



## Letter to Members



Co-op is now represented in more than 115 independent agency locations throughout Vermont and New Hampshire.

Dear Members,

I'm happy to share some accomplishments from last year and an overview of our focus for this year.

We came very close to our 2017 production goals, and grew across all lines of business, with solid commercial lines gains of more than 16%. We experienced four major weather-related events, and employees from many departments pitched in to assist the claims team in responding to you.

With the transition of our exclusive agency force to independent contracts last year, and some mergers, acquisitions and additional appointments, Co-op is now represented in more than 115 independent agency locations throughout Vermont and New Hampshire.

In August, agents began to write businessowners policies on our newly launched Solutions system. Our commitment to developing an easy-to-use, quality product paid off: Agents' feedback has been positive, and we've seen an increase in the flow of new BOP business.

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## Do You Have Coverage For Your Car's Extras?

**M**ost of us don't have murals, special carpeting or insulation, or custom bumpers on our personal cars or trucks.

So we may not think we have any custom equipment or furnishings that need special attention on our car insurance.

But you may not know that – other than the bedliner, cap, or cover of a pickup truck –



your basic Co-op personal auto policy does not generally cover anything that didn't come standard with your vehicle.

Do you have a snowplow or sander attachment? Special rims or tires? A custom decal? Any additional items or customization? Better safe than sorry. Check in with your agent to see if you have the right coverage or if you'll need to protect your investment with the Customizing Equipment Coverage endorsement. ■

**I**n 2015, Visions featured a story about insurance and "sharing economy" businesses like Airbnb and Uber. We said:

"If you're confused by all of this, that's not surprising. This new business doesn't fit the existing model of personal or business ... insurance. Many state legislatures and industry representatives are working to create laws, standards, and insurance in this area, but it will take time."

Three years later, things are much clearer. There is cautious coverage for house shares through many personal insurance policies, but carriers generally exclude coverage for ride sharing under non-commercial policies.

Here are the most important things to understand about these maturing business transactions.

### Home shares: if you're hosting

Your Co-op homeowners or farm policy will likely provide some basic coverage for two guests, and you may be able to endorse your policy to increase the number of guests you can host or rooms you can share. Above that, your business needs must be addressed by a business policy.

Coverage may depend on whether you are closely managing the property you're sharing. If you live more than 30 miles from the property where you're hosting guests, you may not qualify for coverage.

Airbnb provides some liability insurance for US hosts, but it is secondary to your own insurance. That means any claim

needs to be processed by your own insurance company first. Airbnb's insurance will kick in when/if you exhaust your own insurance limits.

### Ride shares: if you're driving

Co-op's auto insurance policies do not cover you when you take on a ride-share passenger. (Some carriers will stop covering you as soon as you mark yourself available to take on a share.)

Uber, Lyft, or the company you drive with may offer some insurance coverage, but it is not likely to be broad. They offer only liability coverage – there is no coverage for physical damage to your vehicle. And their insurance is also secondary, again meaning that it only kicks in when you exhaust your own policy.

### All shares: if you're staying or riding

You cannot count on a consistent standard of insurance coverage as a passenger or guest. The coverage provided will vary widely based on whatever insurance your driver or host decides to carry.

### The bottom line

As always, talk to your insurance agent about your situation to make sure you're covering your specific bases. ■



## What to Know About Sharing AND INSURANCE

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## Letter to Members

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Commercial auto and umbrella are scheduled to go live next, and personal lines and a new consumer portal will follow. Before these, though, to diversify our business and increase our commercial lines book, we have launched BOP enhancements that include protection for cyber and employment practices liability for our members. (Learn more about these on page 6.)

I can't say enough about our staff's commitment with the additional demands this new system implementation has created on top of regular workloads. They are working very hard to manage their assignments while delivering exceptional customer experiences to our agents and members.

On October 29 and 30, we experienced our worst weather-related event in almost 70 years when winds roared through our states. We had over 1000 claims and approximately \$5.9 million incurred losses from the storm. Our reinsurance coverage for this catastrophic event helped smooth over results for the year. Most importantly, Co-op's commitment to service shone: Both agents and members had very good things to say regarding our response time and claims handling.

Co-op was recognized in multiple ways last year. In summer 2017, we received the ValChoice award for #1 Best Value for Personal Auto Insurance in both VT and NH for 2016, and made the Best Places to Work in VT list for the first time (we made it again this year, too!). And in December, AM Best acknowledged our continued success by reaffirming our A (stable) rating.

We continued our commitment to giving back to VT and NH, supporting more than 150 non-profits. Some of our larger gifts went to Make-a-Wish Foundation of Vermont, the American Red Cross, Vermont Foodbank, NH Food Bank, Green Up Vermont, and the UVM Extension Service.

Our numerous efforts, completed and planned, position us well to meet the future needs of our members, to be here for you when you need us.

Sincerely,

Marie Jewett, AU, API, AIS  
President & CEO

## Keep Your House Out of ~~Hot~~ Cold Water

**S**ummer is a great time to winter-proof your primary residence or your second home. A few small warm-weather tasks can save you a wet, frozen world of burst-pipe troubles.

**Insulate your pipes well**, especially in attics and crawlspaces. If you're using heat

**While almost all of the listed jobs are things you can tackle yourself, using the services of a licensed professional is always recommended to get the job done quickly and properly.**

tape or cables, make sure you're using quality UL-approved materials, and follow all instructions.

**Seal air leaks around dryer vents**, pipes, windows and doors, and electrical wiring and outlets. Caulking or insulating even tiny gaps helps – and will shave your heating bills.

**Plan for heat.** Tune up the heating system. Shop for your fuel deal. Even – especially – if you're not going to be anywhere near your property during cold weather, you must maintain warmth to keep those pipes from freezing.

The rule of thumb has traditionally been to keep the indoor temperature at a minimum of 50 degrees. But some sources now say the colder it gets, the more you may need to hike the thermostat – closer to 60 when it's near 0 degrees outside, and to 65 when the mercury slips below -20.

Programmable thermostats you can control remotely have gotten less expensive over the years. If they fit your budget, they might be a smart investment for your home or seasonal property.

**Plan for access.** An automated fuel refill plan can be foiled by a large snowfall. It can be easy to overlook the simple detail of making sure a fuel truck can get to your place. Understand from your fuel dealer when refills are likely to happen and arrange to have a sufficient path cleared.

**Set up monitoring.** A temperature alarm can monitor humidity and temperature and let you know if there's a problem. Some have multiple sensors to place throughout the home. Others are attached to a special trigger valve that automatically shuts off your water supply if they detect a leak. There are options in many price ranges; again, if your budget allows, such devices can help you avoid the many bills that come with freeze-ups. Some even help you earn credits on your Co-op property insurance.

If automated monitoring is too pricy for your seasonal property, perhaps you can pay or barter with a local resident to check your property every week or so. Having someone enter your building regularly to check for heat and water can help you avoid or catch freeze-ups and deter vandalism and break-ins.

While almost all of the listed jobs are things you can tackle yourself, using the services of a licensed professional is always recommended to get the job done quickly and properly.

You'll still have a few things to do in the fall, like disconnecting hoses and setting/programming those thermostats. At your seasonal property, you'll want to open cabinet doors to help heat reach pipes, and maybe shut off and drain as much of your water system as you can. But early work on the issues discussed here puts you in great shape to keep your pipes in great shape over the winter. ■

## Fond Farewells

**T**he board of directors would like to recognize and thank Laurie Rowell upon completion of her second three-year term and service as a director.

At the annual policyholder meeting on April 3, Christine Moriarty was elected as director to fill Laurie's vacated spot, and retired longtime director Charlie Palmer was elected director emeritus.



## The **WINDS** of **CLAIMS**

**L**iving in northern New England, we might expect cold weather to cause the bulk of our members' claims through winter storms, freeze-ups, and heating season fires; while that's true, it's not the whole story.

In fact, almost 20% of last year's claims happened on five days – May 5, May 18, July 1, and October 29 and 30 – due to what most people would consider summer weather.

Each time, windstorms and/or thunderstorms swept through the area in question, toppling trees, knocking out power lines, and damaging buildings and vehicles.

In early May, a storm triggered by a gravity wave (a ripple in the atmosphere) produced winds as high as 74mph in Rutland County, leaving more than 20,000 customers without power.

Two weeks later, a microburst event with even higher wind speeds brought large hail through a small area of western Addison County, moving at least one building off its foundation and uprooting trees.

Storms in Orange County, VT, and Grafton County, NH, on the holiday weekend in July drew comparisons to Irene. Winds were once again intense, but heavy, fast rainfall washed out roads and stranded residents.

And at the end of October, a storm that hit all of Vermont, New Hampshire, New England, and beyond, underwent “bomogenesis,” which is a large drop in pressure that creates intense winds. Peak gusts were near 80mph – 130 mph on Mt. Washington and 115mph on Mt. Mansfield. There were almost 60,000 customers without power in Vermont alone, and restoring power took days.

In total, Co-op members reported more than 1300 claims related to these events,

totaling more than \$7.1 million. The October event was by far the largest; with more than 1000 claims at a cost of more than \$5.9 million, it was our largest claims event in almost 70 years. In addition to our Co-op claims staff, we used our trusted network of independent adjusters to try to get each member's claim moving before the holidays or freezing weather hit.

As you might expect, roof damage was a common report from these events. In some cases, roofs were blown completely off buildings, but many more cases saw just partial damage. Roof damage, of course, can lead to water damage when it's raining, and we saw plenty of that as well.

Other than keeping your property in good condition and tending to weaker or

unfortunately placed trees while the weather is fair, there's not a lot to be done to prevent storm damage. If you do experience damage from a storm, there are things you can do to make recovery as fast and painless as possible:

- Take photos of everything immediately
- Do what you can to mitigate further damage (for example, if your roof is damaged, get tarps or plastic in place to prevent water problems). Save your receipts!
- If you have a relationship with a reputable, licensed contractor, line them up for the repair work as quickly as you can. In the wake of a storm, it can become difficult to find someone to do work in a timely fashion, and problems can compound over time. ■

### President's Award of Excellence



*Pictured L-R: Randy Roy, Co-op SVP, Pete Richards, Drew Richards and Jeff Robbins, Co-op Agency Manager.*

Each year, Co-op recognizes one of its agencies for exemplary service and performance. This year, the award goes to The Richards Group Insurance and Financial Services. Congratulations to Pete and Drew Richards, Principals, and their staff at their locations throughout Vermont and New Hampshire. ■

# SURVEY SAYS: A Great Place To Work *Still!*

Once again, Co-op is near the top of the list of Best Places to Work in Vermont for 2018!

In our second year of participation, we moved up one spot on the Small Businesses list – we are ranked fifth out of 20 employers. (Another 30 companies were ranked on separate medium and large employer lists.)

The list is developed by the Best Companies Group and sponsored by Vermont Business Magazine, the Vermont Chamber of Commerce, the Society for Human Resource Management Vermont State Council, and Vermont’s departments of economic opportunity and labor. The process includes a review of company practices and policies, but the results depend mostly on direct survey feedback from company employees.

Co-op management knows that providing a desirable workplace is part of what allows employees to serve its members well. We stood out on pay and benefits, on work environment, and on relationship with supervisors. But the employee feedback from the survey really tells the success story:

“Good work-life balance, community

involvement, caring atmosphere, able to have fun while working hard.”

“The team atmosphere is second to none. There is not one employee who is above pitching in to help any other member of the company when needed.”

“The atmosphere and culture are very inviting. People genuinely care for one another.”

“Provides excellent benefit package. Treats employees as family.”

“Co-op tries to do the right thing by its members, employees, and community. I never doubt intention or integrity.”

Vermont’s other property-casualty insurance companies made the list as well. They ranked #5 in medium companies and #9 in large. Our collective good performance lines up with studies that rate financial services highly as an industry to work in. ■



## 2018 Stevens Advanced Driver Training



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

**Co-op shares members’ cost – you pay only \$125 for a \$300 class!**

(Co-op and private foundations will cover the rest.) Plus, when you successfully complete the course, you may qualify for a discount on your personal auto policy premium.

Course dates, times, and VT and NH locations are at [www.skidschool.us](http://www.skidschool.us).

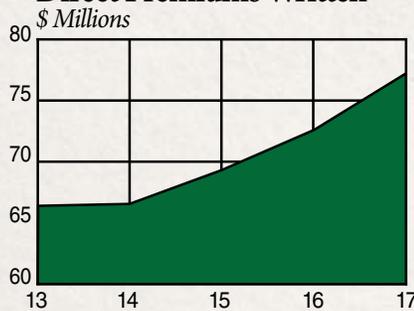
Participants must be licensed to attend the course in VT, and must be licensed or hold a valid learners’ permit for NH courses.

If you register online at [www.skidschool.us](http://www.skidschool.us), select “register,” then provide all the required information as prompted. If you are a Co-op Insurance member, select the appropriate discount code: VT residents should choose “Coop VT and YSCV Combined,” and NH residents should pick “Coop Insurance New Hampshire.” You will need to provide your policy number as well.

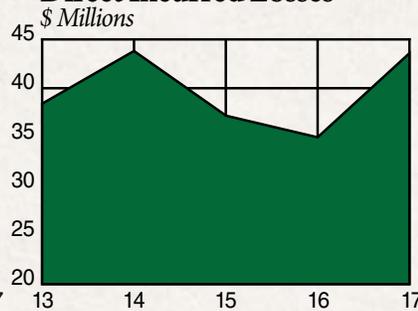
You can choose to pay at the time of the course or online. ■

### Financial Statistics at a Glance

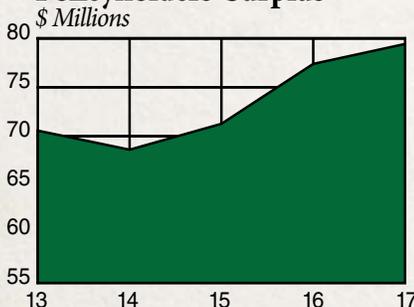
#### Direct Premiums Written



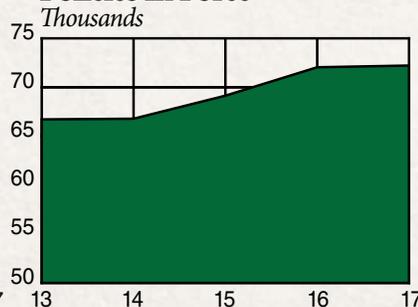
#### Direct Incurred Losses



#### Policyholders’ Surplus



#### Policies In Force





## Grants • Charitable Giving • Scholarships

### Everyday Heroes

For the second consecutive year, Co-op is the title sponsor of the Everyday Heroes Awards hosted by the American Red Cross of New Hampshire and Vermont.

Everyday Heroes Awards celebrate people who show extraordinary courage and compassion. Awards are presented in categories recognizing individual acts and lifetime achievements, military and public service, overall community commitments and responses to challenging individual circumstances.

The dinner at which the awards are presented is also the organization's largest fundraising event of the year in Vermont, supporting programs that create a more resilient and better prepared community.

Co-op supports both this program and the organization generally because, like Co-op, the Red Cross is there to support community members when their need is greatest. "There are times when the local Red Cross gets to the scene of a fire at the same time as our claims adjuster, sometimes even before," said Randy Roy, Co-op's SVP of Underwriting, Marketing, and Member Services. "They do extraordinary work and we're proud to support them in it."

You can nominate a Hero by visiting the Red Cross' web site at <http://www.redcross.org/local/new-hampshire-vermont/everyday-heroes/nominations>

### Wish Kids Golf Classic

Once again this year, Co-op and our agents hit the golf course in support of

Make-A-Wish Foundation® of Vermont. Our eighteenth annual golf tournament for this great cause happened on Friday, July 13, at Enosburg Falls Country Club in Enosburg Falls, VT. We had 32 registered teams, and with many sponsors and donors, who helped us raise more than \$34,000, pushing our 18-year total raised to just under \$350,000! A shout out to everyone who helped support this great event, and special thanks to our Wish Kid Ambassador, Chloe!

### Fletcher "Buster" Brush Memorial Scholarships

Congratulations to Chloe Watts (North Country Union High School, Newport, VT), Lucas Eldred (Montpelier High School, Montpelier, VT) and Isabella Behm (Pinkerton Academy, Derry, NH), our 2017 Fletcher Brush Memorial Scholarship recipients.

Normally two scholarships are awarded per year, but the committee could narrow it no further when it came to these three outstanding candidates. They 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.

2017 marked the eighth set of awards from the Fund since its founding in 2009. It was founded to provide substantial awards for ten to 15 years total, rather than smaller prizes in

perpetuity. The board expects it will continue to award scholarships for four or five more cycles.

The 2018 recipients will be announced this summer. To see who they are, find out how to apply, or learn more about Buster, visit [www.brushscholarship.org](http://www.brushscholarship.org) or find Buster Brush Scholarship Fund on Facebook.

### 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. This year, we awarded eleven grants for one-time operational or capital support to the following community groups:

- Hardwick Historical Society**, Hardwick, VT purchase of windows for building restoration
- Blue Mountain School**, Wells River, VT creation of an afterschool program
- Health HUB**, South Royalton, VT dental hygiene program expansion
- Nashua Adult Learning Center**, Nashua, NH replacement windows for center
- Enosburg Elementary School**, Enosburg Falls, VT purchase of uniforms for school athletic programs
- The Space on Main**, Bradford, VT startup costs for a new community coworking space
- Rural Vermont**, Montpelier, VT support education for farmers using regenerative practices
- Boys and Girls Club of Nashua, NH**, Nashua, NH purchase of sound system for dance studio
- Friends of the Justin Morrill Homestead**, Strafford, VT fundraising campaign to expand programming for the "The Land and the People – Yesterday, Today" project
- Halifax Union Society**, West Halifax, VT church exterior renovation
- Shelter From The Storm**, Jaffrey, NH support for transitional housing for the homeless



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## New Coverages for Business Owners

**In response to changing policyholder needs, Co-op has recently added some new coverages to its businessowner policies.**

### ***Employment Practices Liability Insurance:***

EPLI, as it is commonly known, protects companies against the costs of many kinds of lawsuits filed by their employees, tenants, or other third parties. Such lawsuits have quadrupled in the last two decades, and are almost as likely to be filed against small employers as against large ones.

Clear corporate policies, effective hiring procedures, good management training, and solid documentation go a long way toward reducing the risks that a situation will arise where an employee sues over hiring, evaluation, advancement, or termination activities, but it cannot eliminate the chances. EPLI insurance will help cover the legal costs of defending a case as well as judgements or settlements (but not punitive damages or fines).

### ***Cyber Liability Insurance:***

Businesses of all sizes rely on technology and the Internet, which creates risks that standard business insurance policies don't cover.

If criminals hack a business system and steal customers' identifying or payment information, state laws require the business to notify affected customers and provide credit monitoring services.

You've probably also heard about the increasing frequency of ransomware attacks, in which criminals plant software on a business computer that can damage or lock it up unless the business pays a ransom. On average, there are 4,000 such attacks every day in the US. Small businesses may be at greater risk if they do not have the resources to maintain current and adequate

protection against these attacks.

Cyber liability insurance can help defray some of the costs associated with mitigating a security or privacy breach, including technical response, notifying affected customers, regulatory fines, and the costs of normal business being interrupted. While any company can benefit from coverage that helps covers the costs associated with electronic business risks, again, it may be especially helpful for the small business owner without the staff or ability to recover from a cyber attack.

Both EPLI and Cyber Liability coverages are now automatically offered on all BOP new business starting in June, and renewals starting in late October. Talk to your agent if you want to increase your limits, remove coverage or have additional questions. ■