

6. **General Services.** The Attorney-in-Fact is empowered to perform the following services on behalf of the undersigned:

(a) Provide adequate personnel and facilities to perform the services herein agreed to be performed by the Attorney-in-Fact for the UMIA.

(b) Solicit, receive and accept or reject applications for insurance to be issued by the UMIA in accordance with general underwriting standards approved by the Board of Governors.

(c) Investigate and pass upon the desirability of risks involved in the applications for insurance in accordance with standards fixed by the Board of Governors.

(d) Underwrite, classify, rate and issue policies and binders of insurance and reinsurance for the UMIA which are actuarially sound, in accordance with sound and accepted insurance practices and with such standards as may be fixed by the Board of Governors.

(e) Establish and maintain for the UMIA and as the UMIA's property, complete and accurate records of all policies written by the UMIA, in accordance with the law, sound and accepted insurance practices and such statements as may be fixed by the Board of Governors.

(f) Collect, receive and account for all surplus deposits and premiums paid for insurance issued; and deposit all of said surplus deposits and premiums in a bank or banks to the account of the UMIA as soon as practicable in accordance with good business practices and standards fixed by the Board of Governors and pay therefrom the expenses provided by this Agreement, or as directed by the Board of Governors.

(g) Establish and maintain for the UMIA, and as the UMIA's property, all records required by law, sound and accepted insurance and accounting practices, and in accordance with standards adopted by the Board; and prepare for the UMIA all reports required by governmental and non-governmental regulatory and supervisory authorities, except income tax returns.

(h) Procure such reinsurance, automatic or facultative, required by law or sound and accepted insurance and business practices, keep the necessary records for the UMIA in connection therewith, and report all reinsurance treaties or agreements to the Board. No portfolio, quota share or coinsurance treaty or pooling agreement shall be executed without prior consent or authorization of the Board of Governors and every such transaction shall be reported to the Board at its next meeting after the making thereof.

(i) Subject to such standards as may be fixed by the Board, cede or accept, on behalf of the UMIA, without the prior consent of the Board, facultative reinsurance on any individual policy or two or more policies issued to, or with respect to, the same insured or insureds.

(j) Provide and equip proper and adequate offices, furnish all automobiles and other equipment, stationery, forms, printing and supplies for the conduct of the functions, required to be performed under this Agreement by the Attorney-in-Fact for the UMIA.

(k) Provide and maintain an adequate claims service and personnel and facilities for the handling of all claims against the UMIA and for the payment thereof on behalf of the UMIA. The Attorney-in-Fact shall recover promptly for the UMIA all reinsurance due on claims paid.

(l) Appoint and terminate agencies in accordance with specific directions by the Board of Governors.

(m) At the request of any member of the Board, furnish him or her, within a reasonable time, with the most recent operating statement and balance sheet of the UMIA.

(n) Retain investment counsel for the UMIA.

(o) Subject to ratification by the Board of Governors or an appropriate committee thereof and subject to investment policies determined by the Board, the Attorney-in-Fact shall negotiate and consummate investment transactions of the UMIA.

(p) Prepare mailings, advertisements, newsletters and other promotional material for the UMIA, in accordance with reasonable standards fixed by the Board.

(q) Do any and all things necessary to carry out the foregoing.

7. **Operating Expenses.** Subject to the provisions of Paragraph 9 hereof, the Attorney-in-Fact shall bear all expenses in connection with the services specified in Paragraph 6 hereof to be rendered by the Attorney-in-Fact in connection with the affairs of the UMIA, including the payment of commissions to brokers or agents, except the following charges, which costs and expenses are to be borne by the UMIA:

(a) Special expenses authorized by the Board of Governors and for which the Board explicitly assumes payment responsibility.

(b) Losses and claim payments under contracts of insurance written by the UMIA.

(c) All allocable claims expense as defined in the National Association of Insurance Commissioners Examiners Handbook under "Claim Adjustment Services," except that the cost of outside claims adjustment facilities shall be included in unallocable claims expense and borne by the Attorney-in-Fact.

(d) Governmental charges, license fees, Insurance Department fees and examination charges, board and bureau fees, all other statutory charges, and charges for services levied or charged against the UMIA or in connection with the UMIA's business.

(e) Taxes, state, local and federal, imposed upon the UMIA.

(f) All fees and expenses of auditing the UMIA's books and records by independent auditors and of preparation or review by the UMIA's accountants of the UMIA's income tax returns over and above the furnishing of basic income tax data for the UMIA by the Attorney-in-Fact.

(g) All fees and expenses in connection with the collection of premiums, including, but not limited to, fees and expenses of attorneys, collection or credit agencies.

(h) Fees and expenses of the Board.

(i) Premiums on reinsurance ceded.

(j) Fees of independent or salaried investment counsel selected by the Board.

(k) Direct investment expenses, other than accounting and administrative services performed by the Attorney-in-Fact.

(l) Salaries and expenses of officers and employees of the UMIA, as authorized by the Board.

(m) Expenses of disbursement of dividends to policyholders, if any, preparation and mailing of notices of subscribers' meetings of the UMIA and the holding of such meetings and printing and mailing of reports to subscribers of the UMIA.

(n) Interest payments on money loaned to the Attorney-in-Fact.

8. **Fees.** The fees of the Attorney-in-Fact shall be computed upon the basis of insurance accounting practices acceptable to the Insurance Commissioner of the State of Utah. Subject to the provisions of Paragraph 9, the maximum fees of the Attorney-in-Fact for each 12 month period shall be as follows:

(a) The underwriting fee for all lines of insurance shall be twenty (20%) percent of the billed premiums, less return premiums written off as uncollectible. On reinsurance assumed, the Attorney-in-Fact shall be entitled to such underwriting fee as is fixed by the Board of Governors.

(b) For services in connection with the funding of the UMIA, and/or the increasing of the surplus of the UMIA, the Attorney-in-Fact shall be entitled to an amount mutually agreed upon by the Attorney-in-Fact and the UMIA, said amount to be within allowable limits, if any, then in effect pursuant to Utah law, but in no event shall such amount be in excess of fifteen (15%) percent of the gross amount raised.

