



**CO-OPERATIVE
INSURANCE
COMPANIES**

VISIONS

MEMBER NEWSLETTER

From the CEO



Like most businesses, Co-op has had to embrace change while positioning for the future, and we are already applying some of our recent lessons to that future.

In May, we finished moving all policies

to our new processing system – a time-consuming and expensive project, but also opportune. As we all experienced throughout the pandemic, the ability to conduct business outside of face-to-face interactions is no longer a differentiating service but a necessity. Our migration to our new system has positioned us to take the next step in fulfilling that need for Co-op members. Next year, we will roll out our new member self-service portal, which you can read about elsewhere in this newsletter.

We are also transforming our farm safety department to be a greater value-added service as a loss control department. In addition to inspecting farms, our new Loss Control will help our home and business members; through on-site inspections and the use of aerial imagery and public records, they will provide insights into a property's risks, then recommend ways to mitigate them.

This will have the added benefit of supplementing our understanding of property values, which is critical in current economic conditions; the ability to rebuild

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DECODING INSURANCE



From sports to auto repair to insurance, every business has its jargon. We'll let others explain drop-back passes and differentials, but we can help demystify some important insurance terms for you.

And remember, any time you need more plain English about insurance, your independent agent is happy to help.

Insurance to Value

What is it?

Insurance to value simply means you've purchased enough insurance to fully repair or replace your home or building at the time of a loss.

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properties within the limits of an insurance policy has been greatly affected by dramatic material and labor cost inflation.

Our 2021 loss experience clearly reflects those economic factors, as well as increased accident activity with people being back on the road after the prior year’s shutdowns. After a sharp drop in claims in 2020, annual numbers have reverted to five-year average levels. With inflation likely to continue well above normal during 2022, insurance to value will be a key concern, as we address starting on page 1.

While our office operations shift from mostly remote to something more hybrid, our field staff are out and about; over the past two years, whenever it could safely be done, they have continued to meet in person to fulfill our promise of being “there for you when you need us.” Our continued industry-leading Net Promoter Score of .75 indicates that our efforts to maintain our valued sense of community in member interactions have been effective.

Following the update of our diversity, equity, and inclusion policy in 2021, we have been conducting training across the management team and entire staff, and will continue our conversations and improvement on this front. (See the policy below.)

We added over 2,200 new policies last year. As we continue to grow, we are still focusing our efforts on expanding our services in a cost-efficient manner that brings value to our members and reinforces that we are **member owned, member committed.**

The most important measure of our success, of course, is your continued support. As always, thank you for being a valued member.

Lee T. Dowgiewicz, CIC, AIC
President & CEO



EXPANDING FOCUS

Co-op’s Safety Inspectors

For years, our dedicated farm safety department has worked hard to help members identify changes that could reduce the risk of loss in their agricultural operations. Now we’re the ones making operational changes as we expand our range of services.

The newly renamed Loss Control provides the same great value to our farm members, but now will also share expertise with commercial policyholders and on high-value home and dwelling fire accounts. We’ll also survey fleets covered by farm or commercial auto policies. Inspectors will identify and make recommendations about safety hazards and note potential gaps in coverage. (Starting on page 1, see more on the current importance and challenges of insurance to value.)

Our three full-time inspectors, along with new supervisor Allen Sanford, will be streamlining processes and make better use of software and technology so they can spend less time on administrative tasks and more time assisting members throughout Vermont and New Hampshire.

While we’re taking on new scope and changing our processes, we’ll retain our tried-and-true service approach. First, we start with understanding members’ operations and needs. Then we partner with them to find ways to mitigate the hazards that could lead to disruption of lives and businesses.

We’re excited that we can offer these wider services with in-house staff, providing the Co-op touch and ensuring every visit is conducted consistently with our core values of accountability, integrity, respect, and stewardship. Our inspectors are located throughout our territory, including one in a new position we created in southern New Hampshire, so we’re able to bring better local area knowledge to bear in our visits.

We’re excited to have the new Loss Control be an even more valuable resource for our members, our agency partners, and the rest of the company.



Co-operative Insurance Companies and the Board are committed to fostering, cultivating and preserving a culture of diversity, equity and inclusion. The collective sum of our employees’ and members’ individual differences, life experiences, knowledge, capabilities and talent contribute in significant and critical ways to our culture, reputation, and success.

We embrace and encourage our board members’ and employees’ individual identities, which make each of us unique and Co-op better as a whole.

“Expanding Focus” continued from page 1

Why does it matter?

Most property insurance policies are intended to put you back in the same position you were in before the damage. But if your insurance limit is lower than the cost to replace at the time you experience the loss, it may not be enough to finish the job.

No matter how good your value estimate is when you buy the policy, costs will always fluctuate, so insurance to value always needs attention. But it is a much larger concern when cost change is rapid and steep. You are probably almost as tired of *hearing* about skyrocketing inflation as you are of *experiencing* skyrocketing inflation. The fact remains that the same materials and labor scarcity and cost increases you’re currently feeling everywhere also affect your insurance.

What can you do?

If you upgrade your property or acquire new assets like recreational vehicles, let your agent know promptly. Even if you haven’t made any changes, if it’s been a while since your last coverage and limit review with your agent, consider scheduling one. Make sure they have the latest and most accurate information you can provide about your property. This will help them estimate value either via software or manually using square footage and contractors’ factors.

Your agent can also explain a provision called Inflation Guard,

which automatically increases your limit at renewal to better hedge against inflation.



Named Insured

What is it?

The Named Insured is the “who” that’s covered on an insurance policy. It can be one or more individuals, or a business, or a legal entity like a trust.

Why does it matter?

Insurance policies are legal contracts, and details matter. It matters a great deal who the Named Insured is, as you can’t insure property you don’t have a financial interest in. So if there has been any kind of change and it’s not reflected in the policy at the time of a loss, that incorrect or outdated Named Insured can affect whether there is coverage at all.

What can you do?

Communicate any kind of personal or business property ownership transfer, including creating a trust, transferring assets into one, or deeding a property to a relative. Even if the change is “only on paper,” let your agent know so they can update your policy or provide a new one.

LEGAL ASSISTANCE *at Your Fingertips*



Members with home, farm, or business policies are gaining access this year to legal services that include customizable wills, powers of attorney, healthcare directives, contracts, leases, sales documents, NDAs, and more.

Earlier in 2022, members with renewing home and mobilehome policies with standard coverage gained access to Personal Risk Protection services. This fall, we’ll provide all farm and commercial policyholders with Farm Risk Protection or Commercial Risk Protection services as their policies renew.

The various offerings give you 24/7 access to dozens of easy-to-draft legal documents for individuals, farmowners, and businesses. They also offer secure storage and the ability to easily share documents with trusted third parties. For extra peace of

mind, members can opt to have an attorney review their document through a simple phone/online process for an additional fee.

Finally, Risk Protection allows members to schedule a free 30-minute legal consultation on any matter.

President and CEO Lee Dowgiewicz calls the services “one more way we can help members protect their interests and strengthen our communities.”

The products are powered by Epoq, a company that’s been providing financial and insurance value-added services for more than 25 years.

Information about registering for your legal services will be in the renewal package for your policy, or you can direct your questions to Co-op’s Member Services staff at (800) 388-6638, option 1.

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, 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:

Cathedral Square Corporation, South Burlington, VT
for memory care therapeutic gardens

East Valley Community Group, Brookfield, VT
for building renovations

Family Promise of Southern New Hampshire, Nashua, NH
for capital campaign to convert former school into 25 family suites

Friends of the Tunbridge World's Fair, Tunbridge, VT
to complete construction of multi-purpose building

Gather, Portsmouth, NH
to purchase food for mobile delivery

Happy Valley School, Peterborough, NH
to purchase shelving and outside equipment

HOPE, Middlebury, VT
for home repairs for elderly low-income Addison County residents

Vermont Adaptive Ski and Sports, Killington, VT
to expand existing Sugarbush location for critically needed storage

Wood4Good, Jericho, VT
for operational costs associated with processing and distributing firewood

Wish Kids Golf Classic

Last year's virtual challenge in memory of Co-op EVP Brad Fortier resulted in our largest single-year donation to Make-A-Wish Foundation® of Vermont. Our collective efforts totaled more than \$36,000!



Despite the success of the online challenge, after two years off, we were beyond excited to return to an in-person event for 2022.

Visit www.wishkidsgolf.org to see the results of this year's event. □

Extend a Helping Arm to the American Red Cross



American Red Cross

One of the quiet health care challenges of the past two years has been reduction in blood supply. Overall donations have dropped more than 10% since March of 2020, with drives postponed for staffing issues and individual donors cancelling appointments due to illness or caution.

The American Red Cross calls it the worst blood shortage in over a decade, with less than a day's supply available in some locations. As blood cannot be stockpiled or manufactured, a healthy regional and national supply depends on consistent ongoing donations. While types O (negative and positive) and platelets are the most sought, all blood types are in critical demand.

The Red Cross assures donors that it is operating all blood drives and donation centers with donor and staff safety in mind, restricting premises, and requiring masking and cleaning.

Co-op employees are getting back to business with a drive later this year. If you're feeling healthy and you're eligible to give blood, the American Red Cross would love to have you donate in your area, too! □



From left to right: Lee Dowgiewicz, Co-op President/CEO, Scott Boardman, H&B CEO, Paul Plunkett H&B President/COO, Mark Roberts, Co-op VP Marketing

President's Award of Excellence

Each year, Co-op recognizes one of its agencies for exemplary service and performance. For their performance in 2021, the award goes to Hickok & Boardman. Congratulations to Scott Boardman, Paul Plunkett and the entire staff located in Burlington, Lyndonville, Montpelier, St. Albans and Stowe.

Stevens Advanced Driver Training



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

Skid Schools are on for 2022, 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. □

Course dates, times, and locations are at www.skidschool.us

In Case of FIRE

Despite our best efforts and great care, some fires just aren't preventable. After you've called the fire department and Co-op's claims department, what's next? Here are things you'll deal with (with help from your adjuster and other professionals) as things unfold.

During and Immediately After the Fire

Stay out until cleared to enter by the fire department and **both** the state and Co-op fire investigators. Don't touch or discard anything until you've spoken with both investigators.

Then enter with caution: Watch for crumbling ceilings, walls, or chimneys; weakened floors; and exposed nails or broken glass.

Don't stay or turn on utilities: The air might be unhealthy initially. If firefighters shut off water, electric, or gas service, leave them off until a professional inspects them.

Secure the property: Post No Trespassing signs. To the extent you can safely access things, take your cash and jewelry; board up or tarp doors, windows, and holes; and take steps to prevent frozen pipes. Your contractor can assist.

Your First Few Nights

Find accommodations: You can start with family and friends or a hotel. Your adjuster can work with you on longer-term options that might also include rentals or onsite temporary housing.

Attend to family needs: Do you have, or need to replace, your eyeglasses, medications, hearing aids, prosthetics, or other aids? Do you have pet supplies?

Handle finances: Your adjuster can arrange a cash advance to cover things like food, lodging, clothing, toiletries, phone, or other necessities. Keep your receipts.

Notify your mortgage company of the loss. (Their name will appear on checks for structural damage payments.)

The Recovery Period

Structural repair: You may need cleanup estimates; you will need a contractor's repair/rebuild estimate based on comparable construction to your current home, covering both materials and labor.

Personal property recovery: A detailed inventory makes things go faster. Use cellphone photos as you think through your rooms, and get receipts or purchase histories from manufacturers, online retailers, or credit cards.

Record and document recovery: Recovery specialists at CyberScout can help you replace important papers such as your social security card, vital records certificates, passport, titles, and so on.

We hope you'll never have to take on the big job of recovering from a fire. But if you do, your Co-op adjuster will be there for these steps and more. ◻

STABLE *and* Dynamic



During the last two years, eight employees have retired from Co-op. Most worked here more than 30 years; the others were in the industry just as long. They served at levels from individual contributor to CEO, and one grew from the file room to the corner office. And they represented almost every area: claims, underwriting, marketing and member services, farm safety, project management, and IT.

Our previous dozen retirees also had varied specialties and at least 25 years of Co-op service each.

What causes people with diverse skill sets and interests to spend their working lives in this industry?

Insurance is stable, as you'd expect from a sector dedicated to protecting individuals and businesses.

However, it's also a dynamic business. To provide the protection our members need, we need to keep up with the new risks they face as technology, culture, and behaviors change. Sometimes we must react in the moment, like adapting services during the pandemic. Sometimes we're planning for future paradigm shifts, such as the advent of self-driving cars. A lot of the time, we're working in the middle, updating our products, technology, and processes to improve our capabilities now and in the future.

We rely on our employees to find and implement better ways of doing things. To encourage change, in addition to standard practices like strategic planning and support for education and



professional development, we run programs such as our IdeasLab to kickstart innovative projects.

It's not just about evolving the kind of services we provide, but the kind of employer we are as well.

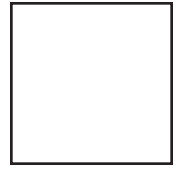
Our great benefits change along with people's needs: Employee feedback led us to offer student loan repayment assistance and income-sensitive health insurance premiums. Our championship of work-life balance and work arrangement flexibility has only increased as we've learned together just how nimble we can be. We'll always be dedicated to offering Co-op's personal touch, but we're committed to achieving it with remote and hybrid work into the future, so our employees can provide the best possible service to our members while optimizing their own lives.

Remote work can be a little isolating, but our management team works hard to keep individuals and teams connected to the whole. Our Personal Development Plan process keeps staff growing into their areas of interest inside (and outside!) the company. And our award-winning wellness team has embraced the challenge of cultivating the wellbeing of a mostly remote workforce.

This is some of why we (and other insurance companies) keep landing on Best Places to Work lists – and why you might consider retiring from Co-op (or this industry in general) decades from now. ◻



**CO-OPERATIVE
INSURANCE**
COMPANIES



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Satisfy Those *Late-Night* Insurance Cravings

Have you ever been struck with the sudden after-midnight urge to print a copy of your auto ID card or read your homeowner's policy dec page?

No? That's just us?

Well, if those urges do strike, starting next spring you'll be able to take care of them no problem, thanks to Co-op's new member portal.

Earlier this year, we completed a multi-year initiative to get all policies moved onto a modern new system. That means we'll be able to roll out the member portal to you early next year!

The portal will continue to offer an option to securely make a one-time payment on individual policies without registering – but you'll see the biggest new conveniences once you go through the quick signup process:

- **See all your policies at once under a single sign-in that you create and control**
- **Review your billing schedules and payment history**
- **Save your payment account information for faster future payments**
- **Access your policy documents**
- **Print your auto ID card**

In the future, we'll make even more features available, including paperless options.

If 24/7 online payment, with or without registration, is not right for you, you have other choices! Our friendly Member Services department will still be happy to talk to you during regular business hours at (800) 388-6638. And of course, our Monthly Automated billing plan remains the ultimate in convenience and value: regular no-fuss withdrawals with no installment fees. (Almost a quarter of policies are registered in this program.)

You'll receive information on how to access the portal as we get closer to launch time. 