



PANDEMIC RELIEF

For Our Members

We all know that much has changed about life and business in the past several months. As events unfold, we are always evaluating how we can better assist you while providing the level of care and service you expect from your Co-op.

Here's a quick overview of what we have put into place so far.

For members with personal auto policies

Premium refunds: In May, we sent a refund check to every Co-op member who had a personal auto policy in force as of March 31, 2020. Each of those members was refunded 20% of their auto policy premium for the months of April, May and June. We were able to do this because reduced driving during our states' stay-home periods

resulted in fewer auto claims and lower expenses for your Co-op, allowing us to pass some savings back to you.

Questions:

Member Services, (800) 639-4017, option 1

Deductible waivers:

Co-op also waived the comprehensive and collision deductibles for any member who was involved in an auto accident between March 17 and the date their state's initial stay-at-home order lifted. Note: We adopted this measure in late April; for members who experienced an incident earlier in the waiver period, we retroactively applied the waiver wherever we could identify a qualifying claim.

Questions: Claims, (800) 639-4017, option 2

For members with commercial policies

Policy changes: Co-op agents have been working with members who have inquired about adjusting their business policies to COVID-related temporary circumstances. For example, for hotels and restaurants that needed to close or switch to take-out food service, we've been able to change their business category (class code) to lower their premiums during the period of business closure or change.

Process changes: We have been processing policy renewals for certain kinds of business without the customary payroll and receipts audits and using prior year data instead.

Questions: Your agent; contact info at

<https://www.co-opinsurance.com/agents>

For all members

Billing assistance: Our member services team continues to work with any member whose ability to make on-time payments has been affected, waiving late fees and extending due dates where possible.

Questions:

Member Services, (800) 639-4017, option 1

Process changes: We have been waiving interior inspection requirements and deferring in-person meetings whenever possible.

Questions: Your agent; contact info at

<https://www.co-opinsurance.com/agents>

To allow for reduced physical contact, we've also been relying on many of the same claims processes we use during weather events when travel is dangerous.

Questions: Claims, (800) 639-4017, option 2

As the situation changes, so do our initiatives and practices. You can always find a summary of the latest at

www.co-opinsurance.com/covid-19information. ■

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From the CEO:
**LOOKING
BACK**

From the President:
**LOOKING
FORWARD**

Few people grow up thinking they would like a career in insurance, and I was no exception.

As I end my 42-year Co-op career, I look back with pride on how we have grown, and truly appreciate the opportunities this industry offers. We can teach our business to anyone capable of learning, but I believe attitude and effort are what make the difference in someone's success. For that, I was fortunate to have good role models in my parents.



I started as a file clerk on the lowest rung of the corporate ladder. Three of us were responsible for the thousands of paper files in our vault, keeping them current and available upon request. We were runners, delivering and retrieving documents for the various departments.

It didn't take long to realize I wanted to move up in the company. Co-op has always supported employees continuing their education and promoted from within when possible, so over the years, I had the opportunity to earn several designations from the Insurance Institutes. This positioned me well to advance through the underwriting ranks and eventually into operations.

During my time as EVP of Operations, we worked through major initiatives. The company continued to grow, develop our products, upgrade systems and provide exceptional claims service to our members. We improved our underwriting results and "stopped acting like a non-profit," as AM Best suggested. In time, we earned back our current A (stable) rating from AM Best, and we've maintained it.

At the board's request, in 2008, I stepped in as interim CEO during Jim Sullivan's medical leave. The board was pleased, and during that time, with the

management team's support, I realized that I could push myself out of my comfort zone and become Co-op's first female CEO following Jim's retirement.

While I've been CEO, we've merged our three companies and association back into the original Patrons Co-operative Fire Insurance Company, continuing to do business as Co-operative Insurance Companies. We gave exclusive agents the opportunity to transition to independent contracts, and they did. We enhanced our New Hampshire agency network, and now enjoy the benefits of their profitability. We are nearing completion of a five-year system upgrade project. We've strengthened our leadership team and continue to develop our staff. And for the fourth year in a row, we are recognized as one of the Best Places to Work in Vermont.

I didn't expect my tenure to end with months of almost singular focus on the COVID-19 pandemic and what we needed to do as a company to assist our members and protect our staff. I am pleased and proud of our response and ability to pivot, including getting 90% of employees working remotely. Throughout this newsletter, you'll learn more about what we've done to respond.

The time is right to pass the torch to Co-op's next leader, Lee Dowgiewicz, who has been connected to Co-op for 20 years. He has the energy, background, and connections to do what it takes to move the company forward, whether it's with new products, territories or affiliations.

I can't say enough about Co-op's commitment to our members, our employees, our agents and our communities; our commitment to be here for you when you need us. It has been my honor to serve.

Sincerely,
Marie Jewett, AU, API, AIS
CEO

Back in February, I wrote a letter to members for our annual report. I talked about how information technology trends and customer expectations in insurance have been turned on their head in the past 30 years, and how smaller companies have had to exercise both creativity and discipline to keep up with the recent pace and expense of those

changes. I talked about how proud we are that, in spite of being in the middle of significant

"...we have examined our various lines of business to find the best ways to assist our members as the ground has shifted under our feet, and we'll continue to do so during this time of ongoing change and uncertainty."

technology shifts, in 2019 Co-op still managed to post a very respectable combined ratio, achieve our premium growth goals, and increase our policyholder surplus – your safety funds – by 12%.

I expected my letter for Visions this summer would be very similar.

And then the COVID-19 pandemic began. The changes it's required – on timelines measured in days and weeks – make the pace I previously spoke of pale in comparison. These challenges are not unique to insurance, of course. Around the globe, businesses have, on a dime, found ways to execute and sustain a mass exodus to at-home offices; to make in-person transactions safer or remote; to rethink major aspects of their business; and to take care of their customers and employees in new ways.

As you'll read elsewhere in Visions, we have examined our various lines of business to find the best ways to assist our members as the ground has shifted under

our feet, and we'll continue to do so during this time of ongoing change and uncertainty.

And yet, even during rapid change, many fundamentals remain in place.

In that February report, I also wrote about our focus on the ever-evolving need for cybersecurity. That evolution, and that need, continues as the bad guys update their tactics. They're taking advantage of the current climate to find new targets and new angles of attack. Our efforts to combat them also keep moving, through continuous hardware and software improvements, through employing new protective measures as they become available to us, and through ongoing systems testing and employee training.

I wrote about how we strive to keep doing the right things for our policyholders, partners, employees, and communities, and how by doing the right thing, we can keep our AM Best rating strong, maintain our outstanding customer satisfaction ratings as measured by the Net Promoter Score, and remain an employer of choice in our region. Neither our principles nor our practices have changed here.

And I wrote about how we look for opportunities in our competitive market, considering state expansion with targeted products that fill a need. That remains true as well: we'll continue to evaluate

our landscape and find the options that are a match for us, and continue to remain optimistic about how we've positioned ourselves as an independent agency writer.

When I wrote that 2020 would bring us challenges, I can't say I imagined anything on this scale. But I can say I'd have been proud to know how we've not only risen to meet such challenges, but maintained our course, keeping major projects on track and beginning to plan new ones such as our farm safety library.

We remain optimistic about our position as an independent agency writer and about the resilience of our members and communities. We look forward to continuing our journey with you, even on rougher terrain.

Wishing each of you strength, hope, and renewed prosperity in the rest of 2020 and beyond!

Lee T. Dowgiewicz, CIC, AIC
President



Retirements

In January 2020, programmer/analyst Henry Freeman wrapped up more than three decades at Co-op. We'll miss him in the IS department and at the crossword table, but Henry was excited to trade in helpdesk tickets and statistical filings for home improvement projects and much more time with his grandchildren.

We also wish all the best to Hugh Spafford, who retired from the Co-op board of directors in the spring of 2020. We're grateful for his 30 years of service representing our members! ■

Farewells

Although they shared quiet demeanors, no one would ever have mistaken operations EVP Brad Fortier, network administrator Matt Bennett, or retired Co-op director, farmer and state legislator Charlie Palmer for one another. The three men lived in different parts of the state, followed different career paths by day, and pursued different passions in their free time.

But beyond their connections to Co-op, these men had some important things in common. All three were known for their strong devotion to their spouses, children, and grandchildren. All three had a great affinity for nature; whether they spent it in the woods or on the water, time outside was vital to each. And all three were taken from us suddenly and far too soon over the course of the past year: Matt in June of 2019, and Brad and Charlie in February, 2020.

We remember all three fondly, miss them greatly, and send our ongoing good thoughts to their families. ■

President's Award of Excellence



Pictured L-R: Marie Jewett, Jim Laberge, Bill Laberge, Lee Dowgiewicz

Each year, Co-op recognizes one of its agencies for exemplary service and performance. For 2020, the award goes to Laberge Insurance Agency. Congratulations to Bill and Jim Laberge and the whole staff at their Middlebury agency. This year marks another milestone for the agency: 65 years in business, all of them representing Co-operative Insurance Companies! ■

Co-op Claims Overview

Unlike present days, 2019 was a business-as-usual kind of year for Co-op's claims department.

We had slightly more than 8,000 claims for the year, which was up about 100 from 2018. The cost of those claims was just about 5% lower than in the previous year.

As always, some of our members' largest losses were due to fire, and incidents related to wood heat or to electrical issues remained high on the list.

Our special investigations unit remained busy helping weed out attempts at fraud to ensure that your premium dollars go to pay for legitimate claims. Our recovery and salvage team worked to recoup funds wherever appropriate to help keep expenses, and therefore premiums, down.

And our customer service remained second to none. Our Net Promoter Score, always in the "exceptional" range, continued to climb based on your willingness to recommend the service we provided you. Thanks for your kind words! We aim to be there for you, and it's gratifying to hear that you notice.

We continue to look for ways to make that service better, whether it's increasing our ability to handle claims in-house or improving the information we provide at the time of your claim. Based on a suggestion from property claims supervisor Jim Harvey, we developed a kit outlining recovery steps for members who've experienced a fire loss. Initial feedback is that it's been helpful. While we're always sorry to have to hand one

of these out, we're glad to help provide clarity and guidance at a rough time.

Which brings us to 2020.

As the patterns of our everyday lives have changed, so have claims and how we handle them in the time of COVID-19.

For your safety, we're relying more on the same kinds of adjusting methods that we use during dangerous weather when it's unsafe to be on the roads – we communicate with you and exchange information electronically or by phone instead of in person. And when we do

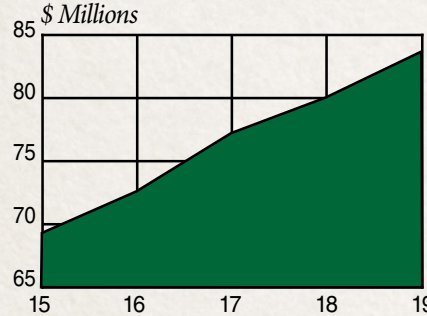
have to visit you onsite, we're careful to maintain our distance and to use all appropriate safety and hygiene practices.

And as we've explained elsewhere, the mix of claims we're seeing now is different than in past years. Evaluating the changes in our experience has helped Co-op find ways to provide financial relief to our members.

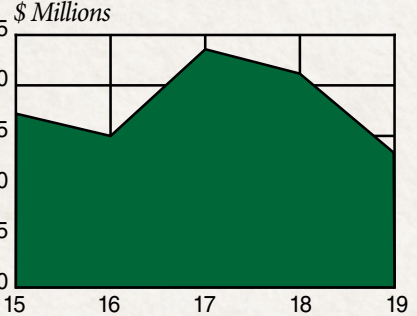
We'll keep monitoring the situation and adapting as needed so that we can continue to keep our claims promise to you. ■

Financial Statistics at a Glance

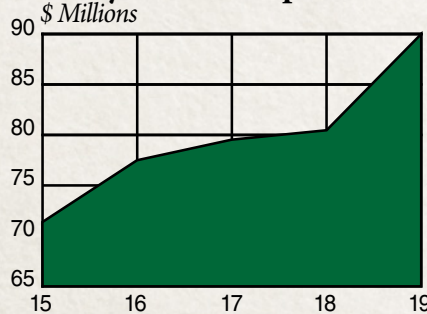
Direct Premiums Written



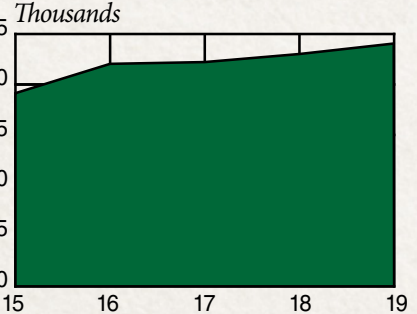
Direct Incurred Losses



Policyholders' Surplus



Policies In Force





Giving Back to Our Communities

Vermont Foodbank and New Hampshire Food Bank

In April, 2020, the full first calendar month of the pandemic, the Vermont Foodbank distributed 1.8 million pounds of food. That was the most in any month in its 34-year history, and an 83% year-over-year increase.

That same month, the New Hampshire Food Bank experienced a 44% increase in demand paired with a similar decrease in food donations.

Co-op normally makes annual gifts to these organizations during the holiday period. But like many routines this year, we've changed ours, and donated early. (We'll follow up during the holidays, too.)

If you're evaluating ways to help your neighbors, the statewide foodbanks are worth considering; their considerable buying power can help keep local food shelves stocked. But smaller pantries also appreciate direct cash donations so that they can fill in gaps in their inventories as needed. Wherever you direct it, your donation helps prevent hunger.

Co-op Sew-cial Challenge

Like many of our neighbors, Co-op employees accepted a new challenge this spring: making masks for frontline workers who lacked them.

Organized by underwriting assistant Nick Southworth, more than a dozen employees and family members banded together (but apart) to buy and solicit donations of supplies; coordinate distribution of raw materials; construct and sew masks; and deliver them to hospitals and health

care agencies in three different Vermont counties.

The group estimates their final tally at more than 100 masks. Generous donations from less craft-oriented colleagues funded much of the endeavor, and remaining funds will be donated to local food shelves or health services agencies.

Saving Lives with the Red Cross

Through its Sound the Alarm Campaign, the American Red Cross Northern New England region helps reduce fire deaths and injuries. Red Cross staff and volunteers go door-to-door in selected communities to install free smoke alarms and help create fire escape plans for families.



Although the planned spring events for Colchester, VT and Nashua, NH were postponed due to COVID-19 safety measures, Co-op remains a major sponsor and strong supporter of this program. We look forward to its resumption when the time is right. Find details at <https://rdcrss.org/2zOFKwS>

Wish Kids Golf Classic

Sadly, for the first time in 20 summers, Co-op agents and staff will not be teeing off together in support of Make-A-Wish Foundation® of Vermont.

We may be postponing our twentieth anniversary event for a year to help keep our friends and neighbors safer, but Co-op will still make our usual title-sponsor-level donation to MAW. We hope you'll consider sending a 2020 gift directly to this wonderful organization, too, if you can.

And we hope you'll join us for the 2021 event in memory of former EVP Operations Brad Fortier. We'll also be celebrating 20 successful events, and trying to push our fundraising total over \$400,000. We're tentatively slated for Friday, July 9, 2021 at the Ralph Myhre Golf Course in Middlebury, VT, not far from the Co-op offices. Please pencil us in and watch for registration information next spring!

Co-op Community Grants Program

Every fall, our agents and directors apply to Co-op for matching funds toward charitable projects they are supporting themselves. We select recipients at year end, and send grant checks in early spring. This year, we awarded nine grants for one-time operational or capital support to the following community groups:

Front Door Agency

Nashua, NH
for yard upgrade for Caroline's House Transformational Housing property

Granite State Children's Alliance

Bedford, NH
for forensic interviewing of child victims of abuse

Faith in Action

Lyndonville, VT
for food shelf

John Graham Housing and Services

Vergennes, VT
for food, shelter, and comprehensive trauma-informed services to homeless individuals and families

Jaffrey Firefighters Company, Inc

Jaffrey, NH
for rescue boat equipment

Vermont Folklife Center

Middlebury, VT
for book publication and distribution

Learning Skills Academy

Rye, NH
for kick-off gala to bring attention to the funds needed for renovations

Marguerite's Place, Inc.

Nashua, NH
for water heater and boiler replacement

Brookfield Community Partnership

Brookfield, VT
for community events at low or no cost ■



2020 Skid Schools by Stevens Advanced Driver Training



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

Skid Schools are on for 2020, with distancing, hygiene, and class size precautions in place for participant and instructor safety.

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 locations are at www.skidschool.us.

Participants must hold a valid learners' permit or license for these courses held in New Hampshire. If you register online at 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. ■