	DD	Korby M. Siggard	03/15/2023 03/01/2023 to	-2,217.80
03/15/2023	Payroll Check	DD	Sonya J. White	03/15/2023 03/01/2023 to	-2,559.70
03/17/2023	Tax Payment		IRS	03/15/2023-03/17/2023	-6,728.31
03/31/2023	Payroll Check	DD	Johnnie R. Miller	03/31/2023 03/16/2023 to	-3,689.85
03/31/2023	Payroll Check	DD	Johnnie R. Miller	03/31/2023 03/16/2023 to	-2,500.00
03/31/2023	Payroll Check	DD	Korby M. Siggard	03/31/2023 03/16/2023 to	-2,217.81
03/31/2023	Payroll Check	DD	Marty L. Stevens	03/31/2023 03/16/2023 to	-2,478.86
03/31/2023	Payroll Check	DD	Sonya J. White	03/31/2023 03/16/2023 to	-2,559.69
03/31/2023	Payroll Check	DD	Alyssa Michale	03/31/2023 03/16/2023 to	-1,655.52
03/31/2023	Tax Payment		IRS	03/29/2023-03/31/2023 EFT	-6,820.16
03/31/2023	Tax Payment		UT State Tax Commission	03/01/2023-03/31/2023	-2,074.18
03/31/2023	Check	ACH	Public Employees Health Program	Account: AC-0000002101 (APR)	-8,417.97
03/31/2023	Check	ACH	PEHP-LTD	Agency: 1076	-247.95
03/31/2023	Check	ACH	Public Employees Health Program	Invoice: 0123967448	-538.15
03/31/2023	Check	ONLINE	Utah Retirement Systems	Confirmation: 032745461016	-14,536.14
03/31/2023	Check	ONLINE	Nationwide Retirement Solutions	Entity: 0036786001	-4,118.21
03/31/2023	Bill Payment (Check)	ONLINE	US Bank	Account 7814	-4,283.77
03/31/2023	Check	BILLPAY	Utah PRIMA	Annual Membership	-195.00
03/31/2023	Bill Payment (Check)	ACH	Whitney Advertising & Design, Inc.	Invoice: 28769	-1,385.81
04/14/2023	Payroll Check	DD	Korby M. Siggard	04/15/2023 04/01/2023 to	-2,217.81
04/14/2023	Payroll Check	DD	Marty L. Stevens	04/15/2023 04/01/2023 to	-2,035.02
04/14/2023	Payroll Check	DD	Johnnie R. Miller	04/15/2023 04/01/2023 to	-3,689.84
04/14/2023	Payroll Check	DD	Johnnie R. Miller	04/15/2023 04/01/2023 to	-2,500.00
04/14/2023	Payroll Check	DD	Alyssa Michale	04/15/2023 04/01/2023 to	-1,365.11
04/14/2023	Payroll Check	DD	Sonya J. White	04/15/2023 04/01/2023 to	-2,559.69
04/14/2023	Tax Payment		IRS	04/12/2023-04/14/2023 EFT	-6,636.43
04/17/2023	Bill Payment (Check)	ACH	Strong & Hanni	Invoice: 303641	-247.00
04/17/2023	Bill Payment (Check)	ACH	Strong & Hanni	Invoice: 311612	-323.00
04/17/2023	Bill Payment (Check)	ACH	Strong & Hanni	Invoice: 311600	-2,223.63
Total for 500-000000-10010100 ZionsMLE					**-$ 169,535.08**

OFFICE OF THE
STATE AUDITOR

Questionnaire

Revised December 2020

Fraud Risk Assessment

INSTRUCTIONS:

- Reference the *Fraud Risk Assessment Implementation Guide* to determine which of the following recommended measures have been implemented.
- Indicate successful implementation by marking "Yes" on each of the questions in the table. Partial points may not be earned on any individual question.
- Total the points of the questions marked "Yes" and enter the total on the "Total Points Earned" line.
- Based on the points earned, circle/highlight the risk level on the "Risk Level" line.
- Enter on the lines indicated the entity name, fiscal year for which the Fraud Risk Assessment was completed, and date the Fraud Risk Assessment was completed.
- Print CAO and CFO names on the lines indicated, then have the CAO and CFO provide required signatures on the lines indicated.

Fraud Risk Assessment

Continued

*Total Points Earned: 395 /395 *Risk Level:

Very Low	Low	Moderate	High	Very High
> 355	316-355	276-315	200-275	< 200

	Yes	Pts
1. Does the entity have adequate basic separation of duties or mitigating controls as outlined in the attached Basic Separation of Duties Questionnaire?	Yes	200
2. Does the entity have governing body adopted written policies in the following areas:		
a. Conflict of interest?	Yes	5
b. Procurement?	Yes	5
c. Ethical behavior?	Yes	5
d. Reporting fraud and abuse?	Yes	5
e. Travel?	Yes	5
f. Credit/Purchasing cards (where applicable)?	Yes	5
g. Personal use of entity assets?	Yes	5
h. IT and computer security?	Yes	5
i. Cash receipting and deposits?	Yes	5
3. Does the entity have a licensed or certified (CPA, CGFM, CMA, CIA, CFE, CGAP, CPFO) expert as part of its management team?	Yes	20
a. Do any members of the management team have at least a bachelor's degree in accounting?	Yes	10
4. Are employees and elected officials required to annually commit in writing to abide by a statement of ethical behavior?	Yes	20
5. Have all governing body members completed entity specific (District Board Member Training for local/special service districts & interlocal entities, Introductory Training for Municipal Officials for cities & towns, etc.) online training (training.auditor.utah.gov) within four years of term appointment/election date?	Yes	20
6. Regardless of license or formal education, does at least one member of the management team receive at least 40 hours of formal training related to accounting, budgeting, or other financial areas each year?	Yes	20
7. Does the entity have or promote a fraud hotline?	Yes	20
8. Does the entity have a formal internal audit function?	Yes	20
9. Does the entity have a formal audit committee?	Yes	20

*Entity Name: Utah Counties Indemnity Pool

*Completed for Fiscal Year Ending: 2023 *Completion Date: 04/20/2023

*CAO Name: Johnnie Miller *CFO Name: Sonya White

*CAO Signature: ______________ *CFO Signature: ______________

*Required

Basic Separation of Duties

See the following page for instructions and definitions.

	Yes	No	MC*	N/A
1. Does the entity have a board chair, clerk, and treasurer who are three separate people?	Yes			
2. Are all the people who are able to receive cash or check payments different from all of the people who are able to make general ledger entries?	Yes			
3. Are all the people who are able to collect cash or check payments different from all the people who are able to adjust customer accounts? If no customer accounts, check "N/A".	Yes			
4. Are all the people who have access to blank checks different from those who are authorized signers?	Yes			
5. Does someone other than the clerk and treasurer reconcile all bank accounts OR are original bank statements reviewed by a person other than the clerk to detect unauthorized disbursements?	Yes			
6. Does someone other than the clerk review periodic reports of all general ledger accounts to identify unauthorized payments recorded in those accounts?	Yes			
7. Are original credit/purchase card statements received directly from the card company by someone other than the card holder? If no credit/purchase cards, check "N/A".	Yes			
8. Does someone other than the credit/purchase card holder ensure that all card purchases are supported with receipts or other supporting documentation? If no credit/purchase cards, check "N/A".			MC	
9. Does someone who is not a subordinate of the credit/purchase card holder review all card purchases for appropriateness (including the chief administrative officer and board members if they have a card)? If no credit/purchase cards, check "N/A".	Yes			
10. Does the person who authorizes payment for goods or services, who is not the clerk, verify the receipt of goods or services?	Yes			
11. Does someone authorize payroll payments who is separate from the person who prepares payroll payments? If no W-2 employees, check "N/A".	Yes			
12. Does someone review all payroll payments who is separate from the person who prepares payroll payments? If no W-2 employees, check "N/A".	Yes			

* MC = Mitigating Control

Basic Separation of Duties

Continued

Instructions: Answer questions 1-12 on the Basic Separation of Duties Questionnaire using the definitions provided below.

 If all of the questions were answered “Yes” or “No” with mitigating controls (“MC”) in place, or “N/A,” the entity has achieved adequate basic separation of duties. Question 1 of the Fraud Risk Assessment Questionnaire will be answered “Yes.” 200 points will be awarded for question 1 of the Fraud Risk Assessment Questionnaire.

U If any of the questions were answered “No,” and mitigating controls are not in place, the entity has not achieved adequate basic separation of duties. Question 1 of the Fraud Risk Assessment Questionnaire will remain blank. 0 points will be awarded for question 1 of the Fraud Risk Assessment Questionnaire.

Definitions:

Board Chair is the elected or appointed chairperson of an entity’s governing body, e.g. Mayor, Commissioner, Councilmember or Trustee. The official title will vary depending on the entity type and form of government.

Clerk is the bookkeeper for the entity, e.g. Controller, Accountant, Auditor or Finance Director. Though the title for this position may vary, they validate payment requests, ensure compliance with policy and budgetary restrictions, prepare checks, and record all financial transactions.

Chief Administrative Officer (CAO) is the person who directs the day-to-day operations of the entity. The CAO of most cities and towns is the mayor, except where the city has a city manager. The CAO of most local and special districts is the board chair, except where the district has an appointed director. In school districts, the CAO is the superintendent. In counties, the CAO is the commission or council chair, except where there is an elected or appointed manager or executive.

General Ledger is a general term for accounting books. A general ledger contains all financial transactions of an organization and may include sub-ledgers that are more detailed. A general ledger may be electronic or paper based. Financial records such as invoices, purchase orders, or depreciation schedules are not part of the general ledger, but rather support the transaction in the general ledger.

Mitigating Controls are systems or procedures that effectively mitigate a risk in lieu of separation of duties.

Original Bank Statement means a document that has been received directly from the bank. Direct receipt of the document could mean having the statement 1) mailed to an address or PO Box separate from the entity’s place of business, 2) remain in an unopened envelope at the entity offices, or 3) electronically downloaded from the bank website by the intended recipient. The key risk is that a treasurer or clerk who is intending to conceal an unauthorized transaction may be able to physically or electronically alter the statement before the independent reviewer sees it.

Treasurer is the custodian of all cash accounts and is responsible for overseeing the receipt of all payments made to the entity. A treasurer is always an authorized signer of all entity checks and is responsible for ensuring cash balances are adequate to cover all payments issued by the entity.

UTAH COUNTIES
INDEMNITY POOL

April 11, 2023

Larson & Company
765 North Main Street
Spanish Fork, UT 84660

This representation letter is provided in connection with your audits of the financial statements of **Utah Counties Indemnity Pool** (UCIP) which comprise the respective financial position as of December 31, 2022, and the respective changes in financial position and, where applicable, cash flows for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of April 11, 2023, the following representations made to you during your audits.

Financial Statements

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated December 2, 2022, for the preparation and fair presentation of the financial statements of the various opinion units referred to above in accordance with U.S. GAAP.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- We acknowledge our responsibility for compliance with the laws, regulations, and provisions of contracts and grant agreements.
- We have reviewed, approved, and taken responsibility for the financial statements and related notes.
- We have a process to track the status of audit findings and recommendations.
- We have identified and communicated to you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
- All related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
- All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
- The effects of uncorrected misstatements summarized in the attached schedule[5] and aggregated by you during the current engagement are immaterial, both individually and in the aggregate, to the applicable opinion units and to the financial statements as a whole.

- The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
- All component units, as well as joint ventures with an equity interest, are included and other joint ventures and related organizations are properly disclosed.
- All funds and activities are properly classified.
- All funds that meet the quantitative criteria in GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, GASB Statement No. 37, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus* as amended, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, for presentation as major are identified and presented as such and all other funds that are presented as major are considered important to financial statement users.
- All components of net position, nonspendable fund balance, and restricted, committed, assigned, and unassigned fund balance are properly classified and, if applicable, approved.
- Our policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position/fund balance are available is appropriately disclosed and net position/fund balance is properly recognized under the policy.
- All revenues within the statement of activities have been properly classified as program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- All expenses have been properly classified in or allocated to functions and programs in the statement of activities, and allocations, if any, have been made on a reasonable basis.
- All interfund and intra-entity transactions and balances have been properly classified and reported.
- Special items and extraordinary items have been properly classified and reported.
- Deposit and investment risks have been properly and fully disclosed.
- Capital assets, including infrastructure assets, are properly capitalized, reported, and if applicable, depreciated.
- All required supplementary information is measured and presented within the prescribed guidelines.
- With regard to investments and other instruments reported at fair value:
  - The underlying assumptions are reasonable and they appropriately reflect management's intent and ability to carry out its stated courses of action.
  - The measurement methods and related assumptions used in determining fair value are appropriate in the circumstances and have been consistently applied.
  - The disclosures related to fair values are complete, adequate, and in accordance with U.S. GAAP.
  - There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.

- With respect to the assistance with the financial statement preparation, we have performed the following:
  - Made all management decisions and performed all management functions;
  - Assigned a competent individual to oversee the services;
  - Evaluated the adequacy of the services performed;
  - Evaluated and accepted responsibility for the result of the service performed; and
  - Established and maintained internal controls, including monitoring ongoing activities.

Information Provided

- We have provided you with:
  - Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements of the various opinion units referred to above, such as records, documentation, meeting minutes,7 and other matters;
  -

- Additional information that you have requested from us for the purpose of the audit;
- Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
- A written acknowledgement of all the documents that we expect to issue that will be included in the annual report and the planned timing and method of issuance of that annual report;
- A final version of the annual report (including all the documents that, together, comprise the annual report) in a timely manner prior to the date of the auditor's report.

- The financial statements and any other information included in the annual report are consistent with one another, and the other information does not contain any material misstatements.
- All transactions have been recorded in the accounting records and are reflected in the financial statements.
- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- We have provided to you our analysis of the entity's ability to continue as a going concern, including significant conditions and events present, and if necessary, our analysis of management's plans, and our ability to achieve those plans.
- We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
  - Management;
  - Employees who have significant roles in internal control; or
  - Others where the fraud could have a material effect on the financial statements.
- We have no knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, vendors, regulators, or others.
- We are not aware of any pending or threatened litigation, claims, and assessments whose effects should be considered when preparing the financial statements and we have not consulted legal counsel concerning litigation, claims, or assessments.
- We have disclosed to you the identity of all the entity's related parties and the nature of all the related party relationships and transactions of which we are aware.
- There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
- Utah Counties Indemnity Pool has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
- We have disclosed to you all guarantees, whether written or oral, under which Utah Counties Indemnity Pool is contingently liable.
- We have disclosed to you all nonexchange financial guarantees, under which we are obligated and have declared liabilities and disclosed properly in accordance with GASB Statement No. 70, Accounting and Financial Reporting for Nonexchange Financial Guarantees, for those guarantees where it is more likely than not that the entity will make a payment on any guarantee.
- For nonexchange financial guarantees where we have declared liabilities, the amount of the liability recognized is the discounted present value of the best estimate of the future outflows expected to be incurred as a result of the guarantee. Where there was no best estimate but a range of estimated future outflows has been established, we have recognized the minimum amount within the range.
- We have disclosed to you all significant estimates and material concentrations known to management that are required to be disclosed in accordance with GASB Statement No. 62 (GASB-62), Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements. Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.
- We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.

- There are no:
  - Violations or possible violations of laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, including applicable budget laws and regulations.
  - Unasserted claims or assessments that our lawyer has advised are probable of assertion and must be disclosed in accordance with GASB-62.
  - Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB-62
  - Continuing disclosure consent decree agreements or filings with the Securities and Exchange Commission and we have filed updates on a timely basis in accordance with the agreements (Rule 240, 15c2-12).
- Utah Counties Indemnity Pool has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral, except as disclosed to you.
- We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

Required Supplementary Information

With respect to the required supplementary information accompanying the financial statements:

a. We acknowledge our responsibility for the presentation of the required supplementary information in accordance with U.S. GAAP.

b. We believe the required supplementary information, including its form and content, is measured and fairly presented in accordance with U.S. GAAP.

c. The methods of measurement or presentation have not changed from those used in the prior period.

____

(Name of Chief Executive Officer and Title)

____

(Name of Chief Financial Officer and Title)

Utah Counties Indemnity Pool

FINANCIAL STATEMENTS, INDEPENDENT AUDITOR'S REPORT, REQUIRED SUPPLEMENTARY INFORMATION AND OTHER INDEPENDENT AUDITOR'S REPORTS

For the Year Ended ***December 31, 2022***

Larson
CERTIFIED PUBLIC ACCOUNTANTS

UTAH COUNTIES INDEMNITY POOL

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Larson
CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditor's Report

The Board of Directors
Utah Counties Indemnity Pool
Murray, Utah

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of Utah Counties Indemnity Pool (the Pool or UCIP), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise UCIP's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of UCIP, as of December 31, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Utah Counties Indemnity Pool and to meet our other ethical responsibilities, in accordance with the relevant ethical requirement relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Utah Counties Indemnity Pool's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions.

Reasonable assurance is a high level of assurance but is not absolute aassurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

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In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of UCIP's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about UCIP's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and other required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements.

We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 11, 2023, on our consideration of the Pool's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, and contracts. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audits.

Larson & Company, PC

Larson & Company, PC
Spanish Fork, Utah

April 11, 2023

MANAGEMENT’S DISCUSSION AND ANALYSIS

In conformity with Governmental Accounting Standards Board (GASB) Statement No. 34, the management of the Utah Counties Indemnity Pool (the Pool or UCIP) presents this Management's Discussion and Analysis for the readers of UCIP's financial statements. Our intent is to provide a narrative overview and analysis of the financial activities of UCIP for the fiscal year ended December 31, 2022. Readers are encouraged to consider this information in conjunction with the financial statements, notes to the financial statements and required supplementary information included in the independent auditor's report.

FINANCIAL STATEMENTS PROVIDED

Included in the independent auditor's report are the basic financial statements required under the GASB standards including:

- Statements of Net Position—accounts for all assets, deferred outflows or resources, liabilities and deferred inflows of resources of UCIP as of December 31, 2022, showing the balance of net position (assets and deferred outflows of resources minus liabilities and deferred inflows of resources) as of that date.

- Statements of Revenues, Expenses, and Changes in Net Position—accounts for all revenue and expenses accrued for the fiscal period, with calculation of the change in net position (revenue minus expenses) for the period. Expenses are classified as Operating Expenses (primarily consisting of expected losses to be paid and the cost of excess insurance covering catastrophic losses) and Administrative Expenses (primarily consisting of staff salaries and benefits and office operations). Expenses are further categorized to provide a level of detail appropriate for general management overview and control.

- Statements of Cash Flows—accounts for all revenues and expenses received or paid during the fiscal period with a calculation of net increase in cash and cash equivalents (revenue minus expenses) and total cash and cash equivalents at the end of the period. This statement provides a contrasting view of the revenues and expenses from the Statement of Revenues, Expenses, and Changes in Net Position as it accounts for revenues and expenses that were actually received or paid during the period, regardless of when the revenue was earned or due, or when the expense was accrued or invoiced.

BASIS OF ACCOUNTING METHODS

Financial statements provided in this report are reported using the Governmental Accounting Standards Board (GASB) basis of accounting. Traditional insurance companies often utilize statutory accounting methods in development of their financial statements that differ significantly from GASB accounting methods. Attempts to perform simple comparisons or benchmark analysis of a commercial carrier's financial reports and the financial reports contained here will likely yield distorted results.

CONDENSED FINANCIAL INFORMATION

The following Condensed Financial Statements are meant to provide a summary view of the audited financial statements as support for comments and analysis of the financial condition of UCIP offered by management in this letter.

Assets and Liabilities

Current and other assets decreased $275,177 at year end 2022 compared to the prior year end. Current and other assets include short term investments of $944,138. Long term investments increased $2,503,414 for the same period. Capital contributions decreased $578,769 from the prior year end. Capital assets decreased $531,980. Deferred outflows of resources in the amount of $152,113 in the year 2022 and $135,879 in prior year 2021 are reflected as a result of the implementation of GASB 68. Deferred outflows related to pensions increased $16,234. Total assets increased $1,133,722 as of December 31, 2022 over the prior year.

Total liabilities at year end 2022 decreased $851,969 from the prior year end. This decrease was primarily the result of a decrease in reserve for losses and loss adjustment. Noncurrent liabilities in the year 2022 and 2021 are reflected as a result of the implementation of GASB 68, Accounting and Financial Reporting for Pensions. The statement requires employers providing defined benefit pensions through pension plans administered as trusts, to recognize their long-term obligation for those benefits as a liability. The Pool provides a defined pension plan to certain employees through the Utah Retirement Systems (URS) and therefore, the Pool has recorded a noncurrent liability of $0 in 2022 and $23,610 in 2021. Inflows related to pensions amounted to $360,855 in 2022.

In 2022 and 2021, net position increased $1,985,690 and decreased by $13,260, respectively during the fiscal years then ended.

The condensed statements of net assets for the years ended 2022, 2021, and 2020 with comparative information for 2022 and 2021 are shown as follows:

	2022	2021	Net Change	2020
Assets:				
Current and other assets	$15,153,946	$15,429,123	$ (275,177)	$15,334,043
Long Term Investments	2,703,549	200,135	2,503,414	1,029,418
Capital Contributions	2,515,498	3,094,267	(578,769)	3,564,807
Capital assets	2,058	534,038	(531,980)	535,714
Outflows related to pensions	152,113	135,879	16,234	132,055
Total assets	**$20,527,164**	**$19,393,442**	**$ 1,133,722**	**$20,596,037**
Liabilities:				
Current and other liabilities	$ 714,822	$510,967	$ 203,855	$2,228,210
Reserve for losses and loss adjustment	8,252,577	9,471,840	(1,219,263)	8,889,882
Noncurrent liabilities	-	23,610	(23,610)	163,821
Inflows related to pensions	360,855	173,806	187,049	87,645
Total liabilities	**9,328,254**	**10,180,223**	**(851,969)**	**11,369,558**
Net position:				
Invested in capital assets	529,241	529,241	-	529,241
Unrestricted	10,669,669	8,683,978	1,985,691	8,697,238
Total net position	**11,198,910**	**9,213,219**	**1,985,691**	**9,226,479**
Total liabilities and net position	**$20,527,164**	**$19,393,442**	**$ 1,133,722**	**$20,596,037**

Operating Revenue and Expense

Revenue from contributions increased $600,194 for a total of $7,930,441 in 2022. This increase is attributed to an increase in member exposures. Other income increased $45,774 primarily from the sale of property. Operating expenses decreased $1,784,157 primarily due to the decrease in loss and loss adjustment expenses and administration costs.

The condensed statements of operating revenue and expense for the years ended 2022, 2021 and 2020 with comparative information for 2022 and 2021 are shown as follows:

	2022	2021	Net Change	2020
Operating revenue:				
Contributions	$ 7,930,441	$7,330,247	$ 600,194	$6,917,192
Investment income	307,703	71,296	236,407	194,389
Other income	63,236	17,462	45,774	19,067
Total operating revenues	**8,301,380**	**7,419,005**	**882,375**	**7,130,648**
Operating expenses:				
Loss and loss adjustment expenses	1,659,690	3,728,325	(2,068,635)	3,899,087
Reinsurance coverage	2,518,914	2,165,749	353,165	1,949,291
Administration	991,179	1,059,866	(68,687)	1,048,778
Total operating expenses	**5,169,783**	**6,953,940**	**(1,784,157)**	**6,897,156**
Net operating income	3,131,597	465,065	2,666,532	233,492
Fair value equity/investment	(1,145,907)	(478,325)	(667,582)	175,056
Change in net position	**$ 1,985,690**	**$ (13,260)**	**$ 1,998,950**	**$ 408,548**

Investments

As a governmental subdivision regulated by the Money Management Council (MMC), UCIP invests the majority of funds in the Public Treasurers' Investment Fund (PTIF). Utilizing this "safe harbor" for compliance with the Money Management Act also provides UCIP significant liquidity and protection of capital in its invested assets. In 2017, UCIP created a new restricted account in the PTIF to comply with the MMC's Rule 4 for Interlocal Agencies providing crime insurance. $125,000 equals 50% of the per occurrence limit of crime coverage.

In 2011, UCIP moved $2,000,000 of invested funds and an additional $1,000,000 in 2022 to Zions Capital Advisors in anticipation of increasing investment rates. While investments with Zions Capital Advisors outperformed the PTIF by a small amount in 2022 and 2021, it is anticipated these investments will outpace the PTIF more significantly as the market strengthens. For the purpose of the condensed statements of cash and cash equivalents and investments, investments—U.S. government securities include the Pool's total short-term investments and long term investments combined.

UCIP is a member of County Reinsurance Limited (CRL), a property and liability reinsurance pool of county-based pools across the United States structured as a captive reinsurance company domiciled in Vermont. UCIP has equity ownership in CRL.

The condensed statements of cash and cash equivalents and investments for the years ended 2022, 2021 and 2020 with comparative information for 2022 and 2021 are shown as follows:

	2022	2021	Net Change	2020
Cash and cash equivalents:				
Cash on deposit	$ 54,554	$54,926	$ (372)	$4,294,481
Public Treasurers' Investment Fund	13,156,418	12,855,172	301,246	9,384,646
Zions Capital Advisors	159,850	1,227,748	(1,067,898)	665,637
Total cash and cash equivalents	**13,370,822**	**14,137,846**	**(767,024)**	**14,344,764**
Investments and capital contributions:				
Investments - U.S. government securities	3,647,687	1,076,826	2,570,861	1,631,011
Equity in County Reinsurance Limited	2,515,498	3,094,267	(578,769)	3,564,807
Total investments	**6,163,185**	**4,171,093**	**1,992,092**	**5,195,818**
Total cash and cash equivalents and investments	**$19,534,007**	**$18,308,939**	**$ 1,225,068**	**$19,540,582**

Financial Position

The Net Asset Management Policy was adopted by the Board to actively manage UCIP's net position between 50-250% of annual revenue. The Policy provides that when net position exceeds 250% of annual revenue, the Board shall issue dividends unless the Board has specific needs for such surplus as described in the Net Asset Management Policy. Dividends may be issued as Experience Dividends, Equity Dividends and/or Member in Good Standing Dividends based on the UCIP Dividend Policy. Based on the 2022 member contributions of $7,930,441, the surplus (net position) to contributions (revenue) ratio at year end 2022 was within the Net Asset Management Policy and industry standards.

The condensed statements of changes in net position for the years ended 2022, 2021 and 2020 with comparative information for 2022 and 2021 are shown as follows:

	2022	2021	Net Change	2020
Revenues and expenses:				
Revenues	$ 7,155,473	$6,940,680	$ 214,793	$ 7,305,704
Expenses	5,169,783	6,953,940	(1,784,157)	6,897,156
Net income (loss)	**1,985,690**	**(13,260)**	**1,998,950**	**408,548**
Net position, beginning of year	9,213,220	9,226,480	(13,260)	8,817,931
Net position, end of year	**$11,198,910**	**$ 9,213,220**	**$ 1,985,690**	**$ 9,226,479**

BUDGET

Revenue

Actual 2022 revenues were $214,793 more than budgeted primarily due to the increase in member contributions and investment income.

Losses and Reinsurance Expenses

Actual loss and loss adjustment expense was $2,090,310 less than the budget. Actual reinsurance expense was $208,914 more than the budget due to increases in liability and property reinsurance costs.

Administrative Expenses

Management closely monitored budgeted administrative expenses of $1,213,000 and was able to operate with actual expenses of $991,179.

MARKET TRENDS IN 2022

Management anticipates decreased competitive pressure due to hardening market conditions, particularly in the property lines of coverage. UCIP has already seen an increase in new membership applications as a result of increased pricing in the market. UCIP will look to strengthen its new member underwriting procedures to assure new membership growth does not negatively impact underwriting results.

Property

As the property reinsurance market has recently experienced the worst loss years in history back to back, property reinsurance markets are reducing capacity and raising rates significantly. UCIP's participation in County Reinsurance Limited (CRL), a captive insurer owned by county pools across the US has provided UCIP with significant buffering from the changes in the marketplace. UCIP became a founding member of CRL's Property Plus program in 2019, which allows CRL and its property program members to take risk on a layer of reinsurance at a level that should provide underwriting revenue while reducing reinsurance premiums.

Liability

Carriers continue to increase liability premiums into 2022. As the liability market increases premiums to improve their combined ratios to attract investors, they will also have to deal with reduced capacity and increased premiums from the liability reinsurance market. This continuing "hardening" of the market will relieve some competitive pressure, but will also create increased reinsurance costs. UCIP's participation in CRL will relieve some of the market pressure other insurers will feel in 2023. UCIP has already seen an increase in new member applications as special service districts receive renewal quotes from traditional insurers with reduced coverage, increased deductibles and increased premiums.

Questions concerning any of the information in this report, or any other matters related to UCIP's budget and finances should be addressed to the Chief Financial Officer, Utah Counties Indemnity Pool, 5397 S Vine, Murray, UT 84107.

UTAH COUNTIES INDEMNITY POOL

Statement of Net Position

As of December 31, 2022

	2022
ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	$ 13,370,822
Short-term investments	944,138
Accounts receivable	750
Prepaid expenses	572,484
Net pension asset	265,752
TOTAL CURRENT ASSETS	**15,153,946**
LONG TERM INVESTMENTS	2,703,549
CAPITAL CONTRIBUTIONS	2,515,498
PROPERTY AND EQUIPMENT	2,058
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions	152,113
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 20,527,164
LIABILITIES AND NET POSITION	
CURRENT LIABILITIES	
Reserves for losses and loss adjustment expenses	$ 8,252,577
Accrued expenses	152,746
Contributions paid in advance	562,076
TOTAL CURRENT LIABILITIES	**8,967,399**
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pensions	360,855
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	**9,328,254**
NET POSITION	
Net investment in capital assets	529,241
Unrestricted	10,669,669
TOTAL NET POSITION	11,198,910
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	**$ 20,527,164**

The notes to the financial statements are an integral part of this statement

UTAH COUNTIES INDEMNITY POOL

Statement of Revenues, Expenses and Changes in Net Position

For the Year Ended December 31, 2022

OPERATING INCOME		
Contributions	$	7,930,441
Investment Income		307,703
Other Income		63,236
TOTAL OPERATING INCOME		**8,301,380**
UNDERWRITING EXPENSES		
Losses and Loss Adjustment Expenses		1,659,690
Reinsurance Coverage		2,518,914
TOTAL UNDERWRITING EXPENSES		4,178,604
ADMINISTRATION EXPENSES		
Directors		31,059
Depreciation		487
Risk Management		49,899
Public Relations		28,996
Office		103,399
Financial/Professional		102,537
Personnel		674,802
TOTAL ADMINISTRATION EXPENSES		**991,179**
TOTAL OPERATING EXPENSES		**5,169,783**
NET OPERATING INCOME		**3,131,597**
OTHER INCOME/(EXPENSES)		
Change in Fair Value Investments		(67,138)
Change in Fair Value Equity		(1,078,769)
TOTAL OTHER EXPENSES		**(1,145,907)**
CHANGE IN NET POSITION		**1,985,690**
NET POSITION AT BEGINNING OF YEAR		**9,213,220**
NET POSITION AT END OF YEAR	**$**	**11,198,910**

The notes to the financial statements are an integral part of this statement

UTAH COUNTIES INDEMNITY POOL
Statement of Cash Flows
For the Year Ended December 31, 2022

CASH FLOWS FROM OPERATING ACTIVITIES	
Contributions collected	$ 8,173,415
Other fees collected	63,236
Reinsurance paid	(2,676,811)
Losses and loss expenses paid	(2,878,953)
Cash paid to employees	(799,250)
Other administrative expenses paid	(315,890)
CASH FLOWS PROVIDED BY OPERATING ACTIVITIES	**1,565,747**
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of investments	(3,652,104)
Investment income	1,319,334
NET CASH FLOWS PROVIDED BY INVESTING ACTIVITIES	**(2,332,770)**
NET INCREASE IN CASH AND CASH EQUIVALENTS	(767,023)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**14,137,845**
CASH AND CASH EQUIVALENTS AT END OF YEAR	**$13,370,822**
RECONCILIATION OF CHANGE IN NET POSITION TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Change in net position	$ 3,131,597
Adjustments to reconcile change in net position to net cash flows used by operating activities	
Depreciation	487
Interest on investments	(307,703)
Net outflows of resources relating to pension	(86,079)
Accounts receivable	750
Prepaid expenses	(157,897)
Reserves for loss and loss adjustment expenses	(1,219,263)
Accrued expenses	(38,370)
Contributions paid in advance	242,224
Total adjustments	**(1,565,851)**
NET CASH PROVIDED BY OPERATING ACTIVITIES	**$ 1,565,747**

The notes to the financial statements are an integral part of this statement

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

The Utah Counties Indemnity Pool (the Pool or UCIP) was incorporated in December 1991 as the Utah Association of Counties Insurance Mutual (the Mutual). In July 2003, the Mutual was renamed the Utah Counties Insurance Pool. In January 2012, the Pool was renamed the Utah Counties Indemnity Pool. The Pool is a non-profit Interlocal entity formed under Section 11-13-101 et. seq. Utah Code Annotated, 1953 as amended, operated as a joint liability reserve fund under Section 63G-7-703 and 801 for counties who enter into the Interlocal Agreement that creates UCIP. The Pool is referred to as a "public agency insurance mutual" under the insurance statutes of the State of Utah, Section 31A-1-103(7). All of the Pool's business activities are conducted in the State of Utah.

Accounting Principles

These financial statements are presented in accordance with accounting principles generally accepted in the United States of America (GAAP). The Pool has adopted Governmental Accounting Standards Board (GASB) Statement No 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments, GASB Statement No. 37, Basic Financial Statement and Management's Discussion and Analysis for State and Local Governments: Omnibus, and GASB Statement No. 38, Certain Financial Statement Note Disclosures. The Pool has also adopted GASB Statement No. 40, Deposit and Investment Risk Disclosures, GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position, and GASB Statement No. 68, Accounting and Financial Reporting for Pensions, and GASB Statement No 72, Fair Value Measurement and Application. With the implementation of these statements, the Pool has prepared required supplementary information titled "Management's Discussion and Analysis" which precedes the basic financial statements, has prepared a balance sheet classified between current and noncurrent assets and liabilities, has categorized net position as net invested in capital assets and unrestricted, has prepared the statements of cash flows on the direct method, and provided additional schedules to better communicate the financial status of the governmental entity.

The accounting policies of the Pool conform to accounting principles generally accepted in the United States of America in all material respects. The following is a summary of the more significant policies.

Basis of Accounting

The Pool reports as a single enterprise fund and uses the accrual method of accounting and the economic resources measurement focus. Under this method, revenues are recognized when they are earned, and expenses are recognized when they are incurred.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Specifically, the Pool's reserves for losses and loss adjustment expenses are subject to change and actual results could differ from those estimates.

Income Taxes

The Pool is exempt from the payment of income taxes under Section 115 of the Internal Revenue Code.

Compensated Absences

Accumulated unpaid vacation and sick pay amounts are accrued when benefits vest to employees and the unpaid liability is reflected as accrued expenses.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Pool considers all highly liquid debt instruments with maturities of three months or less when purchased to be cash equivalents. Therefore, the investments in the Utah Public Treasurers' Fund (PTIF) and cash on deposit are considered to be cash equivalents.

Investments

Investments are comprised of various U.S. Government securities and certificates of deposit. Investments in U.S. Government securities as of December 31, 2022 consist of held-to-maturity securities. Held-to-maturity securities are reported at cost, adjusted for amortization of premiums and accretion of discounts that are recognized in interest income using the effective interest method over the period to maturity.

Investment Valuation

The Pool categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value:

- Level 1 inputs are quoted prices in active markets for identical assets;
- Level 2 inputs are significant other observable inputs;
- Level 3 inputs are significant unobservable inputs.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions Paid in Advance

Contributions paid by members prior to January 1 of the next calendar year are considered to be deferred until January 1 and are reported as liabilities in the statement of net assets.

Ancillary Coverages

The Pool assists members in placing coverage for exposures not included in the coverage addendum, i.e., aircraft hull, airport liability, bonds, builder's risk, excess cyber liability, and workers compensation. The Pool does not receive any fees on monies collected for member coverage placement.

Contributions

Contributions are assessed in December and due and collectable annually on January 1.

Capital Assets

Capital assets are defined by the Pool as assets with an initial individual cost of more than $5,000. Capital assets are stated at cost less accumulated depreciation. Depreciation on furniture, equipment and electronic data processing equipment is provided over the estimated useful lives of the assets on the straight-line method. Useful lives vary from three to five years. Depreciation expense for the year ended December 31, 2022 amounted to $487.

Net Asset Management

To assure that the Pool's assets are adequate without holding excessive net assets, the Pool manages net asset levels between 100% and 200% of annual revenue. Net assets should be controlled within a minimum of 50% and a maximum of 250% of annual revenue. The Pool utilizes a Rate Stabilization Fund and a Dividend Plan to manage net assets.

The Rate Stabilization Fund is utilized to designate surplus to fund unexpected increases in expenses, which necessitate increases in rates short term to allow rate increases to be made incrementally, or to negate temporary rate increases. The Rate Stabilization Fund is a Board-designated portion of unrestricted net assets to be deducted from the Total Net Assets (referred to as Unrestricted Net Position on the financial statements) when determining net assets available for payment of dividends to members and, as required by GASB, is reported as a designation only in the notes to the financial statements. The balance in the Rate Stabilization Fund at December 31, 2022 was $200,000. The Dividend Plan is utilized by the Board to return excess net assets to members.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Asset Management (Continued)

The Net Asset Management Plan indicates net assets should not exceed 250% of contributions unless the Pool has specific needs for such surplus, which may include the following: expectation of new membership; development of a new line of coverage; development of new or expanded coverage; change or restructure of reinsurance program specifically the Pool's self-insured retention; or development of new or expanded services.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Utah Retirement Systems Pension Plan (URS) including additions to and deductions from URS's fiduciary net position, have been determined on the same basis as they are reported by URS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred Outflows/Inflows of Resources

In addition to assets, the Pool reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the Pool reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources,* represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time.

Reserves for Losses and Loss Adjustment Expenses

The reserves for losses and loss adjustment expenses include an amount actuarially determined from individual case estimates and loss reports and an amount based on past experience for losses incurred but not reported. The liabilities are based on the estimated ultimate cost of settling the claims, including the effects of inflation and other societal and economic factors. Such liabilities are necessarily based on assumptions and estimates and while management believes that amounts are adequate, the ultimate liability may be in excess of or less than the amount provided.

The Pool's actuary provides a range of estimates of the reserves for losses and loss adjustment expenses at three levels of confidence: low (50% confidence), expected (66% confidence) and high (80% confidence). Accounting standards require the Pool to book the "expected" level of reserves on their financial statements, and does not allow for the Board to designate or delineate any other amount in the range on the financial statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reserves for Losses and Loss Adjustment Expenses (Continued)

In consideration of their duty to protect public funds and the inability of the Pool to assess members if reserves are not adequate, the Board prefers to reserve for claims with greater confidence than the 66% "expected" level.

To accomplish this, while complying with audit standards, the Board has adopted as part of their Net Asset Management Plan a Claims Deterioration Fund, an amount voluntarily designated by the Board as Net Assets to be deducted from Total Net Assets (referred to as Unrestricted Net Position on the financial statements) when determining Net Assets available for payment of dividends to members.

In 2013, the Board approved designating $430,000 into the Claim Deterioration Fund to assure these additional funds are available if the "expected" claim reserves are ultimately found to be inadequate to pay all liabilities of the Pool. The Board believes managing Net Assets in this manner protects members from large rate increases in the event claims experience does deteriorate. In 2020, the Board approved designating an additional $230,000 into the Claim Deterioration Fund. The balance in the Claims Deterioration Fund as of December 31, 2022 was $660,000.

Subsequent Events

Management of the Pool has evaluated subsequent events through the date of the audit report, which is also the date the financial statements were available to be issued.

NOTE 2 CASH AND CASH EQUIVALENTS AND INVESTMENTS

Listed below is a summary of the cash and investment portfolios as of December 31, 2022. Investing is governed by the prudent man rule in accordance with statutes of the State of Utah. All investments of the Pool are considered to have been made in accordance with these governing statutes including the State Money Management Act.

Cash and Cash Equivalents

Cash and cash equivalents of the Pool are carried at cost. The carrying amount of the cash on deposit, net of outstanding checks, is $54,554 as of December 31, 2022. The corresponding bank balance of the deposits was $412,727 as of December 31, 2022.

All of the Pool's cash on deposit bank accounts are noninterest bearing. All noninterest-bearing and other depositors' accounts will be aggregated and insured up to the standard maximum deposit insurance amount of $250,000 for each deposit insurance ownership category.

NOTE 2 CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Cash and Cash Equivalents (continued)

The Public Treasurers' Investment Fund (PTIF) is a pooled investment fund enabling public agencies to benefit from the higher yields offered on large denomination securities. The PTIF is similar in nature to a money market fund but the PTIF is subject to oversight by the State Money Management Council and all investments in PTIF are considered to be in compliance with the State Money Management Act.

The PTIF invests in corporate debt, U.S. Agency notes, certificates of deposit and commercial paper. The maximum final maturity of any security invested in by the PTIF is limited to five years.

The maximum weighted average life of the portfolio is limited to 90 days. There is no maturity date on an entity's investment in the PTIF. PTIF deposits are not insured or otherwise guaranteed by the State of Utah.

Zions Capital Advisors (ZCA) is an investment advisory firm certified by the State Money Management Council and all investments with ZCA are in compliance with the State Money Management Act. The maximum final maturity of any security invested in by ZCA is limited to three years. ZCA investments are not insured or otherwise guaranteed.

As of December 31, 2022, the Pool's cash and cash equivalents and investments included the following:

	2022	2021
Cash on deposit	$ 54,554	$ 54,926
Public Treasurers' Investment Fund	13,156,418	12,855,172
Zions Capital Advisors	159,850	1,227,748
Total cash and cash equivalents	**13,370,822**	**14,137,846**
Investments - debt securities	884,356	1,076,826
Equity in County Reinsurance Limited	2,515,498	3,094,267
Total investments	**3,399,854**	**4,171,093**
Total cash and cash equivalents and investments	**$ 16,770,676**	**$ 18,308,939**

Custodial Credit Risk

The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The Pool's bank balances exceeded FDIC coverage by $162,727 as of December 31, 2022.

NOTE 2 CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Investments and Capital Contributions

The Pool records its investments in U.S. Government Securities at market value. The Pool records capital contributions to County Reinsurance Limited (CRL) using the equity method of accounting. Under the equity method, the Pool recognizes its proportionate share of the net earnings or losses of CRL, which represents its share of the undistributed earnings or losses of CRL. Equity in CRL is confirmed annually.

All other investments are through the Public Treasurers' Investment Fund (PTIF).

As of December 31, 2020, the differences between book value and fair value, of the Pool's investments, are as follows:

	Cost	Fair Value Gains	Fair Value Losses	Fair Value	Statement Value
Securities	$ 3,714,826	$ 14,316	$ (81,454)	$ 3,647,688	$ 3,647,688
Equity	3,594,267	57,862	(1,136,631)	2,515,498	2,515,498
Total investments	**$ 7,309,093**	**$ 72,178**	**$ (1,218,085)**	**$ 6,163,186**	**$ 6,163,186**

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Pool's policy for managing interest rate risk is to comply with the State Money Management Act. The Act requires that the remaining term to maturity of investments may not exceed the period of availability of the funds to be invested. The Act further limits the remaining term to maturity of commercial paper to 270 days or less and fixed rate negotiable deposits and corporate obligations to 365 days or less. The Pool manages its exposure to declines in fair value by investing in the Public Treasurers' Investment Fund (PTIF) and other securities and by adhering to the Act.

As of December 31, 2022, the Pool's term to maturity of investment are as follows:

		Investment Maturities (in years)	
Investment Type	**Carrying Amount and Fair Value**	**Less than 1**	**1-5**
Debt securities:			
Corporate bonds	$ 3,647,688	$ 944,138	$ 2,703,549
Mortgage backed securities	-	-	-
Total debt securities	**3,647,688**	**944,138**	**2,703,549**

NOTE 2 CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Interest Rate Risk (continued)

Investments are measured at fair value on a recurring basis. Recurring fair value measurements are those that Governmental Accounting Standards Board (GASB) Statements require or permit in the statement of net position at the end of each reporting period. Fair value measurements are categorized based on the valuation inputs used to measure an asset's fair value. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

As of December 31, 2022, the Pool's investments' fair value measurements are as:

	Total	Level 1	Level 2	Level 3
Asset class:				
Debt securities:				
Corporate bonds	$ 3,647,688	$ 3,647,688	$ -	$ -
Mortgage backed securities	-	-	-	-
Money market funds	159,850	-	159,850	-
Public Treasurers Investment Fund	13,156,418	-	13,156,418	-
Total	$ 16,963,956	$ 3,647,688	$ 13,316,268	$ -

Credit Risk

Credit risk is the risk that the counterparty to an investment will not fulfill its obligations. The Pool's policy for limiting the credit risk of investments is to comply with the State Money Management Act.

Investments are categorized into these three categories of credit risk:

Category One - Insured or registered, or securities held by the Pool or its agent in the Pool's name.

Category Two - Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the Pool's name.

Category Three - Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent, not in the Pool's name.

As of December 31, 2022, investments in debt securities in the amount of $2,703,549 are considered to be Category Three securities. As of December 31, 2022, Public Treasurers' Investment Fund (PTIF) investments, including cash held for reinvestment and equity in County Reinsurance Limited (CRL), in the total amount of $15,671,916, are uncategorized investments or equity. The amount of uncategorized PTIF investments, restricted by the Money Management Council's Rule Four of the Money Management Act, is $125,000.

NOTE 3 INVESTMENT INCOME AND EQUITY

As of December 31, 2020, investment income and equity of the Pool is comprised of the following:

	2022	2021
Investment income and equity:		
Bonds	$ 73,618	$ 17,770
Equity	(578,769)	(470,540)
Cash	234,080	53,526
Total investment income	**$ (271,071)**	**$ (399,244)**
Cash received:		
Cash	$ 234,080	$ 53,526
Total cash received	**234,080**	**53,526**
Noncash adjustments:		
Equity	(578,769)	(470,540)
Bonds	(67,138)	(7,785)
Change in accrued interest	158,777	24,887
Amortization	(18,021)	668
Total noncash adjustments	**(505,151)**	**(452,770)**
Total investment income	**$ (271,071)**	**$ (399,244)**

NOTE 4 INTEREST RATE

The interest rate for assets held with the Utah Public Treasurers' Investment Fund (PTIF) was 3.8533 percent as of December 31, 2022.

NOTE 5 CAPITAL ASSETS

The capital assets and related accumulated depreciation of the Pool are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets exempt from depreciation:				
Land	$ 531,494		$(531,494)	$ -
Total capital assets exempt from depreciation, net	531,494	-	(531,494)	-
Capital assets being depreciated:				
Office furniture and equipment	61,840	-	-	61,840
Total capital assets, being depreciated	61,840	-	-	61,840
Less accumulated depreciation for:				
Office furniture and equipment	(59,295)	(487)	-	(59,782)
Total accumulated depreciation	(59,295)	(487)	-	(59,782)
Total capital assets being depreciated, net	2,545	(487)	-	2,058
Total capital assets, net	$ 534,039	$ (487)	$(531,494)	$ 2,058

NOTE 6 REINSURANCE

Effective 2003, the Pool has purchased only specific excess coverage. The agreement provides for liability insurance in excess of a $250,000 self-insured retention and property and crime insurance in excess of a $250,000 self-insured retention.

Estimated claims loss liabilities of the Pool are stated net of estimated losses applicable to reinsurance coverage ceded to other insurance companies of $2,313,276 as of December 31, 2022. However, the Pool is contingently liable for those amounts in the event such companies are unable to pay their portion of the claims.

Effective 2021, the Pool contributed $500,000 to take risk on a layer of property reinsurance at a level that should provide underwriting revenue while reducing reinsurance premiums. In 2022, the Pool contributed an additional $500,000. Underwriting revenue, for the layer of property reinsurance, increased $57,862 as of December 31, 2022.

Unsecured Reinsurance Recoverables

There are no letters of credit, trust agreements or funds withheld on reinsurance recoverables. The amount of $1,977,309, as of December 31, 2022, exceeds three percent of the Pool's surplus and is considered unsecured recoverables on known claims.

Reinsurance Recoverable in Dispute

As of December 31, 2022, the Pool does not have any disputed balances or uncollectible funds.

NOTE 7 RETIREMENT PLANS

Pension Plans

Plan Description. Eligible plan participants are provided with pensions through the Utah Retirement Systems. Utah Retirement Systems are comprised of the following Pension Trust Funds:

- Public Employees Noncontributory Retirement System (Noncontributory System) is a multiple employer, cost sharing, public employee retirement system.

- Tier 2 Public Employees Contributory Retirement System (Tier 2 Public Employees System) is a multiple employer, cost sharing, public employee retirement system.

The Tier 2 Public Employees System became effective July 1, 2011. All eligible employees, beginning on or after July 1, 2011, who have no previous service credit with any of the Utah Retirement Systems, are members of the Tier 2 Retirement System.

The Utah Retirement Systems (Systems) are established and governed by the respective sections of Title 49 of the Utah Code Annotated 1953, as amended. The Systems' defined benefit plans are amended statutorily by the State Legislature.

NOTE 7 RETIREMENT PLANS (CONTINUED)

Pension Plans (continued)

The Utah State Retirement Office Act in Title 49 provides for the administration of the Systems under the direction of the Utah State Retirement Board, whose members are appointed by the Governor. The Systems are fiduciary funds defined as pension (and other employee benefit) trust funds. Utah Retirement Systems is a component unit of the State of Utah. Title 49 of the Utah Code grants the authority to establish and amend the benefit terms.

Utah Retirement Systems issues a publicly available financial report that can be obtained by writing Utah Retirement Systems, 560 E 200 S, Salt Lake City, UT 84102 or visiting the website: www.urs.org/general/publicaations. **Benefits Provided**. Utah Retirement Systems provides retirement, disability, and death benefits. Retirement benefits are as follows:

System	Final Average Salary	Years of Service Required	Benefit Percent per Year of Service	COLA**
Noncontributory System	Highest 3 years	30 years, any age 25 years, any age* 20 years, age 60* 10 years, age 62* 4 years, age 65	2.0% per year all years	Up to 4%
Tier 2 Public Employees System	Highest 5 years	35 years, any age 20 years, age 60* 10 years, age 62* 4 years, age 65	1.5% per year all years	Up to 2.5%

* Actuarial reductions are applied.

** All post-retirement cost-of-living adjustments are non-compounding and are based on the original benefit except for Judges, which is a compounding benefit. The cost-of-living adjustments are also limited to the actual Consumer Price Index (CPI) increase for the year, although unused CPI increases not met may be carried forward to subsequent years.

Contribution Rate Summary. As a condition of participation in the Systems, employers and/or employees are required to contribute certain percentages of salary and wages as authorized by statute and specified by the Utah Retirement Systems Board. Contributions are actuarially determined as an amount that, when combined with employee contributions (where applicable) is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability. Contribution rates as of December 31, 2022 are as follows:

	Employee	Employer	Employer 401(k)
Contributory System			
111 Local Governmental Division Tier 2	N/A	16.01	0.18
Noncontributory System			
15 Local Governmental Division Tier 1	N/A	17.97	N/A
Tier 2 DC Only			
211 Local Governments	N/A	6.19	10.00

Tier 2 rates include a statutory requied contribution to finance the unfunded actuarial accrued liability of the Tier 1 plans.

NOTE 7 RETIREMENT PLANS (CONTINUED)

Pension Plans (continued)

For fiscal year ended December 31, 2022, the employer and employee contributions to the System were as follows:

System	Employer Contributions		Employee Contributions
Noncontributory System	$	84,808	N/A
Tier 2 Public Employees System		1,859	-
Tier 2 DC Only System		3,864	N/A
Total Contributions	$	90,531	$ -

Contributions reported are the Utah Retirement Systems Board-approved required contributions by System.
Contributions in the Tier 2 Systems are used to finance the unfunded liabilities in the Tier 1 Systems.

Combined Pension Assets, Liabilities, Expense, and Deferred Outflows and Inflows of Resources Related to Pensions.

As of December 31, 2022, the Utah Counties Indemnity Pool reports a net pension asset of $265,752 and a net pension liability of $0.

	(Measurement Date): December 31, 2021				
	Net Pension Asset	Net Pension Liability	Proportionate Share	Proportionate Share December 31, 2020	Change (Decrease)
Noncontributory System	$ 264,736	$ -	0.0462251%	0.0452032%	0.00102190%
Tier 2 Public Employees System	$ 1,016	$ -	0.0023995%	0.0029427%	(0.0005432)%
	$ 265,752	$ -			

The net pension asset and liability were measured as of December 31, 2021, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2021 and rolled-forward using generally accepted actuarial procedures. The proportion of the net pension asset and liability is equal to the ratio of the employer's actual contributions to the Systems during the plan year over the total of all employer contributions to the System during the plan year.

For the year ended December 31, 2022 the Pool recognized pension expense of ($28,060).

At December 31, 2022 the Pool reported deferred outflows of resources and deferred inflows of resources relating to pensions for the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 28,221	$ 131
Changes in assumptions	$ 25,793	$ 1,719
Net difference between projected and actual earnings on pension plan investments	$ -	$ 358,941
Changes in proportion and differences between contributions and proportionate share of contributions	$ 7,568	$ 65
Contributions subsequent to the measurement date	$ 90,531	$ -
	$ 152,113	$ 360,856

NOTE 7 RETIREMENT PLANS (CONTINUED)

Pension Plans (continued)

The amount of $90,531 was reported as deferred outflows of resources related to pensions results from contributions made by the Pool prior to fiscal year end, but subsequent to the measurement date of December 31, 2021.

These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions, will be recognized in pension expense as follows:

Year Ended December 31,	Net Deferred Outflows (Inflows) of Resources
2022	(53,855)
2023	(100,348)
2024	(86,601)
2025	(59,482)
2026	190
Thereafter	822

Noncontributory System Pension Expense and Deferred Outflows and Inflows of Resources.

For the year ended December 31, 2022, the Pool recognized pension expense of ($31,581).

As of December 31, 2022, the Pool reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 27,728	$ -
Changes in assumptions	$ 24,846	$ 1,709
Net difference between projected and actual earnings on pension plan investments	$ -	$ 356,432
Changes in proportion and differences between contributions and proportionate share of contributions	$ 7,070	$ -
Contributions subsequent to the measurement date	$ 84,808	$ -
	$ 144,452	$ 358,141

The amount of $84,808 reported as deferred outflows of resources relating to pensions results from contributions made by the Pool prior to fiscal year end, but subsequent to the measurement date of December 3, 2021.

NOTE 7 RETIREMENT PLANS (CONTINUED)

Pension Plans (continued)

These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions, will be recognized in pension expense as follows:

Year Ended December 31,		Net Deferred Outflows (Inflows) of Resources
2022	$	(53,378)
2023	$	(99,738)
2024	$	(86,157)
2025	$	(59,224)
2026	$	-
Thereafter	$	-

Tier 2 Public Employees System Pension Expense and Deferred Outflows and Inflows of Resources.

For the year ended December 31, 2022, the Pool recognized pension expense of $3,521.

As of December 31, 2022, the Pool reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following:

		Deferred Outflows of Resources		Deferred Inflows of Resources
Differences between expected and actual experience	$	493	$	131
Changes in assumptions	$	947	$	10
Net difference between projected and actual earnings on pension plan investments	$	-	$	2,509
Changes in proportion and differences between contributions and proportionate share of contributions	$	497	$	65
Contributions subsequent to the measurement date	$	5,723	$	-
	$	7,660	$	2,715

The amount of $5,723 reported as deferred outflows of resources relating to pensions results from contributions made by the Pool prior to fiscal year end, but subsequent to the measurement date of December 3, 2021.

These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions, will be recognized in pension expense as follows:

Year Ended December 31,	Net Deferred Outflows (Inflows) of Resources
2022	(477)
2023	(610)
2024	(444)
2025	(258)
2026	190
Thereafter	822

NOTE 7 RETIREMENT PLANS (CONTINUED)

Pension Plans (continued)

Actuarial Assumptions. The total pension liability in the December 31, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation:	2.50 percent
Salary increases:	3.25 - 9.25 percent, average, including inflation
Investment rate of return:	6.85 percent, net of pension plan investment expense, including inflation

Mortality rates were adopted from actuarial experience study dated January 1, 2020. The retired mortality tables are developed using Utah Retirement Systems retiree experience and are based upon gender, occupation and age as appropriate with projected improvement using 80% of the ultimate rates from the MP-2019 improvement assumption using a base year of 2020. The mortality assumption for active members is the PUB-2010 Employees Mortality Table for public employees, teachers and public safety members, respectively.

The actuarial assumptions used in the January 1, 2021 valuation were based on the results of an actuarial experience study for the five year period ending December 31, 2019.

The long-term expected rate of return on pension plan investments was determined using a building-block method, in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class and is applied consistently to each defined benefit pension plan. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

	Expected Return Arithmetic Basis		
Asset Class	Target Asset Allocation	Real Return Arithmetic Basis	Long Term Expected Portfolio Real Rate of Return
Equity securities	37.00%	6.58%	243.00%
Debt securities	20.00%	(0.28)%	(0.06)%
Real assets	15.00%	5.77%	0.93%
Private equity	12.00%	9.85%	1.14%
Absolute return	16.00%	2.91%	0.44%
Cash and equivalents	0.00%	(1.01)%	0.00%
Totals	100.00%		4.89%
	Inflation		2.50%
	Expected arithmetic nominal return		7.39%

The 6.85% assumed investment rate of return is comprised of an inflation rate of 2.50% and a real return of 4.35% that is net of investment expense.

NOTE 7 RETIREMENT PLANS (CONTINUED)

Pension Plans (continued)

Discount Rate. The discount rate used to measure the total pension liability was 6.85 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from all participating employers will be made at contractually required rates that are actuarially determined and certified by the Utah Retirement Systems Board.

Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate does not use the Municipal Bond Index Rate. The discount rate was reduced from 6.95% to 6.85% from the prior measurement date.

Sensitivity of the Proportionate Share of the Net Pension Asset and Liability to Changes in the Discount Rate. The following presents the proportionate share of the net pension liability calculated using the discount rate of 6.85 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.85 percent) or 1-percentage-point higher (7.85 percent) than the current rate:

System	1% Decrease or 5.85%	Discount Rate of 6.85%	1% Increase or 7.85%
Noncontributory System	$ 142,357	(264,736)	(604,376)
Tier 2 Public Employees System	$ 6,051	(1,016)	(6,441)
Total	$ 148,408	(265,752)	(610,817)

Defined Contribution Savings Plans. The Defined Contribution Savings Plans are administered by the Utah Retirement Systems Board and are generally supplemental plans to the basic retirement benefits of the Retirement Systems but may also be used as a primary retirement plan. These plans are voluntary tax-advantaged retirement savings programs authorized under sections 401(k), 457(b) and 408 of the Internal Revenue Code. Detailed information regarding plan provisions is available in the separately issued Utah Retirement Systems financial report.

The Pool participates in the 401(k) Defined Contribution Savings Plan with the Utah Retirement Systems.

Employee and employer contributions to the Utah Retirement Defined Contribution Savings Plans for the fiscal year ended December 31, were as follows:

401(k) Plan	**2022**	**2021**	**2020**
Employer Contributions	$ 15,537	$ 15,720	$ 16,034
Employee Contributions	$ 50,714	$ 24,375	$ 22,025

NOTE 7 RETIREMENT PLANS (CONTINUED)

Employer Participating Retirement Plans

The Pool contributes an amount equal to the amount contributed by the employee into participating retirement plans, not to exceed five percent of the employee's eligible salary and wages. Administered by the Utah Retirement Systems, the total retirement expense for the 401(k) plan for the Pool as of December 31, 2022, 2021 and 2020 was $15,537, $15,720 and $16,034. Administered by the Nationwide Retirement Solutions, the total retirement expense for the 457(b) plan for the Pool as of December 31, 2022, 2021 and 2020 was $15,968, $15,207 and $14,909.

NOTE 8 UNPAID CLAIMS, LOSSES AND LOSS ADJUSTMENT EXPENSES

Reserves for incurred losses and loss adjustment expenses attributable to covered events of prior years has decreased by $1,219,263 in 2022 as a result of re-estimation of unpaid losses and loss adjustment expenses.

This change is the result of ongoing analysis of recent loss development trends. Original estimates change as additional information becomes known regarding individual claims.

As of December 31, 2022, unpaid claims, losses and loss adjustment expenses of the Pool are as follows:

	2022
Beginning balance	$ 9,471,840
Incurred loss:	
Current year	3,334,515
Prior years	(2,322,618)
Change in total incurred	1,011,897
Paid:	
Current year	831,002
Prior years	1,400,158
Total paid	2,231,160
Balance at December 31	$ 8,252,577

NOTE 9 CONTIGENCIES

The Pool is subject to litigation from the settlement of claims contested in the normal course of business. The losses from the actual settlement of such unknown claims are taken into consideration in the computation of the estimated unpaid loss and loss adjustment expense liabilities.

REQUIRED SUPPLEMENTARY INFORMATION
(Unaudited)

UTAH COUNTIES INDEMNITY POOL

Schedule of Ten-Year Claims Development Information

For the Year Ended December 31, 2022

The following table illustrates how the Pool's earned revenue (net of reinsurance) and investment income compare to related costs of loss (net of loss assumed by reinsurers) and other expenses assumed by the Pool as of the end of each of the past ten years. The rows of the table are defined as follows: (1) This line shows each fiscal year's net earned premiums, other operating revenues and interest income. (2) This line shows each year's other operating expenses including overhead and loss adjustment expenses not allocable to specific claims. (3) This line shows incurred losses and allocated loss adjustment expenses (both paid and accrued) as originally reported at the end of the first year in which the event that triggered coverage under the contract occurred. (4) This section of ten rows shows the cumulative amounts paid as of the end of successive years for each policy year. (5) This section of ten rows shows how each policy year's net incurred claims increased or decreased as of the end of the successive years: this annual estimation results from new information received on known claims, reevaluation of existing information on known claims, and emergence of new claims not previously known. (6) This line compares the latest reestimated incurred claims amount to the amount originally established (line 3) and show whether this latest estimate of net claims cost is greater or less than originally thought. As data for individual policy years mature, the correlation between original estimates and reestimated amounts commonly is used to evaluate the accuracy of net incurred claims currently recognized in less mature policy years. The columns of the table show data for successive policy years.

	Fiscal and Policy Year Ended (in Thousands of Dollars)											
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
(1) Earned premiums, other operating revenues and investment revenues, net of reinsurance	5,064	5,141	3,538	3,717	3,789	4,584	4,804	4,807	5,406	5,181	5,253	5,782
(2) Unallocated expense	-	-	-	-	-	-	-	-	-	-	-	
(3) Estimated incurred claims and expenses, end of policy year:	3,129	3,619	3,152	3,666	3,066	3,273	3,554	3,337	3,608	4,517	3,116	3,335
(4) Net paid (cumulative) as of:												
End of policy year	995	347	586	1,344	894	833	793	910	824	1,149	685	831
One year later	1,542	1,538	1,377	1,549	1,017	1,045	1,291	1,215	1,697	2,190	903	-
Two years later	1,719	2,310	1,869	1,830	1,125	1,336	1,678	1,321	1,965	2,620	-	-
Three years later	2,153	2,637	2,386	2,103	1,275	1,756	2,427	1,686	2,327	-	-	-
Four years later	2,385	3,005	2,573	2,377	1,443	1,972	2,618	1,878	-	-	-	-
Five years later	2,615	3,160	2,600	2,698	1,676	2,039	2,704	-	-	-	-	-
Six years later	2,869	3,426	2,611	2,845	1,682	2,076	-	-	-	-	-	-
Seven years later	2,951	3,553	2,612	2,901	1,701	-	-	-	-	-	-	-
Eight years later	3,083	3,706	2,612	2,902	-	-	-	-	-	-	-	-
Nine years later	3,111	3,766	2,615	-	-	-	-	-	-	-	-	-
Ten years later	3,164	3,808	-	-	-	-	-	-	-	-	-	-
Eleven years later	3,175	-	-	-	-	-	-	-	-	-	-	-
Twelve years later	-	-	-	-	-	-	-	-	-	-	-	-
(5) Reestimated net incurred claims and expenses:												
End of policy year	3,129	3,619	3,152	3,666	3,066	3,273	3,554	3,337	3,608	4,517	3,116	3,335
One year later	3,472	4,246	3,907	3,627	2,781	4,002	4,050	2,983	3,824	5,073	2,539	-
Two years later	3,193	3,837	3,515	3,565	2,200	3,619	3,669	2,456	3,945	4,282	-	-
Three years later	3,080	3,650	3,169	3,109	1,775	2,788	3,588	2,424	3,393	-	-	-
Four years later	2,952	3,524	3,007	3,020	1,778	2,307	3,290	2,459	-	-	-	-
Five years later	2,991	3,476	2,742	3,206	1,762	2,276	3,212	-	-	-	-	-
Six years later	3,117	3,697	2,664	3,080	1,749	2,076	-	-	-	-	-	-
Seven years later	3,112	3,722	2,631	3,029	1,743	-	-	-	-	-	-	-
Eight years later	3,257	3,815	2,620	3,010	-	-	-	-	-	-	-	-
Nine years later	3,282	3,809	2,620	-	-	-	-	-	-	-	-	-
Ten years later	3,296	3,842	-	-	-	-	-	-	-	-	-	-
Eleven years later	3,175	-	-	-	-	-	-	-	-	-	-	
Twelve years later	-	-	-	-	-	-	-	-	-	-	-	-
(6) Increase (decrease) in estimated net incurred claims and expenses from end of policy year	46	223	(532)	(656)	(1,323)	(1,197)	(342)	(878)	(215)	(235)	(577)	-

UTAH COUNTIES INDEMNITY POOL
Schedule of the Proportionate Share of the Net Pension Liability
(Utah Retirement Systems)
Measurement Date of December 31, 2021
For the Year Ended December 31, 2022
Last 10 Fiscal Years*

2022 2021 2020 2019 2018 2017 2016 2015

	2022	2021	2020	2019	2018	2017	2016	2015
Noncontributory Retirement System								
Proportion of the net pension liability (asset)	0.0462251%	0.0452032%	0.0432814%	0.0413459%	0.0387967%	0.0393979%	.04240778%	0.0412802%
Proportionate share of the net pension liability (asset)	$ (264,736)	$ 23,187	$ 163,122	$ 304,460	$ 169,980	$ 252,983	$ 239,964	$ 179,248
Covered payroll	$ 435,731	$ 413,670	$ 388,378	$ 3,660,584	$ 342,770	$ 351,178	$ 369,111	$ 355,770
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-60.76%	5.61%	42.00%	84.44%	49.59%	72.04%	65.01%	50.40%
Plan fiduciary net position as a percentage of the total pension liability (asset)	-108.70%	99.20%	93.70%	87.00%	91.90%	87.30%	87.80%	90.20%
Tier 2 Public Employees Retirement System								
Proportion of the net pension liability (asset)	0.0023995%	0.0029427%	0.0031062%	0.0032592%	0.0032876%	0.0044177%	.0037343%	0.0039098%
Proportionate share of the net pension liability (asset)	$ (1,016)	$ 423	$ 699	$ 1,396	$ 290	$ 493	$ (8)	$ (8)
Covered payroll	$ 44,610	$ 47,055	$ 43,178	$ 37,995	$ 32,392	$ 36,228	$ 24,123	24123
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-2.28%	90.00%	1.62%	3.67%	0.90%	1.36%	-0.03%	-0.60%
Plan fiduciary net position as a percentage of the total pension liability (asset)	103.80%	98.30%	96.50%	90.80%	97.40%	95.10%	100.20%	103.50%

*In accordance with paragraph 81a of GASB Statement No. 68, employers will need to disclose a 10-year history of their proportionate share of the Net Pension Liability (Asset). The Pool's 10-year schedule will be built prospectively. The schedule above is for the past seven years.

UTAH COUNTIES INDEMNITY POOL

Schedule of Contributions

(Utah Retirement Systems)

For the Year Ended December 31, 2022

	As of Fiscal year ended December 31,	Actuarial Determined Contributions	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered employee payroll
Noncontributory System	2015	$ 68,175	$ 38,175	$ -	$ 388,378	18.47%
	2016	64,862	64,862	-	351,178	18.47%
	2017	63,310	63,310	-	342,770	18.47%
	2018	66,600	66,600	-	360,584	18.47%
	2019	71,733	71,733	-	388,378	18.47%
	2020	76,405	76,405	-	413,670	18.47%
	2021	80,479	80,479	-	435,731	18.47%
	2022	84,808	84,808	-	465,903	18.20%
Tier 2 Public Employees System*	2015	$ 3,600	$ 3,600	$ -	$ 24,123	14.92%
	2016	5,402	5,402	-	36,228	14.91%
	2017	4,846	4,846	-	32,392	14.96%
	2018	5,832	5,832	-	37,995	15.35%
	2019	6,736	6,736	-	43,178	15.60%
	2020	7,402	7,402	-	47,055	15.73%
	2021	7,105	7,105	-	44,610	15.93%
	2022	1,859	1,859	-	11,571	16.07%
Tier 2 Public Employees DC Only System*	2015	$ 1,071	$ 1,071	$ -	$ 16,010	6.69%
	2016	3,297	3,297	-	49,281	6.69%
	2017	1,071	1,071	-	16,010	6.69%
	2018	3,297	3,297	-	49,281	6.69%
	2019	3,434	3,434	-	51,325	6.69%
	2020	3,528	3,528	-	52,738	6.69%
	2021	3,587	3,587	-	53,620	6.69%
	2022	3,864	3,864	-	60,094	6.43%

* Contributions in Tier 2 include an amortization rate to help fund the unfunded liabilities in the Tier 1 systems. Tier 2 systems were created effective July 1, 2011.

*Contributions in Tier 2 include an amortization rate to help fund the unfunded liabilities in the Tier 1 systems. Tier 2 systems were created effective July 1, 2011.

Paragraph 81.b of GASB 68 requires employers to disclose a 10-year history of contributions in RSI. The schedule will be built prospectively. The schedule above is for the past eight years. Contributions as a percentage of covered payroll may be difference than the board-certified rate due to rounding and other administrative practices.

Changes in Assumptions of the total pension liability

The investment return assumption was decreased by 0.10% to 6.85% for use in the January 1, 2021 actuarial valuation. This assumption change was based on analysis performed by the actuary and adopted by the Utah State Retirement Board. In aggregate, this assumption change resulted in a $509 million increase in the Total Pension Liability, which is about 1.3% of the Total Pension Liability as of December 31, 2020 for all systems combined. The demographic assumptions were reviewed and updated in the January 1, 2020 actuarial valuation and are currently scheduled to be viewed in the year 2023.

OTHER REPORTS

Larson
CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditor's Report On Internal Control Over Financial Reporting And On Compliance And Other Matters Based On An Audit Of Financial Statements Performed In Accordance With Government Auditing Standards

The Board of Directors
Utah Counties Indemnity Pool
Murray, Utah

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Utah Counties Indemnity Pool (the Pool or UCIP), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Pool's basic financial statements, and have issued our report thereon dated April 11, 2023.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Pool's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Pool's internal control. Accordingly, we do not express an opinion on the effectiveness of the Pool's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Pool's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts.

However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Larson & Company, PC

Larson & Company, PC
Spanish Fork, Utah

April 11, 2023

Larson
CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditor's Report on Compliance and Report on Internal Control Over Compliance as Required by the *State Compliance Audit Guide*

The Board of Directors
Utah Counties Indemnity Pool
Murray, Utah

Report on Compliance with General State Compliance Requirements

We have audited Utah Counties Indemnity Pool's (the Pool or UCIP) compliance with the applicable general state program compliance requirements described in the *State Compliance Audit Guide*, issued by the Office of the Utah State Auditor that could have a direct and material effect on UCIP for the year ended December 31, 2022.

General state compliance requirements were tested for the year ended December 31, 2022 in the following areas:

Budgetary Compliance
Fund Balance
Fraud Risk Assessment

Management's Responsibility

Management is responsible for compliance with the general state requirements referred to above.

Auditor's Responsibility

Our responsibility is to express an opinion on the Pool's compliance based on our audit of the compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the *State Compliance Audit Guide*. Those standards and the *State Compliance Audit Guide* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a direct and material effect on the Pool occurred. An audit includes examining, on a test basis, evidence about the Pool's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each state compliance requirement referred to above. However, our audit does not provide a legal determination of Utah Counties Indemnity Pool's compliance with those requirements.

Opinion on Compliance

In our opinion, Utah Counties Indemnity Pool complied, in all material respects, with the compliance requirements referred to above for the year ended December 31, 2022.

Other Matters

The results of our auditing procedures disclosed no instances of noncompliance, which are required to be reported in accordance with the State Compliance Audit Guide.

Larson & Company
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Report on Internal Control over Compliance

Management of the Pool is responsible for establishing and maintaining effective internal controls over compliance with the compliance requirements referred to above. In planning and performing our audit, we considered the Pool's internal control over compliance with the compliance requirements that could have a direct and material effect on the Pool to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance with general state compliance requirements and to test and report on internal control over compliance in accordance with *State Compliance Audit Guide*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Pool's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a general state compliance requirement on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a general state compliance requirement will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a general state compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control and compliance and the results of that testing based on the requirements of the *State Compliance Audit Guide.* Accordingly, this report is not suitable for any other purpose.

Larson & Company, PC

Larson & Company, PC
Spanish Fork, Utah

April 11, 2023

Utah Counties Indemnity Pool

MANAGEMENT LETTER

For the Year Ended December 31, 2022

Larson
CERTIFIED PUBLIC ACCOUNTANTS

Larson
CERTIFIED PUBLIC ACCOUNTANTS

To the Board Members and Management
Utah Counties Indemnity Pool:

We have audited the financial statements of **Utah Counties Indemnity Pool** (the Pool) for the year ended December 31, 2022 and have issued our report thereon dated April 11, 2023. Professional standards also require that we communicate to you the following information related to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated December 2, 2022, our responsibility, as described by professional standards, is to form and express an opinion(s) about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of Utah Counties Indemnity Pool solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our findings regarding significant control deficiencies over financial reporting and material weaknesses, if applicable and material noncompliance, and other matters noted during our audit as a part of this letter in the schedule of findings and questioned costs.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and our network firms have complied with all relevant ethical requirements regarding independence.

Larson & Company
765 North Main, Spanish Fork, UT 84660
Main: (801) 798-3545 | Fax: (801) 798-3678
www.larsco.com

Significant Risks Identified

We have identified the following significant risks:

- *Improper revenue recognition – the risk that the entity improperly records revenue in the incorrect period, records revenue inaccurately, or misrepresents revenue recognized whether due to fraud or error.*
- *Cash disbursements – the risk that cash disbursements do not follow entity purchasing policies, proper approval, inaccurate disbursements that do not match invoice amounts, payees, or issued to related parties.*
- *Potential management bias, financial statement estimates, and management's ability to override controls.*

Based on our audit procedures performed, we did not identify any uncorrected material misstatements related to these risks noted.

Qualitative Aspects of the Entity's Significant Accounting Practices

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by Utah Counties Indemnity Pool are included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during 2022. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgements. Those judgements are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgements. The most sensitive estimates affecting the Association's financial statements were:

> Management's estimate of the reserves for losses and loss adjustment expenses is based on the actuarial opinion prepared by Mary Jean King, FCAS, CERA, MAAA, of By the Numbers Actuarial Consulting, Inc. We evaluated the key factors and assumptions used to develop the reserves for losses and loss adjustment expenses in determining that it is reasonable in relation to the financial statements taken as a whole.

Financial Statement Disclosures

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was:

> The disclosure of losses and loss adjustment expenses in Note 8 to the financial statements related to the Pool's reserves estimate.

The financial statement disclosures are neutral, consistent, and clear.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management related to the performance of our audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards also require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effects of uncorrected misstatements related to prior period on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. All proposed entries were approved by management and were posted to the entity's financial records.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or other auditing matter, which could be significant to the entity's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Circumstances that Affect the Form and Content of the Auditor's Report

For purposes of this letter, professional standards require that we communicate any circumstances that affect the form and content of our auditor's report. We noted nothing to report to Those Charged with Governance.

Management representations

We have requested certain representations from management, which are included in the management representation letter dated April 11, 2023.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the entity, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating and regulatory conditions affecting the entity, and operation plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition of our retention as the entity's auditors.

Other Matters

We applied certain limited procedures to the Schedule of Ten-Year Claims Development Information, the Schedule of the Proportionate Share of the Net Pension Liability, and the Schedule of Contributions, all of which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on internal control over financial reporting and on compliance and other matters, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the use of the Board of Directors and management of the Pool and is not intended to be and should not be used by anyone other than these specified parties.

Larson & Company, PC

Larson & Company, PC

Spanish Fork, Utah
April 11, 2023

Schedule of Findings and Recommendations – Current Year

Internal Control Findings – Current Year

There were no State Compliance Findings noted for the period.

State Compliance Findings – Current Year

There were no State Compliance Findings noted for the period.

Status of Findings – Prior Year

Internal Control Findings – Prior Year

There were no Internal Control Findings noted in the prior period.

State Compliance Findings – Current Year

There were no State Compliance Findings noted in the prior period.

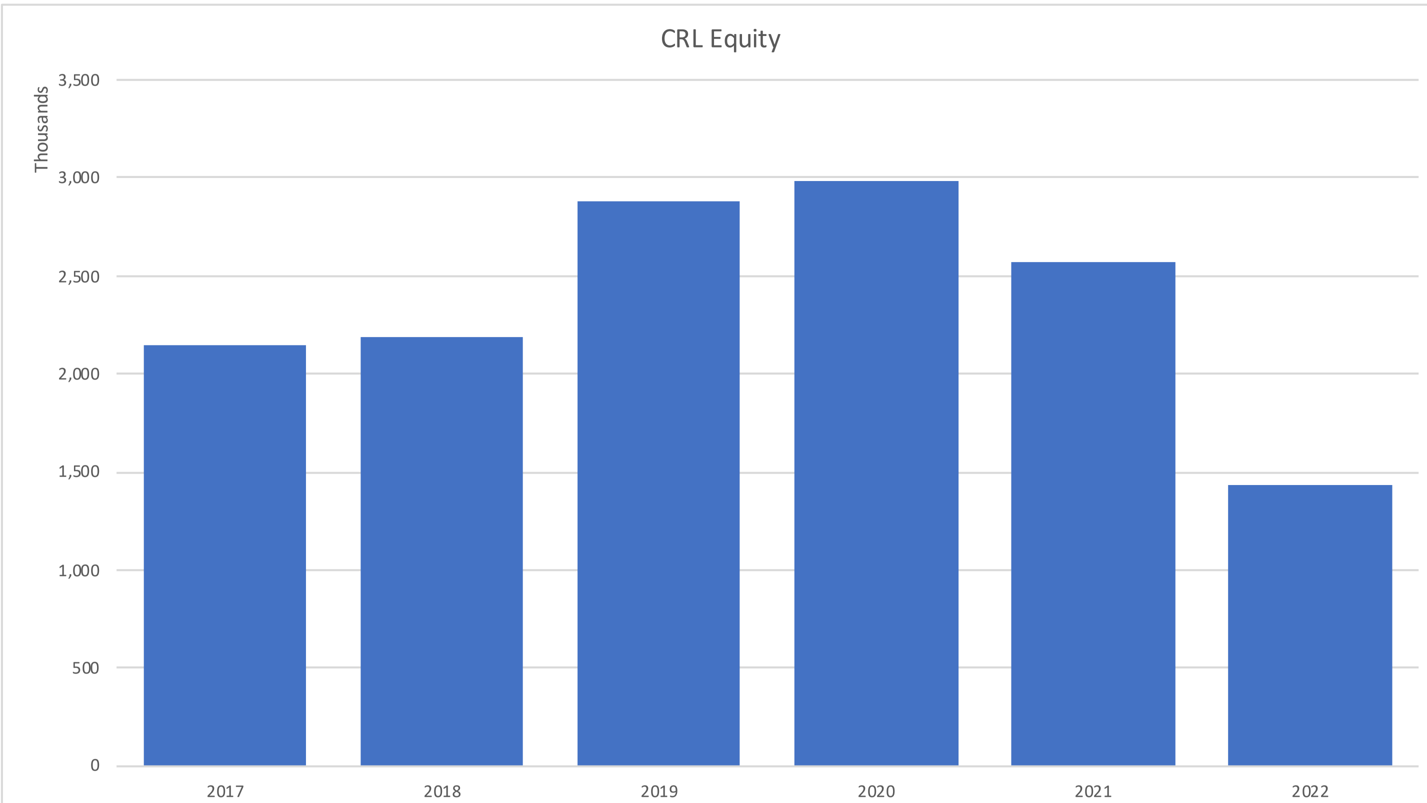
MEMBER EQUITY CALCULATION

County	2023 Contribution	Total 1992-2022 Contribution	Equity	WC Deficit	Dividend Rcvd	Net Equity	Percentage Net Equity to 2023 Contribution	2021 Net Equity
Beaver	$ 225,524	$ 2,972,146	$ 355,598	($ 50,930)	$ 7,152	$ 297,516	131.9%	$ 242,474
Box Elder	482,087	6,888,540	881,829	(133,938)	4,561	743,330	154.2%	638,949
Daggett	65,217	1,160,592	118,966	(33,220)	500	85,246	130.7%	67,761
Davis	1,267,145	15,749,627	1,825,707	(305,179)	10,836	1,509,692	119.1%	1,243,999
Duchesne	352,467	4,568,455	558,428	(95,294)	2,616	460,518	130.7%	375,608
Emery	260,695	5,560,506	767,698	(127,706)	3,096	636,896	244.3%	572,012
Garfield	188,045	2,914,033	362,344	(49,426)	7,397	305,521	162.5%	259,202
Iron	445,956	6,458,805	797,292	(122,339)	5,303	669,650	150.2%	565,446
Juab	192,938	3,357,756	417,152	(87,900)	7,088	322,164	167.0%	273,329
Kane	227,321	3,301,433	394,670	(61,285)	2,534	330,851	145.5%	272,706
Millard	350,257	5,058,114	575,217	(113,026)	3,850	458,341	130.9%	374,569
Morgan	101,446	1,276,861	104,810	(39,796)	500	64,514	63.6%	40,910
Piute	39,675	695,928	80,986	(18,775)	1,392	60,819	153.3%	50,599
Rich	61,825	1,247,421	154,187	(35,596)	737	117,854	190.6%	103,656
San Juan	293,195	5,235,924	626,771	(121,603)	4,030	501,138	170.9%	428,220
Sanpete	232,567	3,202,839	416,334	(52,586)	1,868	361,880	155.6%	306,545
Sevier	286,668	3,939,663	469,927	(67,396)	2,892	399,639	139.4%	328,099
Uintah	537,319	8,224,544	1,004,421	(152,578)	11,127	840,716	156.5%	711,590
Wasatch	423,374	6,191,774	713,356	(154,015)	4,424	554,917	131.1%	456,109
Washington	784,701	9,847,932	1,175,811	(185,871)	6,812	983,128	125.3%	803,704
Wayne	63,750	1,399,488	177,903	(32,616)	1,613	143,674	225.4%	126,405
Weber	1,480,117	17,116,135	1,723,503	(372,087)	500	1,350,916	91.3%	971,327
Total	$8,362,289	$116,368,515	$13,702,896	(2,413,158)	$ 90,828	$11,198,910	133.9%	$ 9,213,219

CRL Equity History

Property and Liability Program

	2004	2017	2018	2019	2020	2021	2022
Total	149,585	2,151,012	2,190,787	2,883,889	2,985,639	2,568,269	1,431,638
Change			39,775	693,102	101,750	-417,370	-1,136,631
						Five Year Total Change	-719,374
						Change all Years	1,581,223



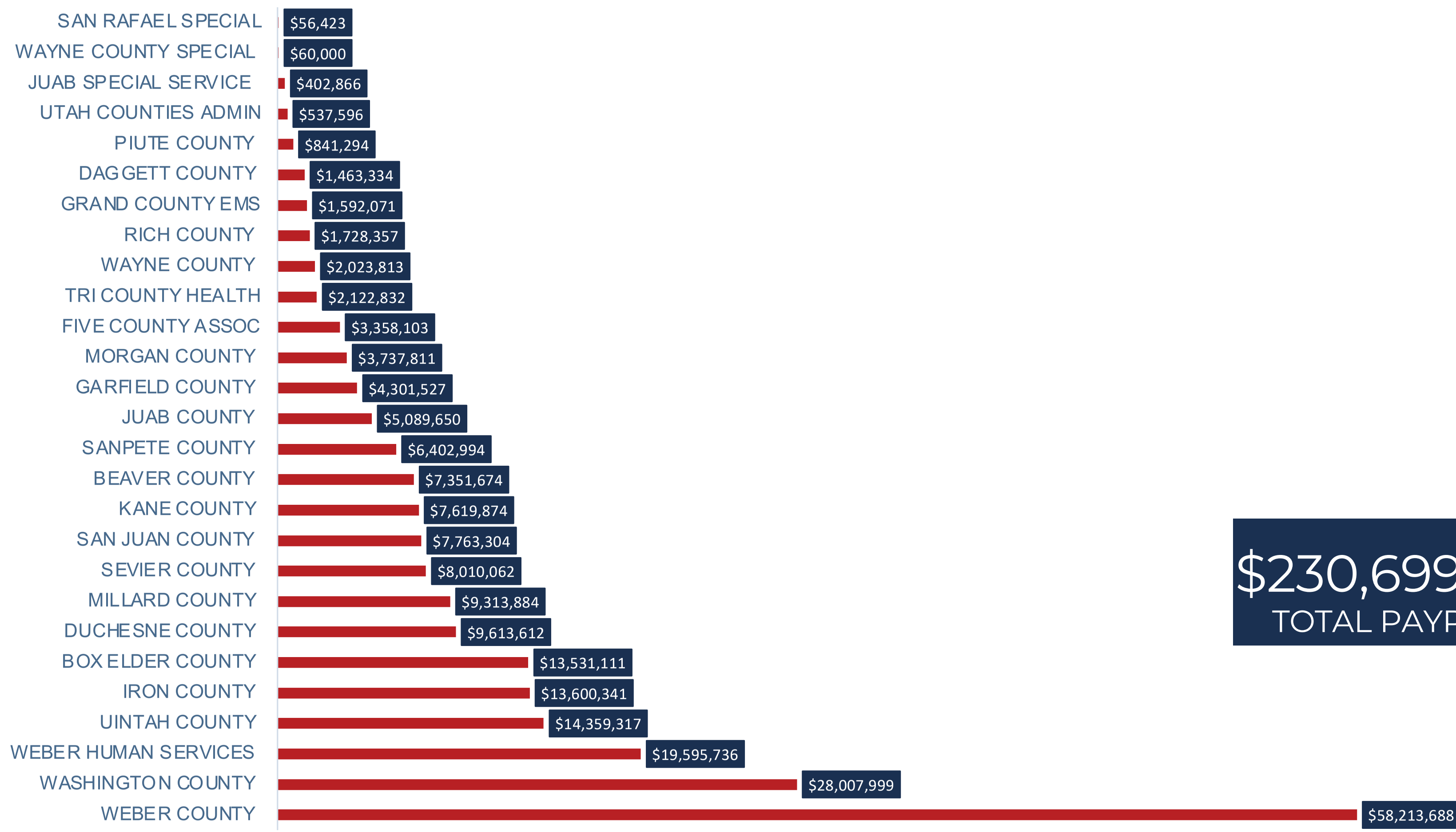
Property Plus		2019	2020	2021	2022
Total		513,240	579,168	525,998	1,083,860
Contributions		500,000			500,000
Change	.	13,240	65,928	-53,170	57,862

WCF INSURANCE

UTAH COUNTIES INDEMNITY POOL

2022 PREMIUM AUDIT REPORT

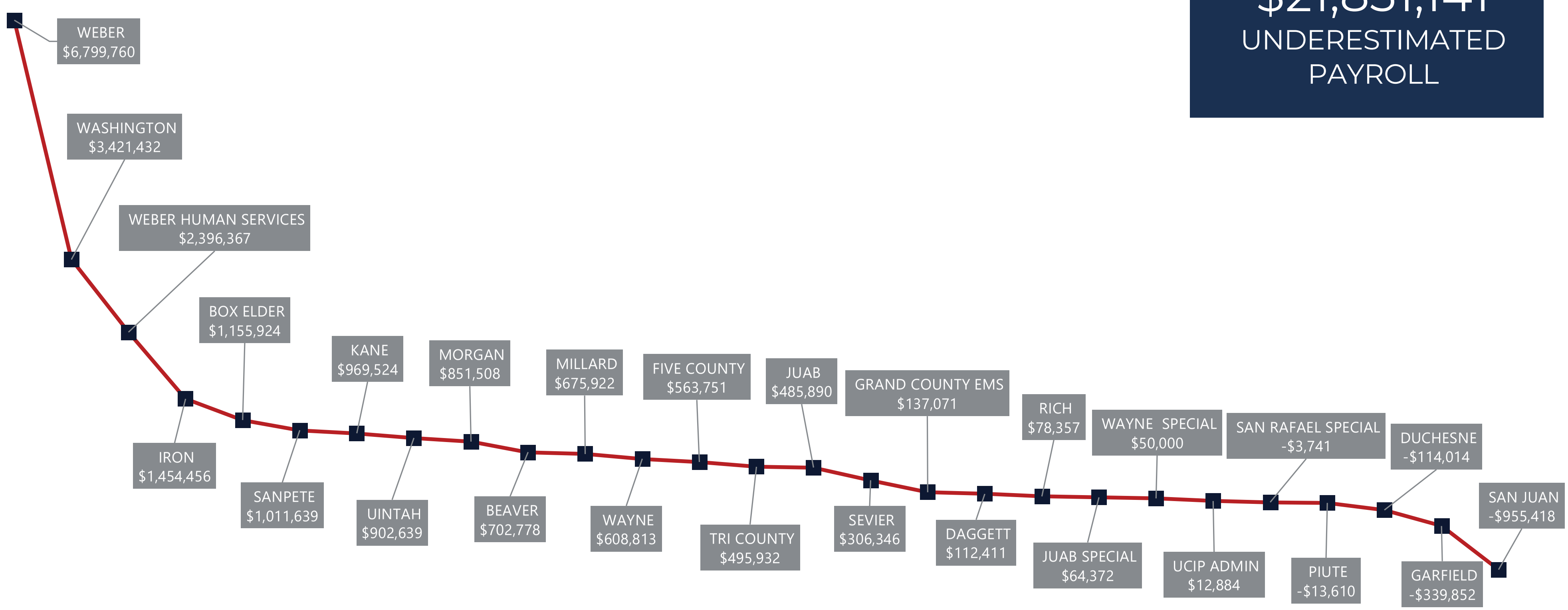
AUDITED PAYROLL BY COUNTY



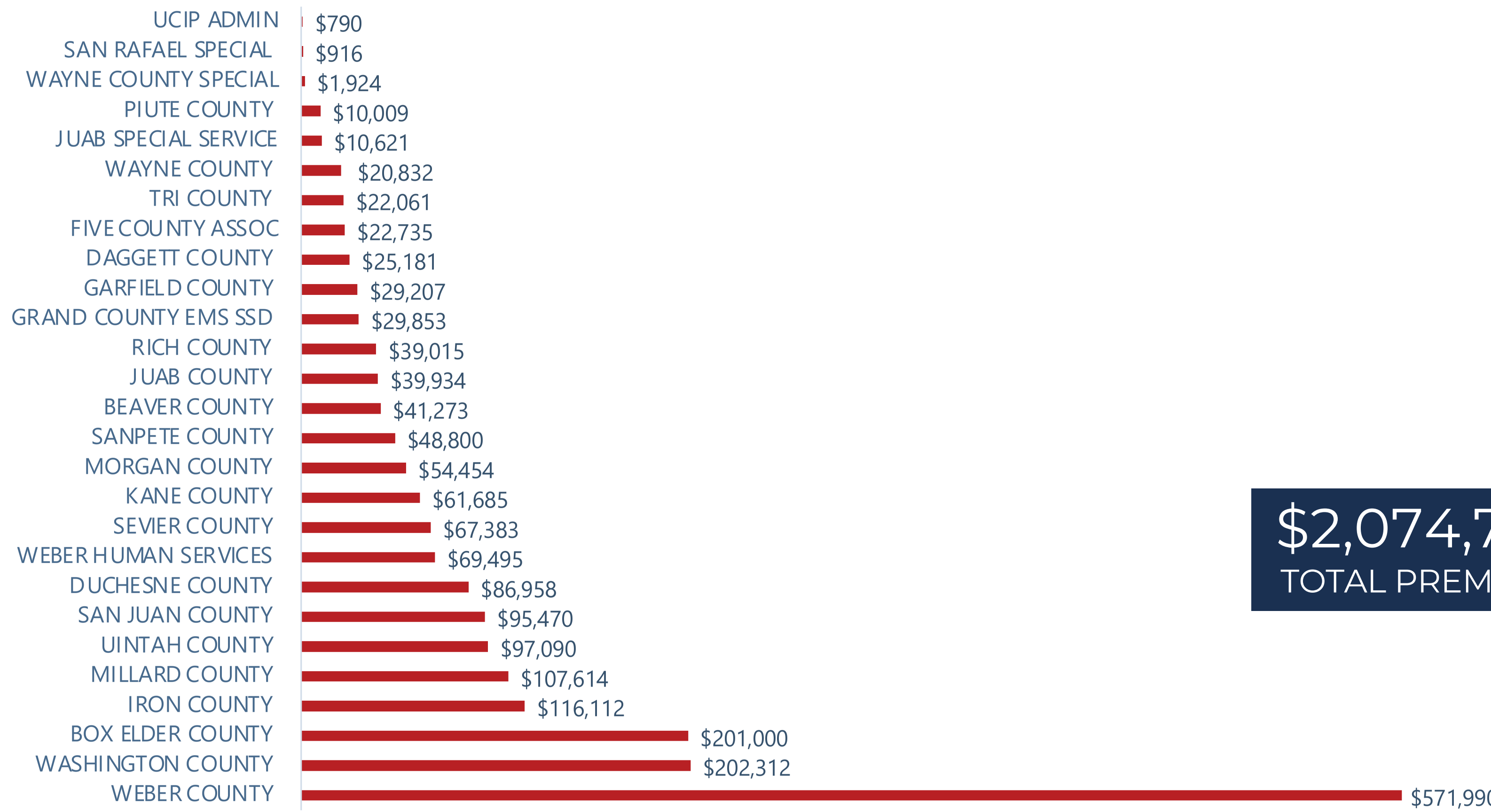
$230,699,273
TOTAL PAYROLL

PAYROLL CHANGE BY COUNTY (ESTIMATE TO ACTUAL)

$21,831,141
UNDERESTIMATED PAYROLL

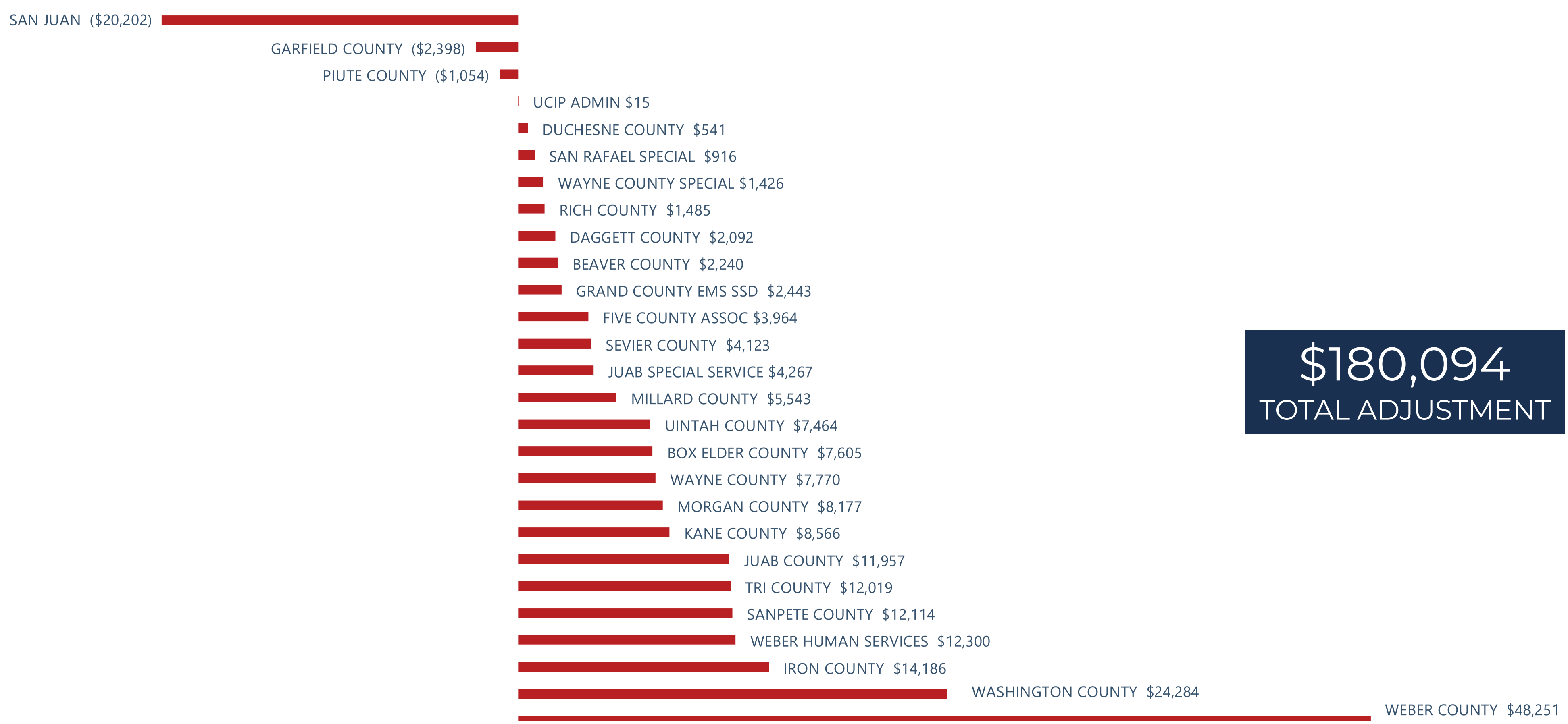


AUDITED PREMIUM BY COUNTY



$2,074,714
TOTAL PREMIUM

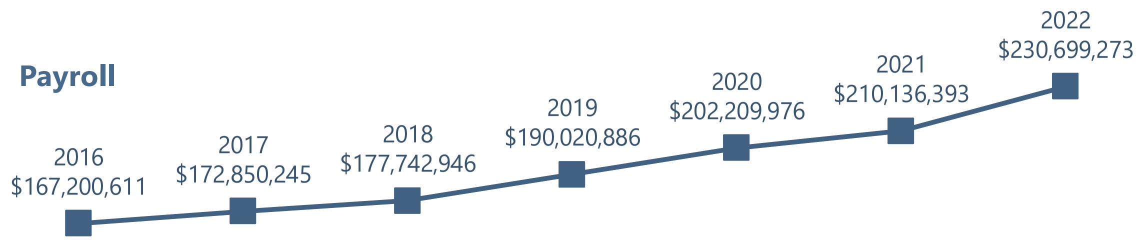
PREMIUM ADJUSTMENT BY COUNTY



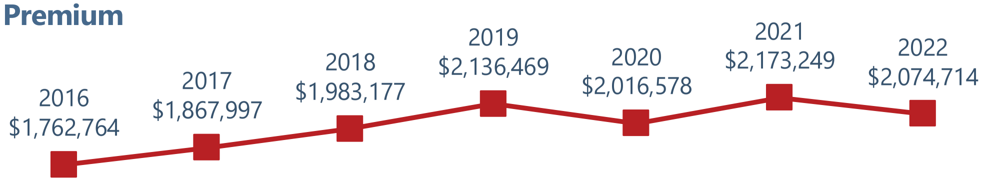
$180,094
TOTAL ADJUSTMENT

PREMIUM AND PAYROLL BY YEAR

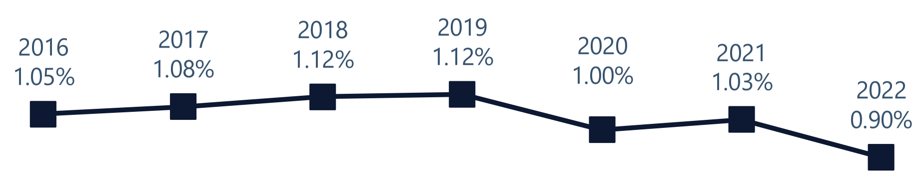
Payroll



Premium



Effective Rate



SUMMARY

- Final audited payroll is $230 million, up about 9.7% from last year
- Overall, payroll was underestimated by about $21.8 million
- Final audited premium is $2,074,714
- The audit adjustment is $180,094
- Audited payroll by class code was confirmed by all counties

UCIP SIR ANALYSIS 2023

Property 07/01/2023

SIR	$250k	$300k	$350k	$400k	$500k
Reinsurance Premium Credit	0	82,200	143,800	194,600	266,800
Increased Retained Loss	0	60,000	100,000	135,000	185,000
Savings (Cost)	0	22,200	43,800	59,600	81,800
Worst Year (2020)		190,000	300,000	400,000	600,000
4 claims over $250K	0	-107,800	-156,200	-205,400	-333,200

Utah Counties Indemnity Pool

FINANCIAL STATEMENTS

Quarter Ending March 30, 2023

Utah Counties Indemnity Pool

First Quarter 2023 Financial Statements

To the Board of Directors:

I have compiled the accompanying, in-house prepared, unaudited account balances arising from cash transactions and from accrual transactions of the Utah Counties Indemnity Pool as of March 30, 2023 to the basic financial statements.

Sonya White
Chief Financial Officer
801-307-2113
sonya@ucip.utah.gov

Reviewed this ______ day of ____________, 2023

By: ____

UTAH COUNTIES INDEMNITY POOL

STATEMENT of NET POSITION

For the Quarter Ended March 31, 2023

	2023	2022
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 19,448,993	$ 13,370,821
Short-term investments	1,346,925	944,138
Accounts receivable	(177)	750
Prepaid expenses	1,534,645	572,484
Net pension asset	265,752	265,752
TOTAL CURRENT ASSETS	22,596,138	15,153,945
LONG TERM INVESTMENTS	2,221,355	2,703,549
CAPITAL CONTRIBUTIONS	2,515,498	2,515,498
PROPERTY AND EQUIPMENT	1,751	2,058
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows related to pensions	152,113	152,113
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 27,486,855	$ 20,527,164
LIABILITIES AND NET POSITION		
CURRENT LIABILITIES		
Reserves for losses and loss adjustment expenses	$ 8,252,577	$ 8,252,577
Accrued expenses	170,723	152,746
Contributions paid in advance	6,795,974	562,076
TOTAL CURRENT LIABILITIES	15,219,275	8,967,399
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to pensions	360,855	360,855
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	15,580,130	9,328,254
NET POSITION		
Net investment in capital assets	529,241	529,241
Unrestricted	11,377,484	10,669,669
TOTAL NET POSITION	11,906,725	11,198,910
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	$ 27,486,855	$ 20,527,164

The accompanying notes are an integral part of the financial statements.

UTAH COUNTIES INDEMNITY POOL

STATEMENTS of REVENUES, EXPENSES, and CHANGES in NET POSITION

For the Quarter Ended March 31, 2023

	2023	**2022**
OPERATING INCOME		
Contributions	$ 2,265,325	$ 7,930,441
Investment Income	234,407	307,703
Other Income	435	63,236
TOTAL OPERATING INCOME	2,500,167	8,301,380
UNDERWRITING EXPENSES		
Losses and Loss Adjustment Expenses	825,599	1,659,690
Reinsurance Coverage	699,163	2,518,914
TOTAL UNDERWRITING EXPENSES	1,524,761	4,178,604
ADMINISTRATION EXPENSES		
Directors	2,330	31,059
Depreciation	308	487
Risk Management	5,520	49,899
Public Relations	6,398	28,996
Office	16,914	103,399
Financial/Professional	7,500	102,537
Personnel	245,144	674,802
TOTAL ADMINISTRATION EXPENSES	284,113	991,178
TOTAL OPERATING EXPENSES	1,808,874	5,169,782
NET OPERATING INCOME	691,292	3,131,598
OTHER INCOME/(EXPENSES)		
Change in Fair Value Investments	16,523	(67,138)
Change in Fair Value Equity	-	(1,078,769)
TOTAL OTHER EXPENSES	16,523	(1,145,907)
CHANGE IN NET POSITION	707,815	1,985,691
NET POSITION AT BEGINNING OF YEAR	11,198,910	9,213,219
NET POSITION AT END OF QUARTER	$ 11,906,725	$ 11,198,910

The accompanying notes are an integral part of the financial statements.

UTAH COUNTIES INDEMNITY POOL
STATEMENT of CASH FLOWS
For the Quarter Ended March 31, 2023

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Contributions collected	$ 8,498,296	$ 8,173,415
Other fees collected	435	63,236
Reinsurance paid	(1,661,326)	(2,676,811)
Losses and loss expenses paid	(825,599)	(2,878,953)
Cash paid to employees	(227,166)	(799,250)
Other administrative expenses paid	(38,662)	(315,890)
CASH FLOWS PROVIDED BY OPERATING ACTIVITIES	5,745,978	1,565,747
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	81,265	(3,652,104)
Sale of investments	-	-
Investment income	250,929	1,319,334
NET CASH FLOWS PROVIDED BY INVESTING ACTIVITIES	332,194	(2,332,771)
NET INCREASE IN CASH AND CASH EQUIVALENTS	6,078,172	(767,024)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	13,370,821	14,137,845
CASH AND CASH EQUIVALENTS AT END OF QUARTER	$ 19,448,993	$ 13,370,821
RECONCILIATION OF CHANGE IN NET POSITION TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Change in net position	$ 707,815	$ 3,131,598
Adjustments to reconcile change in net position to net cash flows used by operating activities		
Depreciation	308	487
Interest on investments	(250,929)	(307,703)
Net outflows of resources relating to pension	-	(86,079)
Accounts receivable	(927)	750
Prepaid expenses	(962,164)	(157,897)
Reserves for loss and loss adjustment expenses	-	(1,219,263)
Accrued expenses	17,977	(38,369)
Contributions paid in advance	6,233,898	242,224
Total adjustments	5,038,163	(1,565,850)
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 5,745,978	$ 1,565,747

The accompanying notes are an integral part of the financial statements.

Utah Retirement Systems
Final Condensed Retirement Contribution Rate Guide
Fiscal Year July 1, 2023 - June 30, 2024

	Tier 1 DB System – Contribution Reporting Fields Tier 1 2023-2024 RATES			Tier 1 Post Retired	
	Employee	Employer	TOTAL	Post Retired Employment after 6/30/2010 - NO 401(k) Amortization of UAAL**	Post Retired Employment before 7/1/2010 Optional 401(k) Cap
Public Employees Contributory Retirement System					
11- Local Government	6.00	13.96	19.96	7.87	12.09
12- State and School [1]	6.00	17.70	23.70	12.25	11.45
17- Higher Education	6.00	17.70	23.70	12.25	11.45
Public Employees Noncontributory Retirement System					
15- Local Government	-	17.97	17.97	6.11	11.86
16- State and School [1]	-	22.19	22.19 *	9.94	12.25
18- Higher Education	-	22.19	22.19 *	9.94	12.25
Public Safety Contributory Retirement System					
Division A					
23- Other Division A With 2.5% COLA	12.29	22.79	35.08	11.77	23.31
77- Other Division A With 4% COLA	12.29	24.37	36.66	12.93	23.73
Division B					
74- Other Division B With 4% COLA	10.50	27.98	38.48	14.94	23.54
Public Safety Noncontributory Retirement System					
Division A					
42- State With 4% COLA	-	41.35	41.35	18.46	22.89
43- Other Division A With 2.5% COLA	-	34.04	34.04	11.75	22.29
75- Other Division A With 4% COLA	-	35.71	35.71	12.91	22.80
48- Bountiful With 2.5% COLA	-	50.38	50.38	26.89	23.49
Division B					
44- Salt Lake City With 2.5% COLA	-	46.71	46.71	24.20	22.51
45- Ogden With 2.5% COLA	-	48.72	48.72	26.30	22.42
46- Provo With 2.5% COLA	-	42.23	42.23	19.61	22.62
47- Logan With 2.5% COLA	-	41.97	41.97	19.37	22.60
49- Other Division B With 2.5% COLA	-	32.28	32.28	9.66	22.62
76- Other Division B With 4% COLA	-	37.97	37.97	14.94	23.03
Firefighters' Retirement System					
Division A					
31- Division A	15.05	3.61	18.66	-	18.66
Division B					
32- Division B	16.71	6.24	22.95	-	22.95
Judges' Retirement System					
37- Judges' Noncontributory	-	45.15	45.15		

	Tier 2 - DB Hybrid System – Contribution Reporting Fields Tier 2 2023-2024 RATES					Tier 2 - DC Plan – Contribution Reporting Fields Tier 2 2023-2024 RATES				
	Tier 2 Fund	Employee	Employer	401(k)	TOTAL	Tier 2 Fund	Employee	Employer	401(k)	TOTAL
Public Employees Contributory Retirement System										
11- Local Government	111	0.00	17.77	0.18	17.95	211	0.00	7.95	10.00	17.95
12- State and School [1]										
17- Higher Education										
Public Employees Noncontributory Retirement System										
15- Local Government	111	0.00	16.01	0.18	16.19	211	0.00	6.19	10.00	16.19
16- State and School [1]	112	0.00	19.84	0.18	20.02	212	0.00	10.02	10.00	20.02
18- Higher Education	117	0.00	19.84	0.18	20.02	217	0.00	10.02	10.00	20.02
Public Safety Contributory Retirement System										
Division A										
23- Other Division A With 2.5% COLA	122	2.59	25.85	0.00	28.44	222	0.00	11.85	14.00	25.85
77- Other Division A With 4% COLA	122	2.59	27.01	0.00	29.60	222	0.00	13.01	14.00	27.01
Division B										
74- Other Division B With 4% COLA	122	2.59	29.02	0.00	31.61	222	0.00	15.02	14.00	29.02
Public Safety Noncontributory Retirement System										
Division A										
42- State With 4% COLA	122	2.59	32.54	0.00	35.13	222	0.00	18.54	14.00	32.54
43- Other Division A With 2.5% COLA	122	2.59	25.83	0.00	28.42	222	0.00	11.83	14.00	25.83
75- Other Division A With 4% COLA	122	2.59	26.99	0.00	29.58	222	0.00	12.99	14.00	26.99
48- Bountiful With 2.5% COLA	122	2.59	40.97	0.00	43.56	222	0.00	26.97	14.00	40.97
Division B										
44- Salt Lake City With 2.5% COLA	122	2.59	38.28	0.00	40.87	222	0.00	24.28	14.00	38.28
45- Ogden With 2.5% COLA	122	2.59	40.38	0.00	42.97	222	0.00	26.38	14.00	40.38
46- Provo With 2.5% COLA	122	2.59	33.69	0.00	36.28	222	0.00	19.69	14.00	33.69
47- Logan With 2.5% COLA	122	2.59	33.45	0.00	36.04	222	0.00	19.45	14.00	33.45
49- Other Division B With 2.5% COLA	122	2.59	23.74	0.00	26.33	222	0.00	9.74	14.00	23.74
76- Other Division B With 4% COLA	122	2.59	29.02	0.00	31.61	222	0.00	15.02	14.00	29.02
Firefighters' Retirement System										
Division A										
31- Division A	132	2.59	14.08	0.00	16.67	232	0.00	0.08	14.00	14.08
Division B										
32- Division B	132	2.59	14.08	0.00	16.67	232	0.00	0.08	14.00	14.08
Judges' Retirement System										
37- Judges' Noncontributory										

Does not include the required 1.5% 401(k) contribution.

** *Unfunded Actuarial Accrued Liability*

1 *Public School Districts and Charter School rates are effective September 1, 2023 - August 31, 2024*

UTAH COUNTIES INDEMNITY POOL
INVESTMENT POLICY

SECTION A EFFECTIVE DATE AND FREQUENCY OF REVIEW

1. The effective date of this policy is May 7, 2003.

2. This policy should be reviewed annually, but not less than every three years by the Board.

3. This policy will also be reviewed any time that changes to laws or rules governing investments of interlocal agencies are amended or recommendations are made by UCIP's Independent Auditors, the UCIP Audit Committee, the UCIP CEO or CFO, which would require review and update to this policy.

4. Failure to review this policy in the frequency stated shall not nullify, void, limit or waive this policy or any action taken under this policy.

5. This policy is considered to be amended at the time any new federal or state law becomes effective, which conflicts with this policy, but only to the extent necessary to come into compliance with new law.

SECTION B PURPOSE

1. The purpose of this policy is to assure compliance with all state and federal laws and rules related to the investment of public funds in the state of Utah, including but not limited to the Utah Money Management Act.

2. It is further the purpose of this policy to assure all investments of UCIP funds are made in a prudent manner to protect such funds in the interest of the members of UCIP and taxpayers of the State of Utah.

SECTION C AUTHORITY

1. The Board has authority to adopt this policy under the UCIP Interlocal Agreement and Bylaws.

SECTION D APPLICABILITY AND SCOPE

1. This policy is applicable to all investment of UCIP financial assets. For purposes of this policy, Cash and Cash Equivalents, including funds deposited with the Public Treasurers Investment Fund, are not considered investments.

2. The financial assets of UCIP shall be accounted for in the Annual Financial Report of UCIP.

SECTION E DEFINITIONS

1. Audit Committee: the Audit Committee of the Board.

2. Board: the Board of Directors of the Utah Counties Indemnity Pool.

3. CEO: the Chief Executive Officer of the Utah Counties Indemnity Pool.

4. CFO: the Chief Financial Officer of the Utah Counties Indemnity Pool.

5. President: the President of the Board.

6. Secretary/Treasurer: the Secretary/Treasurer of the Board.

7. Vice President: the Vice President of the Board.

SECTION F POLICY STATEMENTS

1. It is the policy of the Board to invest funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demand of UCIP and conforming to all federal, state and local laws governing the investment of public funds.

SECTION G PROCEDURES AND RESPONSIBILITIES

1. Prudence. Investments shall be made with judgement and care, under the circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capitol as well as the probable income to be derived.

a. The standard of prudence to be used by investment officials shall be the "prudent person" standard and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

b. Prohibited practices shall include, but not be exclusive to churning, unnecessary transactions and rebating.

2. Objective. The following objectives shall be in all investment activity:

a. Safety. Safety of principle is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, diversification will be utilized so potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.

b. Liquidity. The investment portfolio will remain sufficiently liquid to enable UCIP to meet all operating requirements which might reasonable be anticipated and documented in the UCIP Annual Operating Budget.

c. Return on Investments. The investment portfolio shall be designed with the objective of attaining a rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints and the cash flow characteristics of the portfolio.

3. Delegation of Authority. The Board's authority to manage the investment program is derived from the UCIP Interlocal Agreement and is delegated by the Board under the UCIP Bylaws and this policy.

a. The Audit Committee is charged with making recommendations to the Board of the financial affairs of UCIP and may designate appropriate staff to develop written procedures for the operation of the investment program consistent with this investment policy. Procedures will include reference to:

(i) Safekeeping;

(ii) Purchase and Sales Agreement Repurchase Agreements;

(iii) Wire Transfer Agreements;

(iv) Banking Service Contracts, including the establishment of a Custodial Bank Agreement;

(v) Collateral/Depository Agreements; and

(vi) Investment Advisor Selection and Evaluation.

b. It is the responsibility of the Chair of the Audit Committee, or their designee, to report to the Board all decisions made by the Audit Committee.

c. No person may engage in an investment transaction except as provided under the Utah Money Management Act, the terms of this policy and procedures established by the Audit Committee. The Board may utilize one or more investment advisors or managers as allowed under the Utah Money Management Act to manage investment portfolios. No funds shall be transferred out of or into an investment portfolio without the approval of the Board.

d. The Audit Committee may choose to select an Investment Advisor to manage the investment of assets. Those assets would include funds not required by cash flow projections to meet the immediate needs of UCIP. In the event that the Audit Committee decides to select an Investment Advisor, such selection may be made through a formal

Request for Qualifications/Request for Proposal process, or, by recommendation of the Audit Committee and CEO and approval of the Board, the CEO may negotiate directly with an Investment Advisor and make recommendation to the Audit Committee and Board to enter into an agreement with an Investment Advisor. Investment Advisors must be certified by the Utah Management Council. The Investment Advisor would be charged with the following responsibilities:

(i) Adopting an investment philosophy which is compatible with the policies of UCIP as set forth in Paragraph 1. above;

(ii) Selecting appropriate investment instruments to implement the designated philosophy;

(iii) Selecting broker/dealers for the purpose of executing investment trades, who meet the requirements set forth in Paragraph 5 below;

(iv) Executing trades at market prices most advantageous to UCIP;

(v) Reporting on a regular basis to the Audit Committee on the performance of assets under management as set forth in Paragraph 12 below;

(vi) Reporting to the Audit Committee in a timely manner, any material changes in the financial or staffing conditions of the management firm.

4. Ethics and Conflict of Interest. Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Employees and investment officials shall disclose to the Audit Committee, any material financial interests in financial institutions that conduct business within this jurisdiction, and they shall further disclose any large personal financial/investment positions that could be related to the performance of funds, particularly with regard to the time of purchases and sales.

5. Authorized Financial Dealers and Institutions. The Investment Advisor shall maintain a list of financial institutions desiring and authorized to provide investment services. In addition, a list will also be maintained of approved security broker/dealers selected by credit worthiness who are authorized to provide investment services in the State of Utah. Broker/dealers must be certified by the Utah Money Management Council. Funds shall be deposited only in a qualified public depository as certified by the Utah Money Management Council.

6. Authorized and Suitable Investments. UCIP has resolved that its investments be limited to those securities authorized by U.C.A. §51-7-11, 1953 as amended, as that Section pertains to the investment of funds.

7. Collateralization. Collateralization will be required on two types of investments; certificates of deposit and repurchase agreements and will also be required on checking

accounts if there is a balance of over $100,000 therein. Balances in non-interest bearing checking accounts will be kept at the minimal amount required by the financial institution in order to reduce fees charged by the financial institution. In order to anticipate market changes and provide a level of security for all funds, the collateralization level will be one hundred two (102) percent of market value of principal and accrued interest. State law rules for collateralization will be adhered to. Collateral will always be held by an independent third party with whom the entity has a current custodial agreement. A clearly marked evidence of ownership (safekeeping receipt) must be supplied to the entity retained.

8. Safekeeping and Custody. All security transactions, including collateral for repurchase agreements, entered into by UCIP shall be conducted on a delivery-versus-payment (DVP) basis. Securities shall be held by a third-party custodian designated by the Audit Committee and evidenced by safekeeping receipts.

9. Diversification. UCIP will diversify its investments by security type and institution to the degree that such diversification is permitted. Investment in commercial paper, corporate bonds and ~~asset-backed obligations~~ shall not exceed ~~20~~ 50 percent of the total assets of UCIP's investments.

10. Maximum Maturities. To the extent possible, UCIP will attempt to match its investments with anticipated cash flow requirements as determined by the Audit Committee. For funds not specifically matched to cash flow, UCIP will invest in securities not exceeding the terms to maturity as set out in U.C.A. §51-7-11, 1953 as amended. For funds not specifically matched to cash flow, UCIP will invest in securities not exceeding the terms to maturity as set out in U.C.A. §51-7-11, 1953 as amended. The maximum maturity will not exceed five years; unless otherwise directed by and authorization received from the CEO, UCIP Treasurer or Deputy Treasurer.

11. Performance Standards. The investment portfolio shall be designed with the objective of obtaining a rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints and the cash flow needs of UCIP. As UCIP's investment strategy is restricted by U.C.A. §51-7-11, 1953 as amended, the benchmark used by the Audit Committee to determine whether market yields are being achieved shall be the Utah Public Treasurers Investment Fund or other appropriate index as designated annually by the Audit Committee.

12. Reporting. The ~~CFO~~ CEO is charged with the responsibility of providing a market report on investment activity and returns on a regular basis to the Audit Committee and to the Board on at least an annual basis. This responsibility may be delegated to the Investment Advisor utilized by UCIP. Reports to the Audit Committee will include, but not be limited to:

a. Performance;

b. Volatility (as measured by effective duration);

c. Interest earnings;

d. Number of trades;

e. Average maturity;

f. Market sector breakdown.

SECTION H REVISION HISTORY

1. Adopted: May 7, 2003

2. Revised: February 16, 2017

3. Revised: February 15, 2018

4. Revised: June 21, 2018

5. Revised: June 18, 2021

6. Revised: April 20, 2023

SECTION I APPENDICES

1. There are no appendices to this policy.

DEFINITIONS APPLICABLE TO ALL LIABILITY COVERAGE PARTS

1. **Automobile**:

a. Any motor vehicle intended or designed for highway use; and

b. Trailers or semi-trailers, including their equipment and any other equipment permanently attached to it while such trailer is attached to a vehicle described in a. above; but

c. **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; equipment designed for street cleaning; cherry pickers and similar devices mounted on an **Automobile** or truck chassis and used to raise or lower workers; and air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

2. **Bodily Injury**: 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.

3. **Claim**:

a. A demand for **Damages** (including filing a suit seeking **Damages**) as the result of an **Occurrence** or **Wrongful Act**; or

b. Notice to a **Covered Party** of the intent to hold the **Covered Party** liable for a **Bodily Injury**, **Property Damage** or **Wrongful Act**.

4. **Covered Contract**: that part of any contract or agreement that is usual and customary to the **Member's** operations under which the **Member** assumes the tort liability of another party to pay **Damages** because of **Bodily Injury** or **Property Damage**. Tort liability means liability that would be imposed by law in the absence of any contract or agreement. A **Covered Contract** does not include a contract for medical treatment provided in a correctional facility.

5. **Covered Party**: a **Member**. **Covered Party** also includes an employee as defined under the Utah Governmental Immunity Act, Utah Code Annotated §63G-7-102(3)(a)(i), (3)(a)(ii), (3)(a)(iii), (3)(a)(iv), (3)(a)(ix), (3)(b) and (3)(c) and only to the extent to which the **Member** is obligated to provide defense to such employee in compliance with Utah Code Annotated §63G-7-902.

6. **Damages**: all sums recoverable by law from any liability covered under the **Addendum** excluding:

a. Punitive damages;

b. 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;

c. Fines, penalties or sanctions;

d. The return, refund or repayment of any taxes, fees or other charges by a **Member**; and

e. Back pay, overtime pay or other benefits that are routinely paid by a **Member** to its employees.

7. **Employment Related Practices**:

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; and

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

8. **Limited Professional Health Care Services**: **Bodily Injury** or **Personal Injury** arising out of the rendering or failure to render medical services by any **Covered Party** that is a duly qualified Psychologist, Physician Assistant, Registered Nurse Practitioner, Registered Nurse, Licensed Practical Nurse, Emergency Medical Technician, Paramedic, Counselor, Social Worker, Nutritionist and related health and community worker classifications or other employee trained in first aid.

However, **Limited Professional Health Care Services** does not include service provided by:

a. A hospital or emergency room facility, except when provided by a qualified medical service provider listed above as part of certification or recertification training;

b. A physician, medical doctor, osteopath, chiropractor, resident, extern, or intern;

c. A psychiatrist;

d. A pharmacist;

e. A dentist, orthodontist, or periodontist; and

f. Any other licensed health care professional other than any **Covered Party** that is a duly qualified Psychologist, Physician Assistant, Registered Nurse Practitioner, Registered Nurse, Licensed Practical Nurse, Emergency Medical Technicians, Paramedics, Counselors, Social Workers, Nutritionists and related health and community worker classifications or other employees trained in first aid.

9. **Mobile Equipment**: any of the following types of land vehicles, including any attached machinery or equipment:

a. Bulldozers, farm machinery, forklifts, ATVs, snowmobiles, 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 in Paragraph a., b., c., or d. 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.

10. **Nursing Home**: a residential facility which provides residents with nursing and/or personal care services by whatever name used including but not limited to assisted living facility, intermediate care facility, long term care facility, skilled nursing facility, residential care facility, senior care facility, convalescent home or group home and includes facilities whether they are Medicare/Medicaid certified or not.

11. **Occurrence**: an **Accident** which results in **Bodily Injury** or **Property Damage**. Continuous or repeated exposure to substantially the same general harmful conditions shall be deemed one **Occurrence**, and all **Bodily Injury** and **Property Damage** attributable, directly or indirectly, to a single cause or a series of similar causes shall be deemed one **Occurrence**, irrespective of the period of time or area over which such losses occur, the number of **Covered Parties** involved, number of locations involved or number of individuals or entities affected. There may be multiple **Claims** or claimants involved in one **Occurrence**, however only one deductible applies per **Occurrence**. With respect to **Personal Injury** and **Law Enforcement Personal Injury**, **Occurrence** means a **Wrongful Act** that commences on or after any applicable Retroactive Date and before the **Member's** withdrawal or termination from the **Pool**. A series of continuous, repeated or related **Wrongful Acts** by one or more

Covered Parties shall be deemed to be one **Occurrence** regardless of the number of **Covered Parties** engaged in such **Wrongful Acts**, the number of individuals or entities affected by such **Wrongful Acts**, the number of locations where such **Wrongful Acts** occur or the number of **Wrongful Acts** occurring or the period of time over which they occur.

12. **Property Damage**: direct damage to or destruction or loss of tangible property, including all resulting loss of use of property. For purposes of this coverage, **Electronic Data** is not tangible property. As used in this definition, **Electronic Data** means information, facts or programs stored as or on, created or used on, or transmitted to or from, computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

13. **Sexual Abuse**: 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**.

14. **Sexual Harassment**: unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature when (1) submission to such conduct is made either explicitly or implicitly a term or condition of an individual's employment, (2) submission to or rejection of such conduct by an individual is used as the basis for employment decisions affecting such individual, or (3) such conduct has the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidating, hostile, or offensive working environment (Equal Employment Opportunity Commission Guidelines, Section 1064.11).

15. **Unmanned Aircraft**: an aircraft that is not controlled by a person from within or on the aircraft.

16. **Unmanned Aircraft System**: an **Unmanned Aircraft** and the equipment necessary for the safe and efficient operation of that aircraft.

17. **Wrongful Act**: any actual or alleged error, misstatement, misleading statement, act, omission, neglect or breach of duty including misfeasance, malfeasance or nonfeasance by a **Covered Party**. A series of continuous, repeated or related **Wrongful Acts**, by one or more **Covered Parties**, shall be deemed to be a single **Wrongful Act** regardless of the number of **Covered Parties** engaged in such **Wrongful Acts**, the number of individuals or entities affected by such **Wrongful Acts**, the number of locations where such **Wrongful Acts** occur, the number of **Wrongful Acts** occurring or the period of time over which they occur. For purposes of COVERAGE PART VIII **EMPLOYEE BENEFITS LIABILITY**, a **Wrongful Act** means any negligent act, error or omission by a **Covered Party** committed in the **Administration** of the **Member's Employee Benefit Programs** as defined in COVERAGE PART VIII EMPLOYEE BENEFITS LIABILITY.