



### CEO Report

In 2012, we devoted significant time to updating our strategic initiatives, laying out our road map for the next several years. The decisions that we made and the initiatives



"...some things remain constant – our commitment to our members and communities, living by our core values, and being a strong, reliable choice into the future."

we plan to move forward with are important to us in our determination to remain an independent and viable company for our members, able to compete with and offer more value than large national carriers and the online companies that tout saving you money.

Our initiatives focus on delivering exceptional customer service, developing technologies that meet future demands and expectations, achieving profitable growth while staying true to our core areas of expertise, and developing our agency force and our staff.

Our road map aligns with the principles of being a co-operative, including valuing education and training, providing information to our members, and being concerned with and supportive of our local communities. Part of living by

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### Irene Assistance

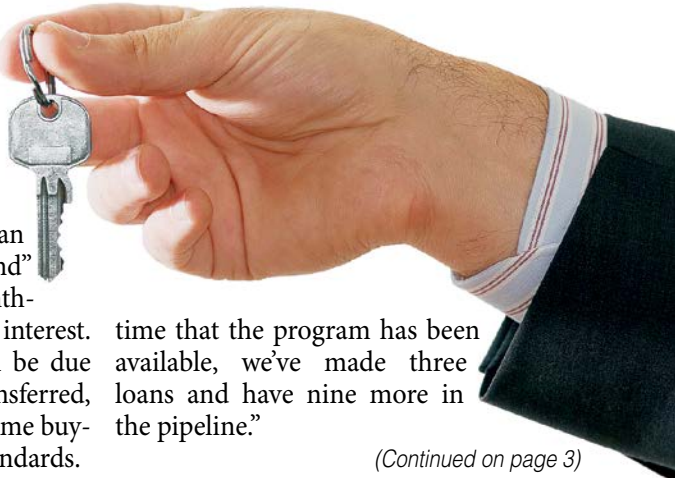
While it's been almost two years since Tropical Storm Irene destroyed homes and businesses, many Vermonters are still coping with its effects. Mobile homes and parks were particularly devastated. Sixteen mobile home parks and more than 500 mobile homes were either damaged or destroyed. Many of those affected have been piecing together help from various sources, trying to rebuild their homes and their lives.

Co-op is investing \$975,000 to help capitalize a new affordable loan program that will help low- and moderate-income families replace their damaged homes with new Energy Star-rated manufactured homes.

The Manufactured Housing Loan Program provides "silent second" mortgages, which require no monthly payments and will not accrue interest. The entire principal balance will be due when the property is sold or transferred, or may be assumed by the next home buyer, subject to income eligibility standards.

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"Demand for this program has been high," said Brenda Torpy, executive director of the Champlain Housing Trust, which administers the loans. "In the short



time that the program has been available, we've made three loans and have nine more in the pipeline."

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### Recreational Land Protected

In partnership with the Town of Middlebury and the Battell Trust, Co-op has acted to conserve 38 acres of land on Chipman Hill.



"We're excited to have reached an agreement that will keep this land available for future generations to enjoy," said Ted Davis, Co-op's senior VP of information services and facilities.

Co-op has been exploring options for

conservation of this land since 2006. The agreement reached earlier this year will keep the land undeveloped and available for recreational

uses in perpetuity.

Part of the Trail Around Middlebury runs through the property, and this summer, a new parking area and a kiosk will be constructed at a trail access point on Washington St. Extension near the Co-op offices. ■



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those principles includes our commitment to the agency model of providing you insurance. We believe in the value agents bring to you with their experience, advice, understanding of your individual needs, and local presence.

As a co-operative, we are not motivated or beholden to make a profit for shareholders. Instead, we make decisions in the best interest of our members and the financial soundness of the company.

Some of those decisions are growing increasingly complex, as there are more and more things to pay attention to, including weather patterns and how they are changing; electronic security and keeping your personal information safe; and disaster preparedness and the ability to respond during adverse conditions, to name just a few. We are vigilant in our continual planning, testing, and preparing for known and unknown emerging risks.

We recognize the need to change as the world, our competition, and our environment change around us, but some things remain constant - our commitment to our members and communities, living by our core values, and being a strong, reliable choice into the future. Our road map shows the way forward and will help ensure that we take the actions necessary to live up to our vision: Here for you, when you need us, providing the service you need.

In closing, I'd like to send our congratulations to Gordon Booth of Barre, who left the Co-op board this spring after 22 years of service. We thank him for all he has done for Co-op and our members, and wish him all the best!

Sincerely,  
Marie Jewett, President/CEO



## Childproof Your Pool

About 300 children under five drown every year in the US, and thousands more are treated for nearly drowning. Most incidents happen in home swimming pools... and are preventable.

Federal and consumer groups recommend a layered approach to pool, hot tub, and spa security:

Install a barrier that a child can't get over, under, or through: at least four feet tall, with no handholds or footholds for climbing or gaps to squeeze through. Gates should be self-closing, with self-latching mechanisms that children can't reach. Secure aboveground pool ladders with a barrier or by removal.

If your house forms one side of your barrier, you need an alarm for doors on that side of the house and/or a power safety cover for the pool.

Install a quality pool alarm - one that's loud and sensitive, but not prone to false alarms from wind. Check Consumer Reports or the Good Housekeeping Research Institute for recommendations.

Have a CPSC-compliant pool drain cover, and consider a Safety Vacuum Release System that will shut off your drain's suction if it detects a blockage



## Swimming Pool Safety

## Poolproof Your Child

(and the whole family!)

Having a safe pool set up only takes you so far; you have to know how to be safe in and around the water, too! If you're going to have a pool, everyone in your family should know how to do the following:

- Swim!
- Perform basic water rescue techniques
- Perform CPR and resuscitation

- Turn off the pool pump quickly
- Gently break the seal between a drain and a person trapped against it

Your pool users should all know where the safety kit is. At a minimum, it should include

- a first-aid kit;
- scissors that can cut hair, clothing, or your pool cover;
- a flotation device;
- a working telephone.

Finally, your pool users should know to respect the water and the responsibility that comes with using the pool. They should understand that they should:

- not swim alone;
- avoid the drain;
- not allow long hair, jewelry, loose clothing, or other items to dangle while swimming. ■

## 24-hour Roadside Assistance Now Available

Co-op's new roadside assistance program offers help anywhere in the US, anytime, with towing or with mechanical, fuel, tire, lockout, battery, or fluid problems. One toll-free number - (855) 238-3167 - will connect you with our national partner, Netcost Claim Services, and their road service providers.

The service is already available at no ad-

ditional charge to members who carry our auto bundle or towing and labor coverage on their personal auto policy. If that doesn't apply to you, you may be able to add roadside assistance to your policy if you carry comprehensive coverage. Contact your agent to learn more! ■





# Electrical Fires Keep Trending Upward

**C**o-op policyholders experienced a busy fire season this past winter. Between October and March, we saw almost \$8 million in fire damages.

In winter, traditionally the biggest causes of fire are heating sources, especially wood heat. But in a trend we've seen grow over the past several years, electrical fires were more frequent and more costly, even at the peak of heating season.

There are probably many reasons why electrical fires are an increasingly large problem. One of the biggest are that we're all asking our aging home electrical systems work harder as we use more power-hungry gadgets than our homes were designed to accommodate. Overloading the circuits contributes to the breakdown of the wiring in those circuits, and that can lead to hot spots and fires.

Another important reason is that the economy has many people tightening their belts, and as a result, either ignoring trouble signs or attempting do-it-yourself repairs.

But trust us, your electrical system is not where you want to act like you're MacGyver. Our tips below tell you how to recognize common trouble; when you spot it, call a licensed professional with good references to deal with it!

Our large fire list (below) lists many other causes of fires this winter, including all the usual suspects, like appliance malfunction, careless smoking, and candle usage. Read on for tips that can help you avoid some of the most frequent troubles in those and other areas.

## Fire Prevention Tips

### Electrical

Systems deteriorate over time, and you need to watch for danger signs:

- Circuit breakers that trip or fuses that blow regularly
- Moisture or rust around electrical panels
- Dark discoloration on walls or ceilings near outlets or light fixtures
- "Workarounds" in your panel box, fuse box, or circuit box (larger fuses, coins, multiple circuits on single breakers).

If you find yourself doing the following, you may also have safety issues on your hands:

- Using extension cords for more than a couple of weeks
- Multiple full or almost-full power strips, or power strips plugged into other power strips
- Plugging powerful appliances (air conditioners, space heaters) into outlets that you're not certain are designed for them.

All of these are signs that you need repairs, fixture upgrades, new outlets, or whole new circuits to meet your power demands – and that you could be headed for fire if something doesn't change. Contact a licensed electrician, and check the person's references, to make sure you're getting safe power.

### Fireplaces and woodstoves

- As they burn, logs shift and roll. Make sure you keep the woodstove door securely fastened. For fireplaces, have a sturdy surround. In both cases, you need a fireproof hearth or stoveboard that extends at least 18 inches out from the door.
- Ashes can stay hot for up to a week. Storing them in paper bags, cardboard boxes, or plastic containers is asking for trouble.

You need a certified ash bucket with an airtight lid, and it needs to be stored outside away from combustibles and accelerants.

### Smoking

- Just like with stove ashes, cigarette butts must be stored in a fireproof container away from other combustibles. This is doubly important because cigarette butts themselves provide fuel for a fire; if you drop a smoldering butt into a container that already contains other butts, fire is likely to result. If that's going to happen, make sure it's in a container that won't burn or melt, placed on a surface that won't burn.
- "Firesafe" cigarettes aren't accident-proof. Handle them as carefully as you would any other kind of fire.
- Smoking when you're in bed, when you're tired, or at any other time you're likely to doze off remains a dangerous idea.

### Appliances

- Never use extension cords for heavy-duty appliances; always plug them directly into an outlet that's rated for them.

### Farm equipment

- While pressure-washing farm equipment might seem more about cosmetics than anything else, it's actually a very good safety move. Removing oil, grease, chaff, and feed that builds up on your tractor, especially in the engine compartment, means you're removing the combustibles and accelerants that could turn a small wiring fire into a blaze that completely destroys the vehicle. ■

## Large fires and their causes

October 2012 through March 2013

Fires	Cause	Amount
19	Electrical	\$2,447,052
12	Wood heat	1,547,600
7	Unknown	1,716,940
5	Appliances	612,500
4	Farm equipment	87,000
2	Vehicle fires	45,000
2	Careless smoking	315,000
2	Arson	282,000
2	Space heaters	335,000
1	Candle	65,000
1	Vehicle parked on hay	47,000
1	Playing with lighter	28,630
1	Vehicle maintenance	392,000
59		\$7,920,722



## Agency of the Year



This year's President's Award of Excellence went to

### Frankenburg Agency Randolph, VT

Congratulations to Carol and Ryan Bushey and their staff on a fantastic year! ■



## Pick Your Favorite Way To Pay

### Automatic monthly payments:

Enroll in our StepSaver program, and your insurance payment will be automatically deducted from your checking account every month. You won't have

to worry about missing a payment; your premiums will get spread evenly throughout the year; and you'll save money because you won't be charged installment fees. Contact your agent to enroll.

**Make payments online:** If you're a do-it-yourself type, maybe you'd rather make your payment securely online at <https://webpay.co-op-insurance.com>. You can pay from your checking account or from your Visa, MasterCard, or now Discover, too.

**Not ready to pay electronically yet?** We still accept payments by mail, by phone, or in person, too! ■

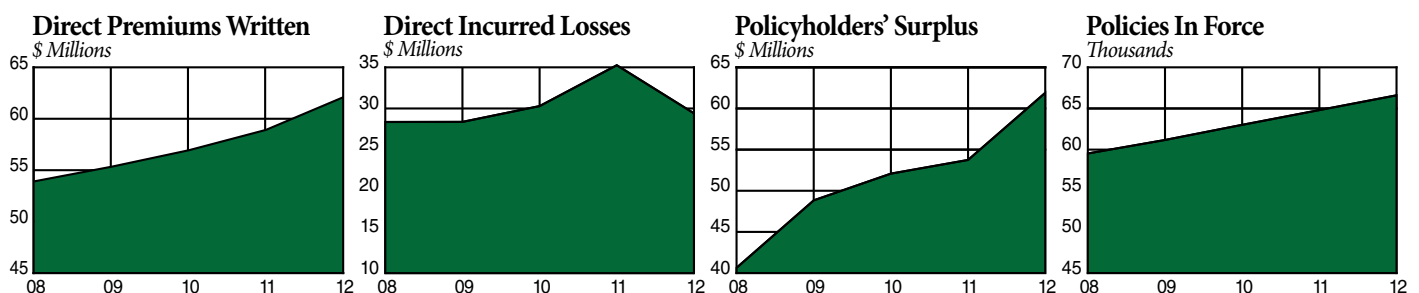


## Right in Your Own Backyard

A well-tended yard makes for a pleasant place to spend time outdoors, and certainly lends curb appeal to a property. But some kinds of yard maintenance are also matters of safety, too. Here are some things to think about while planning your yard work this year:

- Heavy tree branches or limbs that hang over your house should be removed. Windstorms, lightning strikes, and winter weather are some common threats that can cause trees to split or limbs to break off, and they can do significant damage if they fall on your roof.
- But be sure to have a professional arborist or tree specialist do any heavy or overhead work on the trees on your property. It's far too easy for heavy limbs to come down in the wrong place and take out utility lines, damage other property, or injure you.
- If you have tall grass on your property, be sure to cut it back at least 20 feet from your home or other structures – the farther, the better. Grass fires spread quickly, so you'll want a healthy buffer zone to keep your buildings safe.
- Keep your property clear of loose brush. It creates fire and tripping hazards, and can often provide breeding grounds for pests.
- Check patios, walkways, and decks for loose stones, pavers, or boards, and make sure all railings are sturdy and secure. ■

## Financial Statistics at a Glance



## Irene Assistance

(Continued from page 1)



The loans are available for mobile homes in parks or on owned land. Loan amounts are determined based upon the home's age, but range from 20% to 50% of the total transaction costs, up to a \$35,000 maximum.

Co-op's investment is through a Vermont tax credit program expanded in 2012 to raise capital to help low- and moderate-income Vermonters replace mobile homes damaged by Irene. Housing Vermont, a statewide nonprofit affordable housing developer and tax credit syndicator, assisted in arranging investment. "We've been partnering with Housing Vermont since 2006, so this was a great opportunity to expand our relationship, and to provide some help to Vermonters in need," said Dave Tatlock, Co-op's CFO.

"We knew through our past work with Co-op that this would be an appealing opportunity to substantially help Vermonters with very limited options," said Housing Vermont president Nancy Owens.

If you are interested in learning more about this program, which can also assist buyers not affected by Irene, please contact Cheryl Read at CHT at (802) 527-2361 x106 or [cread@getahome.org](mailto:cread@getahome.org). ■



### Co-op Community Grants Program

Every fall, our agents and directors apply to Co-op for matching funds towards charitable projects they are supporting. We select recipients at the end of the year, and usually send grant checks in January. In winter 2013, we awarded seven grants for one-time operational or capital support to the following community groups:

**Unplugged, Inc.**, Manchester, VT, for support of tech-free children's camp

**Boys and Girls Club of Greater Nashua**, Nashua, NH, for transportation program assistance

**Northeast Kingdom Astronomy Foundation**, Peacham, VT, for support of observatory and school programs

**Keeping Track**, Huntington, VT, for training of wildlife monitoring volunteers in West Fairlee, Wells River, and Bradford

**West Brookfield Church**, West Brookfield, VT, for building repairs to community center

**Vermont Adaptive Ski and Sports Foundation**, Killington, VT, for new instructional and training facilities at Pico

**Enosburg Elementary School**, Enosburg Falls, VT, for kickball and teeball field improvements

### Wish Kids Golf Classic

Once again this year, Co-op and our agents are hitting the golf course in support of Make-A-Wish Foundation®

of Vermont! Our thirteenth annual golf tournament for this great cause happens on Friday, July 12, at Champlain Country Club in Swanton, VT. Last year, we raised \$26,700 – and with your help, we can do even better this year! Come join us for golf, a silent auction, food, and prizes!

Visit [www.wishkidsgolf.org](http://www.wishkidsgolf.org) to register, see results, become a sponsor, or donate and help dreams come true for Vermont children with life-threatening medical conditions.

### Fletcher "Buster" Brush Memorial Scholarships

Congratulations to Brittany Little (Meredith, NH) and Hannah Curler (Vergennes, VT), our 2012 Fletcher Brush Memorial Scholarship recipients.

The two were recognized for their compassion, hard work, community service, school spirit, leadership, and desire for challenge – values exemplified by late Co-op employee Fletcher "Buster" Brush, who spent decades working for community causes and mentoring and coaching young people.

The \$1,000 awards are renewable for up to four years of post-secondary study.

Little is studying psychology at Colby-Sawyer College, while Curler is enrolled in the nursing program at Norwich University.

To see who the 2013 recipients are, find out how to apply, or learn more about Buster, visit [www.brushscholarship.org](http://www.brushscholarship.org). ■

## 2013 Stevens Advanced Driver Training

**Learn accident avoidance and emergency manoeuvring during this hands-on half-day course.**

**Co-op shares members' cost – you pay only \$125 for a \$300 class!**  
(Co-op and private foundations will cover the rest.)

Course dates, times, and VT and NH locations are at [www.skidschool.us](http://www.skidschool.us). Participants must be licensed to attend the course in VT and must have a valid learners permit for courses in NH.

If you register online, please enter all the required information in the Additional Information area on the Registration Summary

page. For "insurance carrier information," enter Co-op Insurance, your agent, and your policy number. You will not receive an updated invoice before your class, but Stevens staff will manually verify your information, and you will be charged the discounted rate of \$125 onsite on the day of the class (payable only by check). ■







One of summer's great treats is the opportunity to take the indoors out to enjoy a grilled meal. However, sometimes we leave our safety sense inside... which is dangerous, because grills have the explosive potential of a few sticks of dynamite.

House fires related to charcoal grills usually stem from unattended cooking, or having the hot grill too close to exterior trim, wall coverings, or other combustibles. Gas grill fires are most often related to equip-

ment failure or breaks in the gas line.

Vermont's fire code requires a competent person with ready access to a connected hose or fire extinguisher to monitor any open or cooking fire. Any non-electric grill must be more than ten feet away from any building or structure. So grills should not be used on balconies or under roof overhangs!

Grills should never be used indoors for any reason; carbon monoxide poisoning can be the quick and lethal result.

Other tips for responsible grill ownership and use:

#### **Charcoal**

- Store charcoal briquettes in a dry area. Damp charcoal can spontaneously heat.
- Allow charcoal to cool naturally away from structures and combustibles before safely disposing of it.
- Store lighter fluid properly, away from living areas.

#### **Gas/propane**

- Store propane cylinders outside, 10 feet from building openings such as windows and doors.
- Check hoses for cracking, brittleness, holes, and leaks. Make sure there are no sharp bends in the hose or tubing.
- Never bring the propane tank into the house. Store grills with cylinders attached in a shaded, cool area out of direct sunlight.
- Use only LP containers equipped with an overfill protection device. ■