



## From the CEO:

Dear Members,

When Hurricane Andrew hit the Florida coast in 1992, I first saw how this industry could be turned upside down overnight. I was a new commercial lines underwriter, and this was a real-world lesson in how connected insurance is to current events.

I later got many more demonstrations, including the terrorist attacks of 2001, and hurricanes Katrina, Rita, and Wilma in 2005. Catastrophes such as these cause unforgettable pain and loss for so many on all the levels you might expect.

But there are less visible effects, too, in areas and industries most people might never have heard of. Reinsurance is one such widely unknown but incredibly important industry.

*(continued on page 3)*

## Improving Policies to Better Serve You

We talk a lot about our focus on giving members the best possible claims service, and we do put a lot of energy into (and feel a lot of pride about) the quality of our front-line work.

But part of providing great claims service is ensuring that our policies offer the right kinds of coverages for members' lifestyle or business plan in the first place. We regularly evaluate and adjust our product offerings to do that; here are some of the enhancements we've made recently.

### Hospitality Program

As people are starting to get out and about and enjoy socializing in groups again, a growing number of food and lodging establishments are growing their businesses toward event hosting. Our new Hospitality Plus endorsement is designed to provide many extras that those businesses might need.

The program increases coverage in key areas to protect hospitality businesses against common damages to their premises or safety systems. It also adds coverage for operations like canoe and kayak rental or incidents like accidental extinguisher system discharge, food contamination, or guest inconvenience. Members can also add the Hospitality

and Special Events Errors and Omissions coverage for extra protection.

The endorsements are available on most policies covering restaurants, pizza shops and delis, hotels and motels, B&Bs and inns, and clubs or fraternal organizations.

### Green Mountain Advantage Endorsement for Personal Auto

A Personal Auto policyholder can now select a new package of enhanced coverages called the Green Mountain Advantage Endorsement.

It offers everything in our existing Personal Auto Endorsement Package, but includes extras such as a collision deductible waiver under certain circumstances, expanded loss settlement, and a disappearing collision deductible. It also builds in coverage for deployed airbags (outside of accidents), replacement coverage for collision-damaged child safety seats, and guaranteed OEM parts for newer low-mileage vehicles.



Interested in learning more? Your agent can help!



### In This Issue:

- From the CEO .....1
- Improving Policies to Better Serve You...1
- Zooming in on Safety Gets Results .....2
- Safeguarding Your Assets .....2
- Claims Experience .....3
- Giving Back to the Community .....4-5
- Our Founding Fathers Understood, and So Do We .....6-7
- Stevens Advanced Driver Training .....8
- President's Award of Excellence .....8



## Zooming in on Safety Gets Results

As we announced last year, our loss prevention department has renewed its focus to help members better understand and address situations that could lead to loss.

One area where we knew we could help: sugarhouses. Every season, we see 4–6 fires in these operations, and many are preventable. We decided a blitz was in order. So we got to work last fall developing a streamlined fire safety checklist tailored for sugarhouses, and contacted more than 700 maple sugaring policyholders to schedule brief appointments.

The plan was to conduct an efficient 15-minute fire-focused inspection of their operations, then leave them with the completed checklist at the end of the appointment so they'd know what they'd need to work on.

Loss Prevention and the Special Investigations Unit teamed up for a training session at board chair Jacques Couture's sugarhouse in northern Vermont, and after proving out our concept, we got to work visiting our members!

Those busy few months paid off. We identified multiple situations in which a

fire would have been likely this season and were able to save members from those negative experiences.

"We had positive responses from our policyholders," said Loss Prevention Supervisor Allen Sanford. "They want to do what they can to avoid a loss and all the issues that come with one."

The program was so successful that we're planning to apply the blitz concept to assist commercial members in other areas. Coming this year: hospitality-style risks, such as restaurants, B&Bs, and inns. **▣**

## Safeguarding Your Assets

### *Loss Prevention for All Policyholders*

Loss prevention inspectors may focus primarily on commercial and farm risks, but loss prevention is important for all our policyholders.

Of course, our claims adjusters are there for members in the event of a loss, and year after year, survey results confirm that we provide outstanding service in times of need.

But what's even better than getting excellent claims service? Not needing it at all. There's a lot we can do to help you get back

on your feet after a loss, but there are things we can't replace: the time you spend dealing with the logistics; the one-of-a-kind sentimental items that are physically damaged or destroyed; or your sense of security after experiencing a devastating event.

Check out [co-opinsurance.com](https://www.co-opinsurance.com)'s Learn About Safety section or follow us on Facebook for ongoing tips and advice about small things you can do to avoid big inconveniences. **▣**

*("From the CEO" continued...)*

It allows transfer of some risk from one insurer to another to protect against potentially catastrophic losses. Almost all insurance companies use it to spread their risk, and as they pay losses, especially those due to major events, they seek recoveries from reinsurers to smooth out their poor loss experience.

Like other businesses, reinsurers need to make a profit, but are feeling the effects of the recent underperforming stock market coupled with a continuing series of large loss events. They are now increasing rates substantially. As a local policyholder-owned company, we aim to keep our premiums competitive and consistent, but that depends on keeping our costs low – and when reinsurers' costs increase, so do ours.

Unfortunately, in 2022 Co-op experienced its worst loss year on record. We saw our single largest loss ever, plus a brief, powerful late December storm was our most expensive claim event in history. Over the year, we had unusually high numbers of six-figure-plus losses, and our personal auto claims were 16 percentage points higher than our 5-year average. Inflation, supply chain, and labor scarcity issues, though they've been calming, remained a major factor in those elevated costs.

On the brighter side, with careful stewardship, we were able to stay below our budgeted expenses for the year, and our policyholder surplus (our fund to pay your claims) remains strong. Due in part to this, A.M. Best reaffirmed our financial rating of "A" (stable). That demonstrated their faith and confidence in our long-term staying power to provide protection. Meanwhile, Co-op members demonstrated confidence by increasing your business with us, moving us past the milestone of \$100,000,000 in written premium.

Our strong community outreach continues to focus on food insecurity and life/property protection through support of Vermont Foodbank, NH Food Bank, the American Red Cross and many others. Co-op employees helped in the Red Cross' Sound the Alarm campaign to install new smoke and carbon monoxide detectors in at-risk homes.

You can read more about our recent and planned loss prevention inspection initiatives elsewhere in Visions. Additionally, thanks to a great idea from our board, we are developing a diagnostic-style report (something like you might receive after an oil change) we can email members with immediate feedback on key areas evaluated during inspections.

Our member service portal launched this spring, making it easier for members to pay bills and giving them the ability to access policies electronically, print auto ID cards, and submit claims.

And always worth mentioning, our staff's strong endorsements placed us on the Best Places to Work in Vermont list for the seventh year running. We're grateful for their efforts and proud that their experience with the company is positive.

Our industry has challenges ahead in 2023 and beyond, but through continued high employee morale, technology optimization, and loss prevention, Co-op remains a strong local insurance provider, and we thank you for being a member.

Sincerely,

**Lee T. Dowgiewicz**  
President & CEO



## Claims Experience

While most departments at most businesses like to have opportunities to use words such as "largest" or "highest," insurance company claims departments are not usually among them. Unfortunately, 2022 delivered more claims superlatives than we were looking for.

It was not only our most expensive claims year in history at \$60.5M in incurred losses, but we also saw our single largest claim ever at \$4M. Rounding out this perfect storm of a year was a perfect storm to end the year, resulting in more than 650 claims for property damage in both Vermont and New Hampshire, and totaling \$8.2M in losses.

Between inflation's effects on building materials, auto parts, and labor and the frequent lack of availability of all those resources, we and

our members are facing more challenges than ever when resolving loss situations.

But we have risen to the occasion as we always do. We handle as much of our claim volume as we can with our excellent in-house staff; we rely on trusted partners when we need extra hands; and we partner with quality vendors who provide professional services at the fairest possible prices.

The result is that our members are consistently pleased with how we serve them; our Net Promoter Score (which measures members' satisfaction) continues to outpace our industry by more than 25 points. So even in a challenging claims environment, we're still able to provide some of the best service you'll find – and that's a superlative we like. **Q**



# Giving Back to the Community

## 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, then send grant checks in early spring. This year, we awarded eleven grants for one-time operational or capital support to the following community groups:

**Addison County Home Health and Hospice, Middlebury, VT**  
for purchase of Frenzel goggles to assist in diagnosing vertigo

**Braintree Historical Society, West Braintree, VT**  
for interior plaster restoration at Braintree Hill Meetinghouse

**Craftsbury Community Care Center, Craftsbury, VT**  
for purchase of AED

**Gilda's Club, Laconia, NH**  
for club operations in providing support to cancer patients

**Lake Sunapee Preservation Association, Sunapee, NH**  
to create resources for educational programs

**Martha's Community Kitchen, St. Albans, VT**  
to purchase a new commercial stove

**Monadnock Area Transitional Shelter, Peterborough, NH**  
to support ongoing operational expenses

**Pierce Hall Community Center, Rochester, VT**  
to purchase a commercial floor scrubber

**Vergennes Historical Society, Vergennes, VT**  
to purchase portraits of Franklin and Eliza Hays

**We R H.O.P.E., Chester, VT**  
for camp to provide mental health services for children

**Living Waters Hospice, Derby, VT**  
for construction of a hospice care facility



## Wish Kids Golf Classic



Unfortunately, our 2023 event fell victim to the exceptional summer rainfall and flooding – but many of our sponsors, teams and donors stepped up anyway! Although we are still working the numbers, our final donation to Make-A-Wish of Vermont is projected to be over \$25,000, which will go to help some

amazing kids! Stay tuned to [wishkidsgolf.org](http://wishkidsgolf.org) for updates on next year's tournament or how to become involved.



**American  
Red Cross**

## Helping the American Red Cross Sound the Alarm

On average, seven people die in fires in the United States every day.

The American Red Cross is working hard to bring that number down. They're aware that studies show working smoke alarms can cut a person's risk of death in a fire by half. Their national Sound the Alarm campaign aims to get 50,000 smoke and carbon monoxide alarms into the homes of people who need them. There's no charge to recipients, and the Red Cross even sends out teams to deliver and install the alarms.

That's where we come in. (Literally.)

Not only do we help financially underwrite this program for the American Red Cross of Northern New England, but we hit the road with their volunteer corps as well.

Last year, a team of Co-op employees from claims, loss prevention, underwriting, and marketing, joined by

our president and CEO, spent a Saturday going house to house in Williston, VT, installing the complimentary alarms and educating residents about them.

This spring, we sent our helping hands to Rochester, NH, to help meet a goal of reaching 40 to 50 homes. By the end of the day, volunteers had installed almost 200 free smoke alarms.

At that point in the year, the Red Cross had already responded to almost four dozen fires in the Granite State. While we hope none of the alarms we helped install are ever put to the test, we're glad those residents are now a little safer.



To learn more about the American Red Cross' Home Fire campaign, including Sound the Alarm events, visit their site at [redcross.org/local/me-nh-vt.html](https://redcross.org/local/me-nh-vt.html).



*Stephanie Couturier, Regional Chief Executive Officer, American Red Cross*



*Mark Roberts, VP Marketing, Co-operative Insurance*



*Michael Kasten, Co-Vice Chair, Board of Directors, American Red Cross*

# Our Founding Fathers Understood, and So Do We:

## Fire Protection from All Angles

Usually when this newsletter discusses fire protection, we're either giving you direct fire safety tips or talking about the protection and help insurance can provide in the event of a fire.

But there's another way to think about fire protection, too, and that's at the community level. Many of Vermont and New Hampshire's fire departments are staffed primarily or exclusively by volunteers. This critical component of the fire safety system depends on community members stepping up to do their parts.

Ben Franklin saw both sides of the coin (or maybe it was a \$100 bill in his case). He's credited with founding the first home insurance company in the US, the Philadelphia Contributionship – but he also helped establish the Union Fire Company to protect the City of Brotherly Love on the ground.

We spoke with a few of the insurance professionals we know who also serve their communities on their local fire departments. We hope their stories will inspire you to join them!



### Jeff Berwick

*Owner, Berwick Agency (Peacham, VT) and  
Isham-Berwick Agency (Barre, VT)*

**Chief, Peacham Volunteer Fire Department**

When Jeff Berwick moved back home to Vermont in 1984, his brother-in-law was fire chief in Peacham. Jeff found himself drawn to join: partially to work with his family, partially to help protect his own property in town, but as much as anything, to be part of this close-knit group of men and women. Almost four decades later, he's leading the department.

It's a special thing to be a part of a small-town fire service. Jeff admits it can be especially tough on a bad fire or a serious medical call when you know the person, but it's equally rewarding when you can help a neighbor turn a bad day into a better one.

Jeff's seen the range of calls increase over the years; in addition to fires, departments now handle everything from water rescues to auto accidents, medical emergencies to hazmat situations. That means more opportunities than ever for responders to grow and learn, but the variety can be overwhelming in the face of stagnating membership numbers.

Most departments are grateful for volunteers with almost any skill set, Jeff says; while people willing to be on the front lines are most in demand, departments also need members in the wings handling administrative work. He and his department regularly do high school outreach, giving demos and helping young people consider the importance of volunteering in their communities.

*“Most departments will welcome any help someone has to offer. We are not an exclusive club.”*



### Aaron Rich

*VP, Colby Insurance Group  
(New London, NH)*

**Chief, Lyme Fire Department**

Aaron Rich's father and grandfather both served in the military before starting insurance careers, so Aaron was raised with a mindset of helping others for the good of the community. His community noticed; when Aaron returned home after college, the town's fire chief stopped by to chat – and to deliver a pager and welcome him to the department. Their conversation about helping neighbors and protecting the community started his 20-plus-year journey as a volunteer firefighter and EMT.

Like Jeff, Aaron observes that fire calls are a small percentage of overall volume, especially in small towns where there are not many specialized services. But when the fire calls do come, Aaron says it takes more to be prepared for them. Changes in building materials, flammability of household materials, tightened building envelopes in new construction: all of these bring advantages in daily life, but they have also changed how fires behave and the risk profiles for those fighting them. The growing popularity of alternative fuels for cars means that firefighters need to learn and understand how to respond to all the scenarios they might find themselves in with these vehicles. Keeping up with technology is a great challenge for eager learners, but it takes many hands to make it work.

*“When someone calls 911 and it isn't a matter for police or EMS, it's generally the fire department that responds. We train diligently for fire responses, but we help with any number of random things in our communities.”*



“...a community is made of people that give back to others to make the place that they live a better place to be.”

## Dave Shaw

*Facilities Manager, Co-operative Insurance Companies*  
**Chief, Middlebury Fire Department**

Though two generations of his family were firefighters, 18-year-old David Shaw had no intention of making that commitment himself... until one April Saturday when, with most of the Middlebury department away, his father asked him to assist on a call. After three hours of hard work saving property, he was instructed by the chief to join the department at its next monthly meeting. Declining was not an option.

Decades later, there have been rough days, but it's been an overwhelmingly positive experience that's provided lifelong friendships and the gratification of being able to help others when they need it most.

David's seen large changes in safety equipment and mindset over the years. Self-Contained Breathing Apparatus were scarce back in the day; when he

started, firefighters only relied on them when they truly couldn't "eat smoke" anymore. Now, with more than 40 in inventory, it is standard equipment on every call. Firefighters can also now rely on clothing that both wicks sweat and protects the entire body in environments that could not have been entered without it. And his department, like others nationwide, is savvy about the health risks of their work, taking more care to clean turnout gear after calls.

While Middlebury's call volume increases every year, department membership does not, though the average age of the department does.

David knows he has to combat the misperception that departments are paid, not volunteer, in larger towns. However, he also recognizes that there are financial barriers to this kind of volunteerism. He's hopeful that incentive programs – from tax relief to retirement programs to stipends or compensation – can be developed to make it easier for people to serve.



## A Job Well Done

*Congrats to David Shaw and MFD on winning the inaugural Fire Scene Preservation Award from Vermont's chapter of the International Association of Arson Investigators! David received multiple nominations for his ability to extinguish fires while maintaining integrity of evidence and fire patterns, which helps fire investigators later.*



“Especially in small towns, the firehouse can be the center of so many positive community events. It's a great way to get involved and stay involved in your community.”

## Colin Fucci

*Managing Owner, Appalachian Benefits Group (St. Johnsbury, VT)*  
**Chief, Waterford Volunteer Fire Department**

When Colin Fucci's wife was pregnant with their first child, Colin thought it would be smart to learn CPR, and decided joining the local fire department would be a great way to do that. It was... and it was also the start of an unexpected volunteer career that has now spanned more than 20 years.

Colin was on the Middlebury, VT, department when a train derailed in town. The department faced multiple challenges that day: one car on fire, others leaking gasoline into the river. They juggled the fire response with diking and damming to reduce the environmental exposure; it was a challenging day all around.

One of his best days was much less complex. Responding to a medical assistance call, and using those CPR skills he learned at the very beginning of his journey, he was able to assist in reviving a patient. He described it as an amazing feeling.




## Stevens Advanced Driver Training

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

Skid Schools are on for 2023, with distancing, hygiene, and class size precautions in place for participant and instructor safety.

We put our own fleet drivers through this course, and we help members take it as well by sharing the cost – you'll pay only \$150 for a \$300 class! 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 Co-op Insurance discount code.

You will need to provide your policy number as well. You can choose to pay at the time of the course or online. 



Scan here for more information:



## President's Award of Excellence

Each year, Co-op recognizes one of its agencies for outstanding service and performance. For their efforts in 2022, the award goes to Davis & Towle Insurance Group. Congratulations to Ryan Towle and the whole staff at their agency locations in Amherst, Berlin, Concord, Franklin, Henniker, Lancaster, Nashua, and Plymouth.

*Photo: Lee Dowgiewicz, Co-op President & CEO and Ryan Towle, Agency Owner*

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