PACIF & VERB
2021 Annual Report

2021 BY THE NUMBERS

$3.1M
returned to PACIF members as credits toward their 2022 contributions

6,700
buildings and structures covered by PACIF, including property in the open

2.5 hours
average time the attorney spent with the member for each EPL referral

2,387 hours
total visit-related time spent by PACIF loss control, human resources, and law enforcement consultants

83%
fewer UI claims than in 2020

5,500
vehicles covered by PACIF

vlct.org/insurance
To all VERB and PACIF members,

At the beginning of 2021, with vaccines newly available to just a few, there was hope and light as we started the new year. While you continued to serve your communities, PACIF and VERB worked diligently to provide you with exceptional pandemic assistance, claims service, risk management guidance, and innovative programs to meet your evolving needs.

The books closed on 2021 with both trusts in excellent financial condition. VERB’s Unemployment Insurance rates were raised to cover a continued high number of pandemic-related claims, and by the end of the year many municipal employees had returned to work. VLCT’s Kelley Avery fielded a record number of your inquiries and was a conduit to the Vermont legislature and Department of Labor. PACIF’s rates were reduced due to better than expected 2020 claim activity, making 2021 the third year in a row of lowered or flat rates. In fact, its exceptional financial strength allowed a record $3.1 million in net position to be returned as credits toward 2022 renewals. Both trusts continue to see rock solid member loyalty with 100% retention for the past two years.

You are the reason PACIF and VERB are well positioned to meet your long-term needs. Your unwavering support, use of the many programs, and dedication to risk management have put these trusts where they are today. We promise to work hard with other board members and staff to continue responsibly improving PACIF and VERB to meet your needs. Thank you for your dedication to these shared resources. We look forward to working with you in 2022 and beyond.

Sincerely,

CARL ROGERS
President, Property and Casualty Intermunicipal Fund
Town Manager, Barre Town

WILLIAM SHEPELUK
President, VLCT Employment Resource and Benefits Trust
Municipal Manager, Waterbury
THE POWER OF POOLING:
The Value of State League Risk Pools

Municipality-Based
Municipal governments are organized and governed differently from private companies. With their operations uniquely affected by statute, it just makes sense for cities and towns to pool resources and share their risks with similar entities.

Transaction: Not Just Interaction
Commercial insurers use a transactional business model to sell pre-set products, which simply can’t be compared “apples to apples” with all that VLCT offers. The trusts’ personal interactions with members provide valuable benefits, programs, and opportunities in addition to coverage. When commercial insurers can’t make the profits they seek, they might raise prices markedly or stop offering coverage to municipalities.

You Own It!
PACIF and VERB are owned and governed by Vermont municipalities and operated by VLCT staff who work with the Board of Directors (your peers) to tailor the insurance and related programs to meet the needs of members in general and each community in particular.

Customer-Centric
Members’ needs and concerns are the prime motivator for what the trusts offer and how they are operated. VLCT staff, who understand the challenges faced by municipalities, provide excellent service and useful resources such as comprehensive training, specialized consultation, and grants & scholarships. Our goal is to help municipalities determine their own path of risk management.

Contribution Credits
As owners of PACIF, municipalities benefit directly when contributions exceed claims and other operational expenses. Each year, adequate reserves are set aside to guard against unusually large claims or other unexpected events, and reinsurance is put in place for added protection. When these reserved funds can safely be released, members receive contribution credits – almost every year.

Aligned with Our Mission
All of the people behind PACIF and VERB look out for our members’ needs and for unseen risks. Steadfastly having the backs of Vermont municipalities is the reason the VLCT trusts exist.

Learn more vlct.org/whypool
PACIF Statements of Net Position

**ASSETS**
Cash and investments  $115,488,517
Other assets  $7,576,141
Total assets  $118,064,658

**LIABILITIES**
Other liabilities’  $7,680,840
Net claim reserves  $39,116,807
Total liabilities  $46,797,647

**NET POSITION**
Restricted for Grant Program  $200,000
Unrestricted  $71,067,011
**TOTAL NET POSITION**  $71,267,011

*accounts payable, contributions collected in advance, and contribution credits payable

PACIF Statements of Contributions, Expenses, and Changes in Net Position

**OPERATING**
Operating revenues  $25,013,230
Operating expenses  $21,479,815
Net operating income  $3,533,415

**NON-OPERATING**
Non-operating revenues (expenses)  $1,381,400
Contribution credits to members  ($3,160,000)
Net non-operating income (loss)  ($1,718,600)

**CHANGE IN NET POSITION**
Net position, beginning of year  $69,452,196
**NET POSITION, END OF YEAR**  $71,267,011

VERB Statements of Net Position

**ASSETS**  $4,254,984

**LIABILITIES**  $227,904

**NET POSITION**  $4,027,080

VERB Statements of Revenues, Expenses, and Changes in Net Position

**OPERATING**
Operating revenues  $747,821
Operating expenses  $504,983
Net operating income  $242,838

**NON-OPERATING**
Non-operating revenues (expenses)  $24,259
Contribution credits to members  —

**CHANGE IN NET POSITION**  $267,097
Net position, beginning of year  $3,759,983
**NET POSITION, END OF YEAR**  $4,027,080

All data is for January 1 through December 31, 2021 and is excerpted from each trust’s 2021 Audited Financial Statements, respectively. For the complete documents, please email finance@vict.org.
PACIF is a huge benefit for group pricing of insurance and for the legal and human resources questions that come up frequently.

**Gig Zboray**  
Selectboard Office Admin  
Town of Whitingham

VLCT has always been responsive with information requests and past insurance claims our municipality has had to file.

**Christopher Brickell**  
Former Chief of Police  
Town of Brandon

Staff is superb: always helpful, thorough, prompt, with empathy and a sense of humor.

**Billy Joos**  
Treasurer, Town of Monkton

Always prompt and informative responses! Super friendly and helpful staff!

**Aimee Tinker**  
Asst. Town Clerk & Asst. Treasurer, Town of Fletcher

There is no other organization in the same class. Claims people have patience, understanding, and amazing follow through. I have never made an inquiry and not had a quality experience. Never.

**Charles Wise**  
Town Planner, Town of Rockingham

vlct.org/insurance
2021 HIGHLIGHTS

The Unemployment Insurance program weathered the challenges created by COVID thanks to a combination of member loyalty and federal COVID response funding.

UI staff helped dozens of members contest fraudulent unemployment claims in the first half of the year.

Three members returned to PACIF after being in the commercial market for 2-3 years – citing cost, coverage, and programs as the reasons for preferring PACIF.

PACIF reimbursed $187,980 to members as grants and scholarships for risk management equipment and training. We expanded the grant program for 2022 and hope more members will apply for a grant or a scholarship or both in 2022!