

## Letter to Members

**What a long, strange year it's been.**

By the time this newsletter hits your mailbox, we'll be discussing our plans for returns to the office.

As part of that discussion, we'll reflect on the lessons we've learned this past year. By now, everyone is familiar with how businesses like ours have kept things going during the pandemic: Fewer people in the office, more people on video calls. For our part, a few senior managers and our mailroom and Member Services staff continued to report to the office daily – even with our tremendous strides toward being paperless, we still have some areas to address.

We thought we relied on technology to operate prior to 2020, but we learned in a hurry how much more we could do, and how quickly we could do it. Working through equipment and connectivity issues one by one, within a couple of months of starting remote work, an internal survey showed most employees had adjusted well enough that they favored flexibility for some remote work in the future.

But our focus is on the challenges ahead, not on those behind us.

We will work to move the last of our policies off our old processing system

*(Continued on page 2)*

### In This Issue:

▶ President's Award of Excellence	2
▶ Stevens Advanced Driver Training	2
▶ Co-op Claims Notebook	3
▶ VATAP: An organization you should know	3
▶ Investing in Local Solar	3
▶ Ready to get back to full service?	4
▶ Retirements	4
▶ Financial Statistics at a Glance	4
▶ Grants, Charitable Giving, Scholarships	5
▶ There's A Place for You in the Insurance Industry	6



## We're changing our billing plans!

A few years back, as we started moving our lines of business over to our new system, we were able to make some adjustments to our billing plans. As it turned out, not all those changes were improvements, and some were confusing.

We heard your feedback, we listened, and we agree.

With almost all policies on the new system now, this year we've been able to make billing and payment plans better. Starting on April 1, every new policy written has these changes. For policies that existed before April 1, the differences will kick in as each individual policy renews, starting on August 1.

The changes include:

- A longer billing window on every full-pay, 2-pay, and 4-pay policy: This means you'll be invoiced approximately 30 days in advance of your bill's due date, instead of 14 days.

- Equal installment sizes: For 2-pay policies, each installment will be 50% of the premium; for 4-pay plans, each installment will be 25%.
- A slight change to due dates: For all policies, the first installment is due on the policy's effective date. For 2-pay plans, the second payment is due 5 months later. For 4-pay plans, the next payments are due 2, 5, and 8 months later.

If you're on our monthly automated payment plan, you won't see any changes at this time. And if you're not on it, you should ask us about it – it's our most convenient and economical payment option, with regular withdrawals on a date you specify, and no service charges!

And remember, you can see your latest bill and pay online at [www.co-opinsurance.com/webpay](http://www.co-opinsurance.com/webpay). ■



## Adjusting Your Life? Adjust Your Policy

We've said it before: Insurance may not be your first thought during major life events. But it should be on your checklist of items to review when things change for you.

Many factors can affect the premium charge for a policy, and shifting circumstances might mean you need different coverages for your new levels of exposure to insured losses.

Now, when we say "major life events," you may think of those individual or family milestones: marriages, moves, job changes, births. But we've all learned that regional, national, and world events can figure in as well. It's no exaggeration to say that the last year's developments

will affect many lives for a long time to come. Whether the shifts are tiny or dramatic, most of us will sustain at least some changes in our work, homes, travel, social lives, or hobbies.

You might already have experienced this in the spring of 2020, and might have seen how external events affect your insurance. Co-op and other insurers proactively refunded a portion of personal

automobile premiums based partially on widespread drops in mileage driven. In addition, when certain businesses' operations changed drastically and quickly, we made rating adjustments for those eligible commercial policies. Both those moves helped provide some *(Continued on page 2)*





## Letter to Members

(Continued from page 1)

and onto the new; our existing farm lines and personal umbrella business are the last to move over and are already in motion. This effectively brings us to a new phase of our policy management system evolution, in which we can focus on fine tuning the system and our products.

We'll complete the improvements to our billing plans that began rolling out this spring – see details elsewhere in this newsletter.

We'll begin examining additional ways we can serve you as we investigate options to provide you with online services in addition to payments.

And we'll maintain the high standards that, for years, have earned us strong assessments and excellent ratings from industry specialists such as AM Best and ValChoice, and ongoing recognition from more general programs such as Best Places to Work in Vermont.

Wishing each of you health, happiness, and renewed prosperity in 2021!

Lee T. Dowgiewicz, CIC, AIC  
President and CEO



## Adjusting Your Life? Adjust Your Policy

(Continued from page 1)

financial relief to our members, and better reflected the loss exposures they were facing.

Now, as COVID-19-related restrictions wind down, it's a good time to reflect on the realities of your newest normal. Are you using your car less (or more) to commute? Are you using your home as an office, or your car for business? Have you made temporary business operation adjustments, or are you planning to make some of your temporary changes permanent?

And here again, besides analyzing your own personal routines, you should also consider how the wider world affects you. As mentioned elsewhere in this newslet-

ter, lumber, plywood, and other building materials have had double-digit cost increases in the last year and a half. It's worth evaluating whether you have sufficient coverage limits on your buildings to repair or rebuild in the event of loss.

After all, insurance is meant to provide some stability when unfortunate events occur, but adequate coverages and limits are key to that stability. Your agent can help you delve into your needs, whether it's determining or confirming your home's replacement cost or adjusting your business insurance for reconfigured operations.

These reviews and updates can afford you the peace of mind you deserve. ■

## President's Award of Excellence



Pictured L-R: Lee Dowgiewicz, Co-op President/CEO, Brett Barselle, Colby Insurance Group Principal, Mark Barselle, Colby Insurance Group Principal, Randy Roy, Sr. VP Marketing and Member Services

Each year Co-op recognizes one of its agencies for exemplary service and performance. For 2020, the award goes to Colby Insurance Group. Congratulations to Colby Insurance Group and the whole staff at their locations in New London, NH, Lyme Center, NH and Bradford, VT. ■

## 2021 Stevens Advanced Driver Training



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

**Skid Schools are on for 2021, 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](http://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](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. ■

People who track trends in insurance claims usually focus on two primary measurements: frequency and severity. Frequency refers to the overall number of claims for a period. Severity describes the size of the financial losses.

Given the unusual events of 2020, we saw claims frequency drop, but severity increase. In short, our membership experienced fewer losses on average than in past years, but the losses that did occur were larger than usual.

Neither of these trends is terribly difficult to explain.

With decreased mobility and commuting due to business shutdowns and stay-home orders, we saw a corresponding decrease in auto claims, especially early in 2020. Because auto losses are the ones our members experience most often, a significant drop in that number would bring down overall claims frequency.

However, at the same time, we began to see overall claims costs rise, driven by



## Co-op Claims Notebook

sharp increases in building material costs. In many cases, prices on lumber went up between 20% and 40%, due largely to low inventories. And while it can always be a challenge to find qualified repair personnel and

builders because of labor shortages in the trades, pandemic restrictions made some repairs even harder (and more expensive) to complete in a timely fashion.

It's not clear how claims expenses will trend as public health rules expire. Simply getting back to pre-pandemic manufacturing levels may not be enough to keep up with the soaring demand for building materials that's being fueled by a booming housing and renovation market. But increased supply may provide some price relief and curb those climbing claims costs. That, in turn, could help control members' premiums. ■



## Investing in Local Solar

**Co-op has again partnered with Acorn Renewable Energy Co-op on an innovative community-owned solar project, this time in Bristol.**

Bristol Community Solar will be a 500 kW solar array on Bristol's capped former municipal landfill. Located out of residential sight with good solar exposure to the south, this brown-field site is perfect for a project such as this.

The plan calls for Co-op to provide about a third of the project's capital for construction and receive tax credits. This investment will help keep costs down for the community members who will provide the rest of the investment. To buy

small units of the project and receive net metering credits on your bill, you must be a Vermonter with a Green Mountain Power electric meter and you must be (or become) a member of the Acorn Energy Co-op.

Co-op is proud to invest in our energy future, put brownfields to good use, and be part of a community co-operative effort.

For more, check out [www.acornenergycoop.com](http://www.acornenergycoop.com). ■

## VATAP: An organization you should know

Founded in 1984 as a not-for-profit joint effort of Vermont-based insurance companies and banks, the Vermont Arson Tip Award Program helps to solve and prevent arson cases by encouraging the public to submit information about incidents.

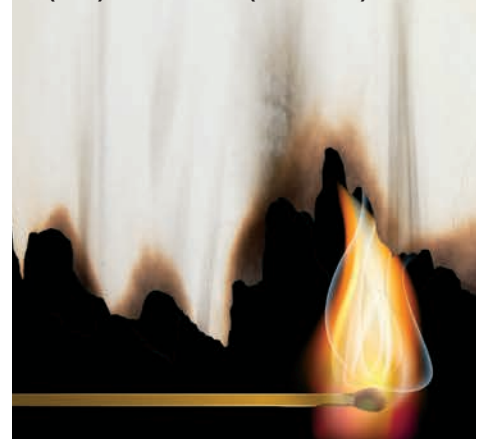
People with knowledge that might help expose an arson, or head one off, can call the association's toll-free tip line.

The program offers cash rewards for information that leads to arrests or prosecution in arson cases. However, tips can be left anonymously – one of the program's slogans is "We want your information, not your name."

Past and present members of the Co-op claims department have served on the volunteer board of the organization, working with other representatives of the insurance and financial services community and with law enforcement, fire prevention agencies, and firefighters.

Since the summer of 2020 alone, VATAP has paid more than \$3,000 in rewards and collected information that led to charges and prosecution in multiple arsons around the state.

**If you think you know something related to a possible arson, here's the number:  
(800) 32-ARSON (322-7766). ■**







## Ready to get back to full service?

### Make sure your cooking ductwork is, too!

If your pandemic business interruptions also interrupted your equipment maintenance contracts, now's the time to get everything back on track – schedule an inspection and service appointment. ■

## Retirements

**A**lmost everything about this last year has been out of the ordinary, and how we celebrated life's milestones was no exception.

We weren't very far along in the pandemic last year when we realized that the farewell party we'd been envisioning to recognize president and CEO Marie Jewett's 42 years of service was not going to happen quite as expected in June 2020.

Still, excellent summer weather and careful distancing and masking allowed a small group to gather outside on the Co-op grounds to mark the occasion on her final day. The rest of the company had an opportunity to send her off with an online gathering and by contributing happy thoughts to a memory jar project for her.

When personal lines underwriter Gail Hallock ended her 35 years with Co-op in

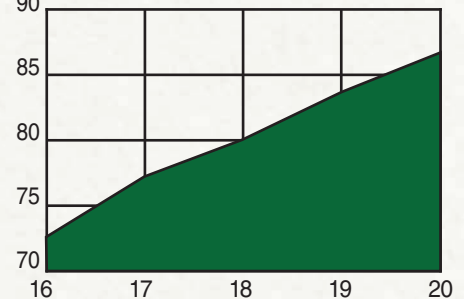
January, 2021, the weather (and restrictions) would not allow for the same sort of gathering. Instead, we relied on a form of celebration that became popular this past year – a parade of vehicles passed her house. With hugs and handshakes off the table, we sounded a 21-(plus)-horn salute, flashed lights, waved, and shouted well wishes.

While neither send-off was exactly what anyone could have hoped, we trust both Marie and Gail know they're missed. And we're confident that after decades of contributions to Co-op, they're both eager to enjoy more time for volunteering, family, and themselves. Thanks to both of you for everything! ■

## Financial Statistics at a Glance

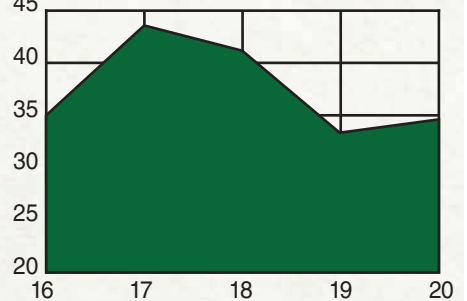
### Direct Premiums Written

\$ Millions



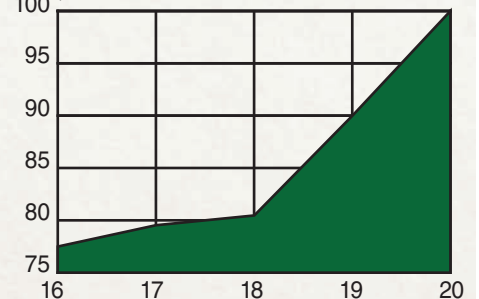
### Direct Incurred Losses

\$ Millions



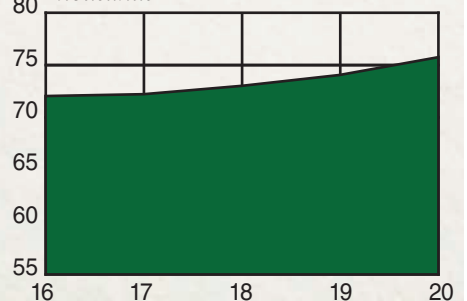
### Policyholders' Surplus

\$ Millions



### Policies In Force

Thousands







## Spooktacular 2020

By late October, 2020, we were more than seven months into the social restrictions of the pandemic, and ready for some normalcy, human connection, and let's face it, candy.

We didn't want to throw caution to the wind, so instead, we figured out how to toss treats to the window. The car window, that is. Or to be more accurate, hundreds of car windows.

As a stop on the Better Middlebury Partnership Spooktacular 2020 route, the back lot at Co-op had more than 200 vehicles drive through, full of costumed and smiling families ready for fun and sweets.

More than a dozen Co-op employees were in on the effort. We decorated, dressed up, directed traffic, distanced, and delivered goodies safely using our super high-tech Candy Delivery System 3000.



## 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 ten grants for one-time operational or capital support to the following community groups:

### **New Community Project**

Starksboro, VT  
to plan, design, and expand organic gardens

### **Make-A-Wish NH**

Manchester, NH  
to support the gaming and entertainment room renovation

### **Brookfield Historical Society**

Brookfield, VT  
for plaster restoration and new picture rails

### **Gifford Health Care**

Randolph, VT  
for women's healthcare center campaign

### **Monadnock Area Transitional Shelter**

Peterborough, NH  
in support of the Steven Fund for Kids to provide recreational experiences for children who have experienced homelessness

### **Rural Vermont**

Montpelier, VT  
to help transition Vermont's food and agriculture sectors toward increased equity, access, and opportunity for farmers and consumers

### **Bridge**

Nashua, NH  
toward purchase and renovation of new office building

### **Vergennes Partnership**

Vergennes, VT  
for strategic planting of perennials in city park

### **Rockingham Meeting House**

Bellows Falls, VT  
to repair inside of building  
**ANew Place**  
Burlington, VT  
toward low-barrier shelter and transitional housing program

## Saving Lives with the Red Cross

Even though the pandemic changed the way the American Red Cross performs much of its outreach, the organization continues its prevention and response programs, and Co-op remains a strong supporter.

This year, we're a regional sponsor of the Home Fire Campaign, which helps get fire safety tips and free smoke alarms into the neighborhoods where they're needed. Learn more (and find out how you can help!) at [www.red-cross.org/local/me-nh-vt/about-us/our-work/home-fire-campaign.html](http://www.red-cross.org/local/me-nh-vt/about-us/our-work/home-fire-campaign.html)

## Wish Kids Golf Classic

We've had to take one more summer off from our golf tournament for safety and logistical reasons, but we certainly aren't taking the year off from supporting Make-A-Wish Foundation® of Vermont!

We've been running a dollar-for-dollar matching challenge in memory of Brad Fortier, our former EVP of Operations who passed away suddenly in February of 2020. A friend to all and an avid golfer, Brad was a fixture at the Classic and a strong supporter of Make-A-Wish. Support in his honor has been so strong that shortly before press time, Co-op increased the cap on the match to \$15,000!

The challenge continues until July 9, but even beyond that date, we strongly encourage you to consider a donation of your own to Make-A-Wish to help sustain the Power of a Wish. You can also plan to join us in person next year for our tournament in Middlebury on July 8, 2022. Details at [www.wishkidsgolf.org](http://www.wishkidsgolf.org).



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## There's A Place for You in the Insurance Industry

**W**hether you're looking for your first job or beginning your next chapter, the insurance industry is worth a look.

### Why work in insurance?

Employing just under three million people in the United States, the insurance industry expects to need half a million new hires in the next few years.

No matter where you are in the US, there are usually insurance jobs close to home. It's a bigger industry in some states than others – Vermont, for example, has a disproportionately large insurance sector. (We're a leader in something called "captive insurance.") But every state has at least one of the nation's 3000 insurance companies. And there aren't many coun-

ties in the US that don't have at least one insurance agency.

**What might you do? (Spoiler alert: almost anything!)**

**Bring your existing specialty:** Software wizard? Build a mobile app to help policyholders report claims faster. Accounting pro? Help get claims checks correct and into the hands of the folks who need them. Have amazing people, problem-solving, or troubleshooting skills? The industry needs great customer service reps and helpdesk technicians. (Journalism major? Write articles like this to help others find their niches.)

**Develop a new one:** Most insurance jobs don't have narrow educational or experience requirements, especially those unique

to the industry, like claims adjusting and underwriting. For many, any college degree will do (and some require no degree at all). If you can bring the communication, analytical, learning, and interpersonal skills you gained studying almost any subject or working in other industries, your employer can teach you insurance. Companies have learned that we do better when we bring people of diverse backgrounds and experience together to solve problems for our policyholders.

So, there's no single mold for an insurance career, and we're looking for you. Learn more about options in the field at [www.insuremypath.org](http://www.insuremypath.org). And you can always find Co-op's career listings at [www.co-opinsurance.com](http://www.co-opinsurance.com)! ■