



**HICKOK & BOARDMAN**  
INSURANCE GROUP

**Town of Richmond**

**Response Summary**  
**10/27/2021**

To Whom it May Concern:

Thank you for the opportunity to present you with alternative option to your property and casualty program. We recognize exploring an alternative outside of VLCT's PACIF program can be a laborious process and we thank all of those who have spent many hours gathering the needed info to provide a bid. Our approach to coverage is very different than that of the PACIF pool. Instead of providing uniform coverage for all towns, large and small alike, we have *customized* a program that addresses the needs and limits for the Town of Richmond only. With that, these limits are your own and are not shared with other members. It is important to note that leaving PACIF does not end your membership with VLCT and the many other benefits that come along with that program. We are pleased to present you with an insurance quote from Travelers Insurance.

Below, I have highlighted some key coverage similarities and differences that are not addressed within the RFP. Ultimately the goal of insurance is to spread the risk out among a large group. Both PACIF and Travelers have their risk spread among a pool of insureds, the difference is the pool for Travelers includes municipalities all across the country versus PACIF which is the state of Vermont only. The advantage of a larger, more geographically diverse pool is that losses by some in the group are spread out among a greater number and therefore affect each member less. Travelers is the largest insurer of municipalities in the country.

- Coverage Similarities:
  - Property – Both programs have scheduled limits of coverage on the property form for building and contents. We used the schedule provided for PACIF but did increase limits based on current construction costs.
  - \$10M/\$11M – Liability Limits with General Liability, Employee Benefits Liability, Public Officials Liability, Auto Liability, Employment Practices & Employers Liability
  - Governmental Immunity **IS** included
- Coverage Advantages with Travelers
  - Liability Defense Costs outside the limits & in some cases unlimited. Current Program's limits are included in the limits.
  - Crime: Higher limits are available with Employee Theft/Embezzlement. You are currently capped at \$500,000 with PACIF and lower limits on the ancillary coverages.

*In Alliance with The Hickok & Boardman Network of Companies*

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- Cyber/Data Breach Coverage: Your current coverage limits are \$250,000. This is considered sub-par in the cyber industry. We have quoted comparable limits but can provide higher limits and have provided insight into costs for a standard \$1M policy. Please note, in order to secure coverage multi-factor authentication must begin as best practices within the industry.
- Uninsured/Underinsured Motorist limit is \$1M while PACIF is limited to \$250,000.
- Coverage Differences: PACIF is one size fits all program and the fund aggregate limits are shared.
  - Flood – Currently any of your buildings or structures in Flood zone “A” or prefixed with “A” are subject to a \$1M per occurrence/\$1M aggregate limit. This limit is also subject to a pool aggregate limit of \$5M for ALL members of PACIF. This means that any substantial event that affects multiple towns will lead to the shared \$5M Limit. The value of your buildings, structures and contents that fall into Zone A exceeds \$12M. This means that you are currently uncovered for over \$11M in value and this doesn’t include the shared factor with the pool which is likely to further diminish limits. We are working to quote those additional flood options, but you can choose which buildings/structures you would like to cover or not.
  - Earthquake – PACIF offers a \$10M limit and Travelers is providing \$5M. Again, the PACIF limits are subject to a pool limit of \$50M which could dilute the limits in the event of a state-wide event. The \$5M Travelers limits are yours alone.
  - Flood/Earthquake Deductibles - \$1,000 vs. \$50K/\$25K with Travelers.
  - Crime – Travelers separately bonds certain town officials instead of covering them in the general crime, employee theft limits.

We look forward to the opportunity to further discuss these differences and the many other questions that are sure to arise during your analysis.

Respectfully,

Mindy Bero, CRIS, CLCS  
Client Advisor  
Hickok & Boardman Insurance

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