



CEO Report

We can sum up our promise to our members in just a few words:

*Here for you when you need us,
providing the service you need*

But there's significant meaning behind those words.



We are committed to actively supporting our communities.

1 We're committed to being *here for you*, now and in the future.

We'll remain a regional carrier with local agencies in your communities, because we know that agents who live and work near you can better understand local circumstances and your individual needs. Likewise, our claims adjusters and loss control staff live in towns throughout our territory so they can easily respond to your needs.

We'll make sound financial decisions designed to keep Co-op healthy long-term. The current economy and market place have certainly created challenges for all of us. We continually monitor and evaluate the need for growth to offset rising expenses and inflation, remembering the need for sound underwriting. Our investments are disciplined and conservative; we invest only

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First Fletcher "Buster" Brush Memorial Scholarships awarded

Last year, Abigail Foster (Hazen Union HS, Hardwick, VT), and Shyanne Millette (Woodsville HS, Woodsville, NH), were awarded the first Fletcher Brush Memorial Scholarships.

The scholarships honor former Co-op employee Fletcher "Buster" Brush, who spent decades working for community, historical, athletic, youth, and safety causes, and mentoring and coaching hundreds of young people.

For demonstrating Buster's ideals – compassion, hard work, community service,



Giving back to our communities

school spirit, leadership, and a desire for challenge – each student won a \$1,000 scholarship renewable for up to four years.

To see who the 2011 recipients are, find out how to apply, or learn more about Buster or about the scholarship program, please visit www.brushscholarship.org or find us on Facebook.

Community Grants Program

Each year, we team with our agents and directors to provide one-time operational or capital support for community groups.

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Many of us love the convenience of laptop computers. We keep them next to us on the couch so we can work while we hang out with the family. We put them near our feet on the rug so they're always within reach if we need to look something up. We take them to bed to play DVDs.

What we don't do is always use them safely.

A running laptop generates heat that it needs to expel. That's why it has fans and vents, and that's why it has little rubber feet designed to raise it enough to let air circulate underneath.

If you block the vents by placing the computer on a surface it can sink into,



Hot Technology

like a quilt, a pillow, or carpet, the heat has nowhere to go, and the unit can get very hot.

Most computers are designed to shut down when they reach unsafe operating

temperatures. But if the computer's nestled in a soft, flammable surface, damage can happen before that point. You could end up with scorched fabrics, a fried computer, or even a house fire.

Your computer is meant to be used on a hard, flat surface like a table. If you want to use it in cushier surroundings, consider investing \$15 in a lap desk so you can use the computer safely and comfortably. For \$30 or more, you can pick up a "chill pad" with a built-in cooling fan that runs off your computer's power. ■

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about 25% of assets in stocks. Most of the rest is in secure, high-quality bonds. And we rebalance our portfolio regularly to maintain those proportions. This systematic approach helps us secure our policyholder surplus and ensure we can continue to be *here for you*, now and in the future.

2 Our goal is to be available to you *when you need us*. Our staff is on call day and night through our answering service, so in case of emergency, we can be reached 24 hours a day, 7 days a week. Last year, we expanded our office hours to more closely match your agents' hours. And through our Web site, you can pay a bill or report a claim anytime.

3 *Providing the service you need* includes having knowledgeable staff who can handle your claims quickly, fairly, and professionally. We even have full-time loss control staff dedicated to showing members how to reduce chances of a loss – because while we're here to help you get back on your feet after a loss, we know that no claims service or payment on earth can replace a lost family member or a possession with sentimental value.

We'll continue to invest in technology so we can offer choices for how you do business with us; over the next few years, we'll continue to develop ways you can connect with us quickly and securely.

Finally, we are committed to actively supporting our communities. We promote this throughout the company with both our agency force and our employees. (You can read more about Co-op in the community elsewhere in *Visions*.)

It may just be a few words, but our promise means everything to us. We thank you for trusting us to keep it. ■

Sincerely,
Marie Jewett,
President/CEO

Farewell... to former Co-op president and CEO Jim Sullivan, who retired at the end of 2010. Jim spent almost 35 years at Co-op, and had been president and CEO since 2000. He remains a member of the board of the directors, so he'll still be a familiar sight around the office in between new adventures (which we understand will include plenty of travel and time with the grandkids!). ■

Giving back to our communities (Continued from page 1)



Randy Odell (left) of Odell Insurance Agency in Bradford, VT and Jean Conklin (right), a member of Co-op's board of directors, presented a Co-op Community Grant to Larry Reed, chef and instructor in the Culinary Arts Program at River Bend Career & Technical Center.

In winter 2011, we awarded seven grants to:

- Friends of Jerusalem School, Starksboro, VT, to preserve and upgrade the building for use as a community center
- Mt. Caesar/Cutler Elementary PTO, Swanzey, NH, to purchase winter clothing for children whose families cannot afford it
- Chamberlin School, South Burlington, VT, to add library shelving
- Riverbend Career & Technical Center, Bradford, VT, to support their culinary arts program's use of locally grown produce and meats
- Jeudevine Memorial Library, Hardwick, VT, to establish a business collection for the use of the local business community
- Camp Ta-Kum-Ta, South Hero, VT, to build cabins at a summer camp for youths undergoing cancer treatment
- Currier Memorial School, Danby, VT, to support Project Currier Excellence in upgrading the school's academic and recreational facilities

Wish Kids Golf Classic

Co-op and its agents are the organizing sponsors of an annual tournament to support the Make-A-Wish Foundation® of Vermont. In ten years, we've raised more than \$140,000 to help bring hope, strength, and joy to children facing extraordinary challenges. We look forward to another successful event at the Country Club of Barre on July 8, 2011, and hope you'll join us!

Visit www.wishkidsgolf.org to register, see results, become a sponsor, or donate and help dreams come true for Vermont children with life-threatening medical conditions. If you're on Facebook, please keep an eye on the Wish Kids Golf Classic page on Facebook for details about this year's silent auction.



Bill Laberge of Laberge Insurance Agency in Middlebury, VT, celebrates a great putt.

Employee activities

Co-op supports United Way annual campaigns, the Vermont Foodbank and New Hampshire Food Bank, and many other charities at the corporate level.

In addition, most years, Co-op employees choose charitable activities to take on together. In 2011, we're supporting Vermont Children's Hospital, the Addison County Humane Society, and local food shelves. Watch our Facebook page at www.facebook.com/coopinsco for updates. ■

Outdoor Fire Safety

If you're doing spring cleaning, you might already have a large burn pile.

Take these steps before you light it!

- Get a burn permit from your local forest fire warden, and ask if there are special instructions for burns in your area.
- Wait for the right conditions. You need a day when there's little or no wind blowing, when it's not too dry, and when you've got enough time to give the fire undivided attention.



Unlike fine wines, electrical systems do not improve with age. Over time, components slowly deteriorate from use, the environment, and incidental damage.

Unfortunately, even as they age, we ask them to do more for us. We load up outlets with power strips to run HDTVs and home theaters, computers and game consoles, air conditioners and space heaters, cell phones and music players, and many other devices not envisioned when older electrical systems were designed and installed.

Then there's our current tough economy. Many of us are watching our pennies, and one way we do that is by tackling our own repairs, or by hiring friends or acquaintances instead of qualified professionals.

Combine aging systems, excessive use, and a lack of professional maintenance, and you have a recipe for unpleasant things: damage to your possessions, destruction of your home, personal injury, or even loss of life.

That's not just idle worry: Over the past two years, electrical problems have become the number one cause of major fire claims for Co-op.

We can't overstate the importance of noticing symptoms and having a licensed electrician deal with issues. Even if you're an experienced do-it-yourselfer who can handle some electrical work, before you tackle it, let a pro use their equipment and expertise to diagnose the problem and help you choose the right solution.

Talk to an electrician if:

A circuit breaker trips: A tripped breaker may not seem like a big deal; after all, it can be reset with the flick of a finger. But a breaker that trips regularly isn't normal, and it isn't good. It's a sign that you're overloading your electrical circuit or have another kind of problem.

There is moisture or rust around electrical panels in your home or barn: Water – whether from a leak or from condensation – can wreak havoc with an electrical system, causing wires, screws, and other

Don't Try This At Home!



When to Call an Electrical Pro

parts to deteriorate rapidly. When that happens, some of the electricity that flows through your home won't have a safe and clear path to follow, and that puts you at risk for shock or fire.

There's dark discoloration on your wall or ceiling near a light fixture: That's likely a burn mark caused by using a light bulb too powerful for the fixture. The light may not have been designed to accommodate that much heat, or it may be holding that heat too close to your wall or ceiling. You can change the light bulb for a smaller one yourself, but you may not be able to tell whether the fixture or the wiring has been damaged by the excessive current.

There are "workarounds" in your panel box, fuse box, or circuit box: If you have multiple

circuits piggybacked on a single breaker; if there's a coin behind one or more fuses; if you have gone up a size on fuses or breakers because the originals were blowing out or tripping... you are, quite literally, playing with fire. The wires that run through your house become the weakest link in your system, and fires can start inside your walls, hidden from sight until it's too late.

You don't know for certain whether a particular outlet is designed for a powerful appliance: Not every outlet or circuit is designed to handle the demands of an air conditioner or a space heater. Be sure you know your system can handle what you're trying to do.

You are using extension cords for more than a couple of weeks or have multiple full or almost-full power strips: Power strips are a convenient source of additional outlets for occasional use, and extension cords help you get appliances to the places you want them. But neither is designed to permanently solve your real problem, which is that your current electrical system isn't meeting your needs. That

extension cord is designed for temporary use, and may not be able to withstand current long-term. And those power strips may be helping you draw more power than your electrical system can safely deliver. You may just need outlets in more or different places, but it might not be that simple; you may actually need an additional circuit to accommodate your changing power needs. ■

The right person for the job

There are a few things you'll want your electrician to have:

- a license to operate in your state (online lookups at www.dps.state.vt.us/fire/licensing/elicenses.htm or nhlicenses.nh.gov/MyLicense%20Verification)
- proof of insurance coverage for his or her professional work
- good references



Take Special Care with Generators

A generator is a wonderful thing to have when the electricity goes out, especially during a nasty storm. However, like any other powerful device, its use requires some safety precautions:

- Use it at least ten feet away from any combustible structure – your house, your deck, your shed – and never inside a garage or other building. There's too much explosive potential to safely operate it closer than that.
- Make sure the exhaust points away from your house or any other building. It's easy for fumes to seep inside and



cause carbon monoxide poisoning.

- If you have a permanent setup for your home or farm, don't run it off an extension cord. Have an experienced licensed electrician properly install it with a transfer switch, so you can be sure power doesn't return to your main power source, which would endanger anyone who maintains or services your system.
- Make sure it's installed out of animals' reach, and check the system every couple of months. Look for frayed or chewed wires, dirt-blocked vents, and signs of moisture, and promptly address any problems that you find. ■

Agency of the Year



This year's Lester Titus Jr Award of Excellence went to

Laberge Insurance Agency Middlebury, VT

Congratulations to Jim Laberge, Bill Laberge, Samantha Dragon, Kirsten Hendy, and Meloney Peacock on an outstanding year! ■

Attention Business Owners

Do you have large boilers, water heaters, or pressure vessels on premises?

You may be legally required to have that equipment inspected for state certification.

Your Co-op Business Owners Policy includes equipment breakdown coverage that offers you free inspections by our business partner, Hartford Steam Boiler.

If you want to find out whether you need an inspection or how to get one, call HSB at (800) 333-4677.

(If you've received a postcard directly from them, you can follow those directions instead.)

You'll need to provide your policy number and dates, along with location information for the equipment, contact information for your company, and HSB reference number 1001120.



Farm fire safety information

The Barn Fire Prevention Task Force offers documents in English and Spanish:

www.nvtrcd.org/Barn-Fire-Prevention-Task-Force.html

2011 Stevens Advanced Driver Training Classes

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

Co-op shares members' cost – you pay only \$125 for a \$300 class! *(Co-op and private foundations will pick up the rest of the tab.)*

Course dates, times, and locations are at www.skidschool.us, or you may contact Karen at (603) 296-4094 or karen@skidschool.us. Participants must be licensed; call to learn about alternate classes for permit holders.

If you register online, pick discount code "Co-operative Insurance clients." To get your discount, you must enter your policy number, driver's license number, and agent's name under "Notes" on the payment page. This information must be manually verified by Stevens staff, so when you submit your order, the system will indicate that your registration has failed. However, your order is being processed and your seat is reserved. ■

Ice & Snow Put Claims Through The Roof



The winter of 2010-11 brought us large snowfalls and large numbers of roof-related claims.

By mid-March, we'd seen hundreds of claims (totaling well over a million dollars!) for roofs or buildings that collapsed under the sheer weight of snow and ice. If you've had to shovel the white stuff, you know how heavy it can be when it piles up. Put it two feet deep on a roof, and you can see how it could cause problems at the weakest points in that system.

But collapses aren't the only problem that ice and snow buildup causes. When ice builds up along the edge of a roof and forms a dam, water can't run off safely

to the ground. Instead, it seeps through cracks and openings in roof coverings, which can lead to serious water damage in a roof system, attic, or interior walls.

Other than being sure your roof is in good shape and strong enough to handle snowfall amounts in your area, the only way to avoid these kinds of problems is to keep your roof clear. The safest way to do that is to stand on the ground and use a roof rake to clear at least four feet up from the edge of your roof. For particularly high or flat roofs, the only option may be to get up there and shovel; if so, be sure to do it in teams of two, and take precautions against falls. ■

Weathering Storms with Co-op's Catastrophe Plan

Wind and snowstorms can double or triple the number of claims we see in a day or week. Despite that, Co-op handled most of this year's storm claims in normal timeframes. We visited most affected policyholders within a day or two, and often settled claims on the spot. Our customer service surveys show that we came through for members; 98% of respondents rated our claims service "very good" or "excellent."

Our catastrophe plan is key to providing great service to policyholders when we're several times busier than normal. The plan helps us prepare for the unexpected and gives us clear procedures for operating efficiently at our busiest times.

Recently, we strengthened our plan for handling large-scale natural disasters. For a small-scale catastrophe, we can normally rely on our partners in local independent adjusting firms to help us meet peak demand. But an event affecting hundreds of thousands of people might overwhelm the resources available in our region.

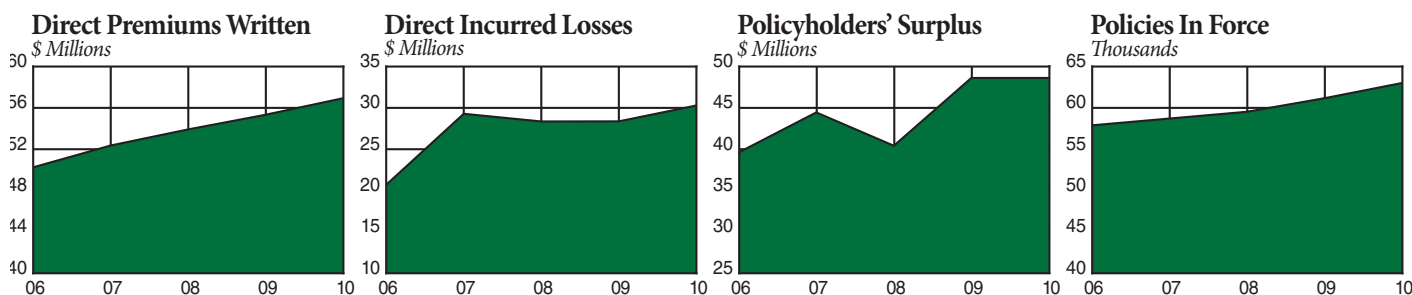
That's why we've contracted with IAS, a Southwestern firm that can quickly deploy large numbers of claims adjusters around the country in emergencies. We are their only New England client, and they are at a safe distance from us, so they're unlikely to be touched by any natural disaster that affects us. Therefore, we are confident that they will be able to provide dozens of adjusters to help meet our members' needs in a large disaster... though of course, we hope we'll never need their services!

We're pleased that we've been able to meet your needs during tough times, and we'll keep working to do better for you. ■

Large storm claim totals in 2010-11

Event	Location	# claims	Approx damage
Windstorm, March 2010	Southern NH	268	\$1,000,000
Windstorm, December 2010	VT	352	\$1,250,000
Snowstorm, Feb 2011	VT and NH	165	\$1,200,000

Financial Statistics at a Glance:



Farmers: Save Money and Save Lives

When you think about words that describe farmers' jobs, "dangerous" might not make your list. But it should. Farmers are eight times more likely to die on the job than the average worker.

The number one reason for those deaths is tractor rollovers, with more than 1500 tractor overturn deaths between 1992 and 2007.

Simple safety equipment can prevent 99% of overturn deaths and serious injuries.

These rollover protection systems (ROPS), which consist of a roll bar and a seat belt, are standard on newer tractors, but not on most pre-1985 vehicles still in use at farms all over the Northeast.



Good News!

ROPS kits are available for older tractors, and they're relatively inexpensive.

Even better news:

Rebate programs will help Vermont and New Hampshire farmers cover 70% of ROPS cost, up to \$765.

Co-op is a major program sponsor in both states.

"I'm convinced these programs will not only save lives, but livelihoods..."

As a member of the farming community – we began as a farm insurance company almost 100 years ago and we're still Vermont's largest farm insurer – and as an organization dedicated to promoting safety, it's natural that we'd support them."

*Brad Fortier,
Senior VP of Marketing and Underwriting
Co-operative Insurance Companies*

For more information about ROPS rebate programs in VT and NH, visit www.ropsr4u.com.