

VLCT PROPERTY AND CASUALTY INTERMUNICIPAL FUND, INC.

89 Main Street, Suite 4, Montpelier, VT 05602
(802) 229-9111 Toll Free 1-800-649-7915

2018 Contribution Charges RECEIVED

BRISTOL TOWN
Accounts Payable
PO BOX 249
BRISTOL, VT 05443

Acct. Name _____
Acct. Code _____

NOV 30 2017



Date: January 1, 2018

Finance No: 0083

Policy Period: 01/01/18 – 01/01/19

Initials _____

Date Approved _____

PACIF Member ID: 0083

Amount to pay _____

MUNICIPALITY: BRISTOL TOWN

2018 CONTRIBUTION BREAKDOWN	
	TOTALS
2018 CONTRIBUTION FOR PROPERTY & CASUALTY COMBINED COVERAGE (includes Employment Practices Liability, Public Officials Liability, Cyber Liability and Data Breach Coverages)	\$72,586
2018 CONTRIBUTION FOR WORKERS COMPENSATION COVERAGE	66,238
2018 CONTRIBUTION FOR VFD WORKERS' COMP ASSIGNED RISK PROGRAM* (SEE NOTE BELOW) Bristol Town Vol Fire Dept	4,673
LESS CONTRIBUTION CREDIT FOR FUND YEARS 1995, 1996, 1997, 2000, 2009, and 2014	(5,038)
TOTAL NET 2018 CONTRIBUTION	\$138,459

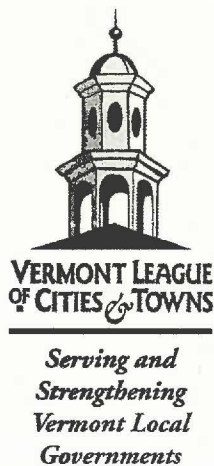
01/01/18 INVOICE	
SEMI-ANNUAL AMOUNT DUE ON 01/01/18 FOR:	
NET 2018 CONTRIBUTION	\$69,229.50

Full payment is due upon receipt of invoice unless prior payment arrangements have been made. Quarterly Or Semi-Annual payment terms are available. Due dates are 1/1/2018, 4/1/2018, 7/1/2018, and 10/1/2018.

***NOTE: Because PACIF does not issue separate billings for the Assigned Risk Program, you are responsible for all coverage included in this invoice and for collecting payment due from your volunteer fire department.**

**MAKE CHECKS PAYABLE TO VLCT PACIF AND ENCLOSE INVOICE COPY WITH YOUR PAYMENT.
Do not combine this payment with any other payments to VLCT. THANK YOU!!!**

**For questions about your coverage document or contribution charges, call our Underwriting Division.
For billing questions, call our Finance Division.**



DATE: November 28, 2017

TO: VLCT PACIF Member Municipality

FROM: VLCT PACIF Underwriting Division

RE: 2018 Policy Year Renewal Contribution

Thank you for renewing your municipality's coverage with the VLCT Property and Casualty Intermunicipal Fund (PACIF). PACIF serves and strengthens Vermont local governments by reducing losses through comprehensive safety, risk management, and claim adjudication programs. PACIF is a risk-sharing pool, so its long-term success truly relies on the continued support of all members.

Enclosed is your **VLCT PACIF Renewal Contribution invoice** for the period from **January 1, 2018 to January 1, 2019**.

Unlike commercial carriers, PACIF does not have a profit motive and therefore chooses to return a portion of the Fund's net position back to its member owners each year. After an analysis of prior fund year experience by the consulting actuary, the **PACIF Board of Directors voted to return \$700,000 to the membership this year**. \$500,000 will be returned as contribution credits, and the other \$200,000 will be returned through the PACIF Grant Program. Since the Fund's inception in 1987, VLCT PACIF has returned over \$20,000,000 to the membership. Members must renew coverage in order to be eligible for the refund, which is shown as a credit against your 2018 contribution.

2018 RATE INFORMATION

Every year PACIF hires a consulting casualty actuary to evaluate the Fund's loss experience to determine the amount of contributions to be raised in the next year. Specific rates are developed based on their analysis and recommendations. Overall, net contributions increased 1.5%, though as always, individual members will see increases or decreases based on the following:

- 1) changes in your municipality's exposures;
- 2) the experience modification factors that are based on your municipality's specific loss history;
- 3) adjustments made based on risk quality, risk management practices and long term loss history.

Your 2018 renewal contribution has been calculated to comply with underwriting guidelines approved by the PACIF Board of Directors. **Please review the attached invoice carefully, and immediately report any errors or discrepancies to the VLCT PACIF Underwriting Division.** If we have not yet received your renewal application, we reserve the right to adjust your renewal contribution based upon your completed application when we receive it.

Sponsor of:

VLCT Employment
Resource and Benefits
Trust, Inc.

VLCT Municipal
Assistance Center

VLCT Property and
Casualty Intermunicipal
Fund, Inc.

IMPORTANT DETAILS – PLEASE NOTE

- Although VLCT PACIF provides limited pollution coverage, some pollution exposures, such as long-term seepage of underground storage tanks, asbestos, and lead liability, are excluded from this coverage. All members have signed a consent-to-rate application to acknowledge the pollution exclusions, which have been listed in the Coverage Document since PACIF's inception.
- Cyber coverage has been eliminated from the PACIF Property & Casualty Coverage document **and has been replaced with new Cyber Liability and Data Breach Response Coverage**. This coverage is provided at no additional cost.
- Copies of your 2018 vehicle "Proof of Insurance" cards will be mailed by the end of December, and your Coverage Documents will be mailed by the end of January.
- The **standard deductible is still \$1,000**; any other amount is the result of your having made special arrangements in the past. See #3 below and call the VLCT PACIF Underwriting Division if you would like to opt for a higher deductible or to see if your municipality qualifies for a lower option.
- All members continue to have a **\$2,500 deductible for Employment Practices Liability (EPL), Public Officials Liability (POL), and Law Enforcement Liability (LEL)**. (If you use PACIF's EPL Assistance program, your EPL deductible may be waived if you have a claim after obtaining free legal advice through the program.)

WHAT YOU HAVE TO DO TO RENEW

1. Actually, nothing. Your coverage will be automatically renewed and bound effective 12:01 a.m. January 1, 2018. **Please contact the Underwriting Division at 1-800-649-7915 if you have any questions about your renewal.**
2. Your VLCT PACIF renewal invoice is enclosed.
 - a. Your invoice reflects your current payment plan: please pay as invoiced, i.e. full annual, semi-annual, or quarterly. **Call the VLCT Finance Division if it is incorrect or you want to change to a different payment plan.**
 - b. **If your invoice is stamped "Estimate," we did not receive your 2018 PACIF renewal application when it was due. Please pay the invoice enclosed here *and* submit your application as soon as possible.** When we have received your 2018 renewal application, we will mail you both an endorsement to correct the exposures and a supplemental invoice.
 - c. If your invoice has a line item labeled **"2018 Contribution for VFD Workers' Comp Assigned Risk Program,"** you are responsible for collecting that amount from your volunteer fire department and including it with the rest of your payment.
3. **The standard P&C deductible is \$1,000.** You may opt for or a higher deductible to reduce your contribution, or, if your municipality's P&C contribution is \$30,000 or less, you may elect to have a \$500 deductible in exchange for increasing your final P&C contribution by 1.7%. In either case, please contact the PACIF Underwriting Division. The deductible factors for 2018 are:

Deductible	<u>\$500</u>	<u>\$1,000</u>	<u>\$2,500</u>	<u>\$5,000</u>
Factor (%)	+ 1.7% Charge	Standard	-3.3% Credit	-6.8% Credit

To have a higher deductible and the resulting credit applied to your 2018 P&C coverage, notify VLCT PACIF Underwriting Division in writing at your earliest convenience. Please also call Underwriting for help with either calculating the credit amount or assessing the cost/benefit to your municipality of choosing a different deductible than what appears on the enclosed invoice.

4. If you have **any** questions about this mailing, please call Underwriting at 800-649-7915.

The VLCT PACIF Board of Directors and Staff thank you for your continued support.



Member Name: Bristol Town
 PACIF ID: 083
 Policy #: P0832018
 Coverage Period: 01/01/2018 - 01/01/2019

Breakdown of Coverage Costs by Department

Department	Property	Boiler	Crime	Auto	Liability	Police	Fire	Ambulance	EPL	POL	W/WW	SWD	Dams	Total
Fire	\$8,646	\$985	\$0	\$4,207	\$505	\$0	\$1,339	\$0	\$0	\$0	\$0	\$0	\$0	\$15,681
General	\$6,301	\$726	\$2,664	\$86	\$1,528	\$0	\$0	\$0	\$6,844	\$6,978	\$0	\$0	\$0	\$25,128
Highway / DPW	\$2,583	\$294	\$0	\$6,441	\$2,887	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$12,205
Law Enforcement	\$125	\$14	\$0	\$1,402	\$1,658	\$10,429	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$13,629
Library	\$1,276	\$145	\$0	\$0	\$646	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,068
Outing Club	\$0	\$0	\$0	\$0	\$68	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$68
Parks & Recreation	\$1,109	\$175	\$0	\$0	\$978	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,262
Sanitation	\$0	\$0	\$0	\$0	\$52	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$52
Sewer / Wastewater	\$35	\$4	\$0	\$0	\$77	\$0	\$0	\$0	\$0	\$0	\$75	\$0	\$0	\$190
Water	\$611	\$287	\$0	\$0	\$405	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,303

Total **\$72,586**

Key

Boiler = Boiler and Machinery	Ambulance = Ambulance Liability
Auto = Auto / Mobile Equipment	EPL = Employment Practice Liability
Liability = General Liability	POL = Public Officials Liability
Police = Law Enforcement Liability	SWD = Solid Waste District
Fire = Fire Fighter Liability	W/WW = Sewer Back-up



Member Name: Bristol Town
PACIF #: 083
Policy #: P0832018
Coverage Period: 01/01/2018 - 01/01/2019
Date: November 20, 2017

WC Renewal

2018 WC Contribution: \$66,238

COVERAGE:

Workers Compensation - Statutory

Employers Liability - \$5,000,000 per occurrence and in aggregate annually.

Classification Description	Classification Code	2018 Payroll ESTIMATED	Rate per \$100	Contribution Deposit
Highway / Public Works	5506	\$267,481	9.43	\$25,223
Water / Sewer	7520	\$466	7.50	\$35
Solid Waste	7590	\$0	15.30	\$0
Fire / Rescue - Volunteer	7711	\$0	20.36	\$0
Police / Constable / Animal Control	7720	\$227,724	8.95	\$20,381
Administration	8810	\$383,102	0.43	\$1,647
Parks & Recreation	9102	\$75,913	6.20	\$4,707
Municipal Employees - NOC	9410	\$0	4.75	\$0
Total		\$954,686		\$51,994
Experience modification 1.36				\$18,718
Discount if applicable				(\$3,121)
2018 PACIF Adjustment				(\$1,352)
CONTRIBUTION AMOUNT				\$66,238



November 28, 2017

Valerie Capels
Town Administrator
Bristol Town
PO Box 249
Bristol, VT 05443

Dear Valerie Capels,

Contribution credits are a VLCT PACIF member benefit that are a direct result of the Fund being non-profit and member-owned. They are most apparent in the annual invoice that accompanies this letter. We hope to help you publicize this benefit to your community if you choose to do so.

As in most years, under the "Contribution Breakdown" section of your PACIF invoice, the second-from-the-bottom line is marked "**Less Contribution Credit**" (for one or more fund years), and the amount shown is **subtracted from the cost of the municipality's coverage for the upcoming year.**

The contribution credit on Bristol Town's 2018 PACIF invoice is \$5,038.

Where does the credit money come from? It is a portion of the Fund's net position based on the successful performance in prior fund years as determined by an analysis conducted by the Fund's consulting actuary and approved by the PACIF Board of Directors, a group of peer local officials. This year the PACIF Board voted to return \$500,000 to the members as contribution credits and \$200,000 in loss prevention equipment grants for a total of \$700,000. **To date, PACIF has returned more than \$19 million to members.** Unlike PACIF, commercial insurance carriers typically divert such money to their owners or stockholders as corporate profits or dividends. As a member-owner of VLCT PACIF, Bristol Town reaps the rewards of ownership.

These PACIF Contribution Credits have true value to your municipality and its taxpayers. But does anyone take time to notice them? Do your municipal officials ever point out what this means for municipal operations or for taxpayers? In case you want to publicize this value to your community, we have prepared a **press release template** you can customize and use to notify your local media about the nature and value of your municipality's credit.

The basic press release text and image are printed on the other side of this letter, but you don't need to retype anything! Just call Denise Ricker at 800-649-7915 or email her at dricker@vlct.org, and she will email the electronic version of the template to you. When you customize it, you might want to consider adding a longer quotation from one of your elected officials or a description of what Bristol Town has been able to buy with the help of a PACIF Grant. We hope you find these materials useful!

Sponsor of:

VLCT Employment
Resource and Benefits
Trust, Inc.

VLCT Municipal
Assistance Center

VLCT Property and
Casualty Intermunicipal
Fund, Inc.

Sincerely,

Fred Satink
Manager of Underwriting and Safety & Health Promotion

Template for Bristol Town press release on receiving PACIF contribution credits.

Note: There are brackets [like these] around details to be customized. Please correct the information and delete the brackets before submitting your press release to media contacts.

[Date]

For Immediate Release

Bristol Town Receives an Ownership Dividend Credit from Its Self-Insurance Association

[Official(s)] of Bristol Town announced today that the [town, city, district, village] has received \$5,038 as a contribution offset from the VLCT Property And Casualty Intermunicipal Fund (PACIF), the non-profit organization through which Bristol Town obtains its Property/Casualty and Workers' Compensation coverage and risk management services. Each year the PACIF Board of Directors, comprised of local officials, considers the past success of the Fund and determines if any monies can be returned to the membership. This year the PACIF Board voted to return \$500,000 to the members as contribution credits and \$200,000 in loss prevention equipment grants for a total of \$700,000. Since the inception of the Fund, PACIF has returned a total of more than \$19 million to its members.

"\$5,038 has already been subtracted from our 2018 invoice," says [name and title of a local official]. This credit is as valuable as if the [town, city, district or village] had received a check made out for the same amount.

Bristol Town received the \$5,038 credit as a member-owner of VLCT PACIF, an intermunicipal self-insurance association operated on behalf of its members by the Vermont League of Cities and Towns (VLCT). This year's distribution comes from the net position from specific prior fund years. It was deemed available to be returned to members by the Fund's consulting actuary and was approved by the Board of Directors.

"VLCT PACIF is one of the best examples of successful intermunicipal cooperation in Vermont," says Joe Damiata, Director of Risk Management Services for VLCT. "It was formed in 1986 when several Vermont municipalities appealed to the League for assistance because their insurance companies were limiting coverage and raising prices to exorbitant levels or, even worse, not renewing their policies at all. Since then, PACIF has become the preeminent provider of municipal coverage and has responded to its members' needs by enhancing coverage; handling claims professionally and fairly; and providing extensive risk management programming, support and consultation."

For more information about VLCT PACIF, please contact Joe Damiata or Fred Satink at VLCT, 802-229-9111.

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Upon
request, we
will provide
you with a
separate JPEG
file of this
symbolic
check to send
out with your
press release.
→

VLCT PACIF
89 Main Street, Ste. 4
Montpelier, VT 05602

000000000

NOT NEGOTIABLE

Pay to the

Order of Bristol Town

\$ 5,038.00

Exactly Five Thousand Thirty Eight Dollars

NOT NEGOTIABLE

PEOPLES BANK

Memo Contribution Credits toward 2018 PACIF coverage

Michael Gillan

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