

ENSURE. LONGEVITY.



Annual Report 2011



UTAH LOCAL GOVERNMENTS TRUST



LARGE ENOUGH TO
PROTECT YOUR ASSETS,
SMALL ENOUGH
TO KNOW YOUR NAME.
THIS IS THE TRUST.



2011 MARKS THE SEVENTH CONSECUTIVE YEAR OF UNPRECEDENTED GROWTH AND SUCCESS FOR THE UTAH LOCAL GOVERNMENTS TRUST.



Our success is a by-product of the value we deliver. We provide members the lowest sustainable cost of risk. Insurance is just one element of that value proposition. Measurable differentiators include: expanded policy terms and conditions, training and certification programs, financial strength, and other innovative tools to help members meet their goals. These advantages are tangible and real. Others may promise savings but a transparent comparison exposes coverage limitations and restrictive terms and conditions – impairing member choice. We're different. We're steady and transparent; we thrive on accountability and member choice. Our track record is solid, and we deliver the lowest sustainable cost of risk in our market space – it's that simple.

We measure success based on how well we help our members accomplish their goals and objectives. We focus more on developing and measuring influence-based metrics than activity-based metrics. As part of our technology initiative, the Trust just launched *myTrust*, which is in the App Store now. *myTRUST* is free to all current members of the Utah Local Governments Trust. *myTRUST* includes: Directories for State and Local Government, Event Calendar, Hazard Report, and our Safety Action Register. We have reinvented the effectiveness and accountability of on-site safety visits to help members reduce loss and injury. This new tool is another step toward adding value to our partnership.

We honor more than 500 members that contribute to our member retention which is running at nearly 100% for the past five years. We appreciate you; we wouldn't be here without your commitment, loyalty, and partnership. We pledge continued operational expertise, transparency, accountability, and progressive leadership.

Sincerely,

STEVEN A. HANSEN
President and Executive Director



THE UTAH LOCAL GOVERNMENTS TRUST WAS ORGANIZED IN 1974 IN RESPONSE TO A FAILURE IN THE THE COMMERCIAL INSURANCE MARKET.

Initially capitalized with \$112,745 and a dedicated team of public servants, the Trust has grown from 16 members to over 500 – more than doubling in size over the past five years. We provide specialized insurance products and services at the best price possible. Our goal is to partner with members, working shoulder to shoulder to reduce injury and loss. As public fiduciaries, we are committed to preserving scarce public resources.

As of December 31, 2011, assets of \$73,826,766 and member equity of \$42,334,596 protect member exposure to loss and injury. This equity is essential to providing financial security in these uncertain economic times. Our financial strength allows us to expand policy terms and conditions, stabilize premiums, and provide additional services that further reduce financial uncertainty.

CHOICE / TRANSPARENCY / ACCOUNTABILITY

WE ARE TRUSTED FIDUCIARIES OF MEMBER CONTRIBUTIONS.

Our claims policy mirrors our commitment to accountability and transparency. We look to provide coverage wherever coverage applies. We pay claims we own and protect member resources against claims we don't. We value our members' insight, feelings, and perspective. We communicate throughout the claims process and keep you informed.

Members need accurate data, summarized and timely. Our technology initiatives address these needs. Members receive summarized claim information to keep them up to date on risks and exposure. Members have access to the new *Mobile Risk Manager App* for the iPhone and iPad. These tools provide real-time information on claims activity for all lines of insurance, including adjuster notes. We're committed to using the best technology available to keep you informed by delivering more useful and up-to-date information.

CHOICE / TRANSPARENCY / ACCOUNTABILITY

OUR TEAM OF LOSS PREVENTION PROFESSIONALS WORKS WITH MEMBERS TO REDUCE FREQUENCY OF INCIDENTS THAT MAY RESULT IN LOSS OR INJURY.

Each member of our team has extensive academic and field qualifications – including professional designations. We focus on helping members develop and strengthen a culture of safety and accountability. We strive to partner with our members top down – fully recognizing that executive leadership and executive commitment to accountability are key to improved safety and loss prevention.

With executive buy-in and a culture of accountability, safety and loss prevention initiatives yield results. More than 150 members are enrolled in the Trust’s *Excellence in Risk Management Certification* program (ERMC). This program provides broad-based training, requiring participants to complete 12 separate courses. Here’s what a member said, “ERMC training has helped me to be more aware and proactive. It’s hard to put a price on saving a life or avoiding a debilitating injury. It would be worth everything to me, my family, and co-workers. I’m motivated and committed to take more initiative, to be more aware, and to make a difference.”

CHOICE / TRANSPARENCY / ACCOUNTABILITY



EARNING THE CONFIDENCE
OF OUR MEMBERS
THROUGH TRANSPARENCY
AND ACCOUNTABILITY.
THIS IS THE TRUST.

PROVIDE. TRANSPARENCY.

ASSETS

2011

2010

CURRENT ASSETS:

Cash	\$ 3,780,215	\$ 287,666
Investment in State of Utah Public Treasurers' Investment Fund	17,218,920	23,520,949
Receivables:		
Premiums	616,986	679,802
Investment income	373,828	329,849
Administrative fees	93,575	53,279
Reinsurance recoverable on paid claims	34,100	-
Other	109,579	19,912
Prepaid reinsurance premiums	843,674	161,471

TOTAL CURRENT ASSETS \$ 23,070,877 \$ 25,052,928

NONCURRENT ASSETS:

Investment in debt securities	44,371,824	36,217,511
Investment in debt securities held by state treasurer	1,998,575	1,997,540
Capital assets:		
Land and construction in progress	1,137,362	701,867
Depreciable, net of accumulated depreciation	2,722,833	2,602,144
Deposit with NLC Mutual Insurance Company	525,295	525,295

TOTAL NONCURRENT ASSETS \$ 50,755,889 \$ 42,044,357

TOTAL ASSETS \$ 73,826,766 \$ 67,097,285

LIABILITIES	2011	2010
CURRENT LIABILITIES:		
Estimated unpaid claims and claims adjustment expenses	\$ 11,525,348	\$ 10,564,207
Policyholder dividends payable	-	150,295
Unearned premiums	6,002,268	5,473,404
Accounts payable and accrued expenses	1,452,863	350,707
State premium tax payable	76,430	97,357
TOTAL CURRENT LIABILITIES	\$ 19,056,909	\$ 16,635,970
NONCURRENT LIABILITIES:		
Estimated unpaid claims and claims adjustment expenses, net of current portion	12,435,261	12,675,614
TOTAL LIABILITIES	\$ 31,492,170	\$ 29,311,584
NET ASSETS		
Invested in capital assets	3,860,195	3,304,011
Unrestricted	38,474,401	34,481,690
TOTAL NET ASSETS	\$ 42,334,596	\$ 37,785,701

We honor our fiduciary responsibility—financial strength guarantees our ability to deliver on our promises in times of need.

REVENUES & EXPENSES	2011	2010
OPERATING REVENUES:		
Gross premiums earned	\$ 19,049,023	\$ 17,317,250
Reinsurance premiums	(3,271,856)	(2,266,300)
NET PREMIUMS EARNED	\$ 15,777,167	\$ 15,050,950
OPERATING REVENUES:		
Administrative fees	869,959	1,142,310
Other revenue	2,212	4,404
TOTAL OPERATING REVENUES	\$ 16,649,338	\$ 16,197,664
OPERATING EXPENSES:		
Claims and claims adjustment expenses	12,264,377	11,820,963
State premium tax expense	607,143	372,096
General and administrative expenses	3,859,453	3,645,696
TOTAL OPERATING EXPENSES	\$ 16,730,973	\$ 15,838,755
OPERATING INCOME (LOSS)	\$ (81,635)	\$ 358,909
NONOPERATING REVENUES:		
Investment income	3,521,813	1,213,573
Other income	1,108,717	-
TOTAL NONOPERATING REVENUES	\$ 4,630,530	\$ 1,213,573
CHANGE IN NET ASSETS	\$ 4,548,895	\$ 1,572,482
NET ASSETS AT BEGINNING OF YEAR, AS RESTATED	\$ 37,785,701	\$ 36,213,219
NET ASSETS AT END OF YEAR	\$ 42,334,596	\$ 37,785,701

A Alpine City
Alta Canyon Sports Center
Alta Town
Altamont Town
Alton Town
Amalga Town
Angell Springs Special Service District
Annabella Town
Antimony Town
Apple Valley Town
Ash Creek Special Service District
Ashley Valley Sewer Management Board
Ashley Valley Water and Sewer Improvement District
Aurora City

B Ballard Town
Ballard Water Improvement District
Bear Lake Special Service District
Bear River Association of Governments
Bear River City
Bear River Mental Health
Bear River Water Conservancy District
Beaver City
Beaver County Special Service District #5
Beaver Valley Hospital
Benchland Water Company
Benson Culinary Water Improvement District
Bicknell Town
Big Cottonwood Canyon Improvement District
Big Water Municipal Corp.

Blanding Cemetery Maintenance District
Blanding City
Bluff Service Area
Bluff Water Works Special Service District
Bluffdale City
Bona Vista Water Improvement District
Box Elder County Special Service Area #1
Box Elder County/Willard Flood
Box Elder Mosquito Abatement District
Brian Head Town

C Cache County
Cache County Emergency Medical Service Authority
Cache Metro Planning Organization
Cache Mosquito Abatement District
Cache Valley Transit District
Cannonville Town
Canyon Land Improvement District
Canyonlands Health Care Special Service District
Carbon County
Carbon County Conservancy District
Carbon County Recreation/Transportation Special Service District
Castle Dale City
Castle Valley Special Service District
Castle Valley Town
Cedar City
Cedar Fort Town
Cedar Hills City
Centerfield Town

Centerville City
Central Box Elder Fire Special Service District
Central Iron County Water Conservancy District
Central Utah Counseling Center
Central Utah Public Health Department
Central Valley Town
Charleston Town
Church Wells Special Service District
Circleville Town
Clarkston Town
Clawson Town
Cleveland Town
Clinton City
College-Young Mosquito Abatement District
Copperton Improvement District
Corinne City
Corinne Drainage District
Cornish Town
Cottonwood Heights City
Cottonwood Heights Parks and Recreation
Cottonwood Improvement District
Council on Aging-Golden Age Center
Crescent Cemetery

D Daggett County Mosquito Abatement District
Daggett Water District
Daniel Town
Davis and Weber County Canal Company
Davis Community Housing Authority
Davis County Mosquito Abatement District
Davis-Salt Lake Aerial Spray Authority
Delta City
Deseret Oasis Special Service District
Deweyville Town
Dixie Deer Water Special Service District
Duchesne City
Duchesne County Mosquito Abatement District
Duchesne County Water Conservancy District

E Eagle Mountain City
East Carbon City
East Duchesne Culinary Water Improvement District
East Iverson Drainage District
East Zion Special Service District
Eastland Community Special Service District
Eden Park Service District
Elk Meadows Special Service District
Elk Ridge City
Elmo Town
Elsinore Town
Elwood Town

Emery County
Emery County Fire Protection District
Emery County Recreation District
Emery County Special Service District #1
Emery Town
Enoch City
Enterprise City
Ephraim City
Eureka City

F Fairfield Town
Fairview City
Farr West City
Fayette Town
Ferron City
Fielding Cemetery Maintenance District
Fielding Town
Fillmore City
Five County Association of Governments
Flaming Gorge Road and Transportation Special Service District
Fountain Green City
Four Corners Community Behavioral Health
Francis Town
Fruit Heights City
Fruitland Special Service District

G Garden City Cemetery Maintenance District
Garden City Fire District
Garden City Town
Garland City
Genola Town
Glen Canyon Special Service District
Glendale Town
Glenwood Town
Goshen Town
Grand County
Grand County Cemetery Maintenance District
Grand County Recreation Special Service District
Grand Water and Sewer Service Agency
Grantsville City
Grantsville Soil Conservation District
Green Hills East Water Sewer Improvement District
Green River City
Grouse Creek Solid Waste Special Service District
Gunlock Special Service District
Gunnison City

H Hanksville Town
Hanna Water and Sewer District
Harrisville City
Hatch Town
Heber City

Heber Valley Special Service District
 Helper City
 Henefer Town
 Henrieville Town
 Herriman City
 Hideout Town
 Highland City
 Hildale City
 Hinckley Town
 Holden Town
 Holladay City
 Honeyville City
 Hooper City
 Hooper Water Improvement District
 Housing Authority of Carbon County
 Housing Authority of Salt Lake City
 Housing Authority of Salt Lake County
 Housing Authority of Utah County
 Howell Town
 Huntington City
 Huntsville City
 Hurricane City
 Hurricane Redevelopment Agency
 Hyde Park Cemetery District
 Hyde Park City
 Hyrum City

I Indian Ridge Water Conservancy District
 Ivins City

J Jensen Water Improvement District

Johnson Water Improvement District
 Jordan River Commission
 Joseph Town
 Junction Town

K Kamas City
 Kanarraville Town
 Kane County Human Resource
 Special Service District
 Kane County Water Conservancy District
 Kanosh Town
 Kearns Improvement District
 Kingston Town
 Koosharem Town

L La Sal Recreation Service District
 Lake Point Cemetery and Parks Service Area
 Lake Point Improvement District
 Laketown City Fire and Cemetery
 LaVerkin City
 Leamington Town
 Leeds Area Special Service District
 Leeds Town
 Lehi City
 Levan Town
 Lewiston City
 Lindon City
 Logan City
 Lone Peak Public Safety District
 Lyman Town
 Lynndyl Town

M Maeser Water Improvement District
 Magna Mosquito Abatement District
 Magna Water District
 Manila Culinary Water District
 Manila Town
 Manti Ambulance Association
 Manti City
 Mantua Town
 Mapleton City
 Marriott-Slaterville City
 Marysvale Town
 Mayfield Town
 Mendon City
 Mexican Hat Special Service District
 Midvale City
 Midvalley Improvement District
 Milford City
 Milford Valley Hospital
 Military Installation Development Authority
 Millard Conservation District
 Millville City
 Minersville Town
 Moab City
 Moab Mosquito Abatement District
 Moab Valley Fire Protection District
 Mona City
 Monroe City
 Monticello City
 Morgan City
 Morgan City Redevelopment Agency
 Morgan Conservation District

Moroni City
 Mountain Green Fire Protection
 Mountain Green Sewer Improvement District
 Mountain Meadow Special Service District
 Mountain Regional Water Special Service District
 Mountainland Association of Governments
 Mt Pleasant City
 Municipal Building Authority of Vernal City
 Mutton Hollow Improvement District
 Myton City
 Myton City Housing Authority

N Naples City
 Neola Community Park District
 Neola Water and Sewer District
 Nephi City
 New Harmony Town
 New Harmony Valley Special Service District
 Newton Town
 Nibley City
 North Fork Special Service District
 North Logan City
 North Pointe Solid Waste Special Service District
 North Salt Lake City
 North Sanpete Ambulance
 North Sevier Recreation
 North Summit Fire Protection District

North Summit Recreation Special Service District
 North Tooele Special Service District
 North Utah Valley Animal Services
 North View Fire District
 Northern Utah Regional Landfill Authority

O Oak City
 Oakley City
 Ogden Valley Recreation Transmission
 Special Service District
 Oquirrh Recreation/Parks District
 Orangeville City
 Orderville Town

P Panguitch City
 Paradise Town
 Paragonah Town
 Parowan City
 Paunsaugunt Cliffs Special Service District
 Payson City
 Peoa Recreation Special Service District
 Perry City
 Perry-Willard Wastewater Treatment Plant
 Pine Meadow Mutual Water County
 Pine Valley Special Service District
 Pioneer Special Service District
 Plain City

Pleasant Grove City
 Pleasant View City
 Plymouth Town
 Portage Town
 Powder Mountain Water and Sewer
 Improvement District
 Price City
 Price River Water Improvement District
 Providence City
 Provo City/Utah County Ice Sheet Authority
 Provo Housing Authority

R Randolph Fire District
 Randolph Town
 Redmond Town
 Rich County
 Richmond Cemetery Maintenance District
 Richmond City
 River Heights City
 Riverdale City
 Riverside Cemetery Maintenance District
 Riverside Community Special Service District
 Riverton City
 Rockville Town
 Rockville/Springdale Fire Protection District
 Rocky Ridge Town
 Roosevelt City

Roosevelt City Housing Authority
Roy Water Conservancy District
Rural Water Association of Utah
Rush Valley Town

S Salem City
Salina City
Salt Lake City Mosquito Abatement District
Salt Lake County Service Area #3
Salt Lake Urban Search and Rescue
San Juan Counseling Mental Health
San Juan County Transportation
San Juan County Water Conservancy District
Sandy Suburban Improvement District
Sanpete Conservation District
Sanpete County Fire Special Service District
Santa Clara City
Santaquin City
Saratoga Springs City
Scipio Town
Scofield Reservoir Special Service District
Scofield Town
Sevier Conservation District
Sevier County Special Service District #1
Sigurd Town
Six County Association of Governments
Skyline Mountain Special Service District
Smithfield City Corp.
Snowville Town
Snyderville Basin Recreation District
Snyderville Basin Water Reclamation District
Solid Waste Special Service District #1

South Davis Metro Fire Agency
South Davis Sewer District
South Davis Water District
South Ogden City
South Salt Lake Valley Mosquito Abatement District
South Utah Valley Electric Service District
South Valley Sewer District
South Valley Water Reclamation Facility
South Weber City
South Weber Water Improvement District
Southeastern Association of Governments
Southern Utah Shooting Sports Park
Southern Utah Valley Power Systems
Southwest Mosquito Abatement and Control
Southwestern Special Service District
Spanish Fork City
Spring City
Springdale Town
St. George City
St. George Housing Authority
Stansbury Park Improvement District
Stansbury Service Agency
Sterling Town
Stockton Town
Sugar House Park Authority
Summit County
Summit County Service Area #3
Summit Mosquito Abatement
Sunnyside City
Sunset City Corporation
Syracuse City

T Tabby Valley Parks and Recreation Special Service District
Tabiona Town
Taylor/West Weber Water
Taylorsville City
Teasdale Special Service District
Thatcher/Penrose Fire Department
Thompson Special Service District
Ticaboo Electric Improvement District
Ticaboo Special Service District
Timberline Special Service District
Timpanogos Special Service District
Tooele Valley Mosquito Abatement District
Toquerville City
Torrey Town
Trans-Jordan Cities
Tremonton City
Tremonton/Garland Drainage District
Trenton Town
Tridell-Lapoint Water Improvement District
Tropic Town

U Uintah Animal Control and Shelter Special Service District
Uintah Basin Assistance Council
Uintah Basin Association of Governments
Uintah Basin Narcotics Strike
Uintah Care Center
Uintah City
Uintah County
Uintah County/Vernal Interlocal

Uintah Fire Suppression Special Service District
Uintah Health Care Special Service District
Uintah Highlands Improvement District
Uintah Impact Mitigation Special Service District
Uintah Mosquito Abatement District
Uintah Recreation District
Uintah Transportation Special Service District
Uintah Water Conservancy District
Unified Fire Authority
Upper Country Water Improvement District
Utah Association of Conservation Districts
Utah Association of Counties
Utah Association of Special Service Districts
Utah Chiefs of Police Association
Utah County
Utah League of Cities and Towns
Utah Local Governments Trust
Utah Municipal Finance #2
Utah Municipal Finance Co-op
Utah Municipal Power Agency
Utah Valley Dispatch Special Service District
UTOPIA

V Vernal City
Vernon Town
Vernon Water Works Special Service District
Vineyard Town
Virgin Town

W Wales Town
Warren/West Warren Water Improvement District
Wasatch County
Wasatch County Fire Protection Special Service District
Wasatch Front Regional Council
Wasatch Integrated Waste Management
Wasatch Mental Health Services Special Service District
Washington City
Washington County Economic Development Council
Washington County Water Conservancy District
Washington Terrace City
Weber Basin Water Conservancy District
Weber County Service Area #5 Liberty Park
Weber Human Services
Weber Mosquito Abatement District
Weber/Morgan Narcotics Strike Force
Wellington City
Wellsville City
Wendover City
West Bountiful City
West Corinne Water Company
West Haven City
West Haven Special Service District
West Millard Mosquito Abatement District

West Point City
West Warren Community Park
Western Kane County Special Service District #1
Western States Water Council
White City Water Improvement District
White Hills Special Service District
Willard City
Wolf Creek Water and Sewer Improvement District
Woodland Hills City
Woodruff Cemetery Maintenance District
Woodruff Fire District
Woodruff Town
Woods Cross City
Woods Cross City Redevelopment Agency

BOARD OF DIRECTORS

JOE L. PICCOLO
CHAIR, EXECUTIVE COMMITTEE
Mayor, Price City

BURTIS J. BILLS
Appointed

BLAKE L. FRAZIER
Auditor, Summit County

GARY L. HATCH
EXECUTIVE COMMITTEE
Manager, Davis County Mosquito
Abatement District

W. DEAN HOWARD
Mayor, Hyrum City

JOANN B. SEGHINI
Mayor, Midvale City

JEFFREY W. HORROCKS
EXECUTIVE COMMITTEE
Commissioner, Emery County

ROBERT G. SUTHERLAND
Appointed

RUSSELL D. WALL
Mayor, Taylorsville City

TRUST STAFF

STEVEN A. HANSEN
PRESIDENT AND EXECUTIVE DIRECTOR

ADMINISTRATIVE SUPPORT

MARILYNN BEESLEY
Executive Assistant

ACCOUNTING

JODY PETTET
Manager, Accounting

JESSA ANDERSON
Accounting Technician,
Payables

DENISE FOWLER
Accounting Technician,
Receivables

CLAIMS

CHRIS ROZELLE
Manager, Claims

TEAMWORK / DEDICATION / PASSION

MEMBER SERVICES TEAM

TRAVIS GARTON
Manager, Member Services

RYAN HATCH
Assistant Manager, Member Services

GREG BAUMGARTNER
Account Executive

JOSH MCKELL
Account Executive

JILL JOHNSON
Account Manager

SUZIE POPE
Account Manager

RISK MANAGEMENT

JASON WATTERSON
Manager, Risk Management

DOUG FOLSOM
Risk Manager

LANCE MERGENS
Risk Manager

INFORMATION TECHNOLOGY

BRADY LOVELAND
IT Technician

WE BELIEVE THE BEST
WAY TO HANDLE A CLAIM
IS TO PREVENT IT.
THIS IS THE TRUST.





**TRUST.
EXPERIENCE.**

TRUST UTAH LOCAL GOVERNMENTS TRUST

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