

VSBIT

Vermont School Boards Insurance Trust

Annual Summary Report



*For the Year Ending
June 30, 2021*

*VSBIT serves Vermont schools by assisting members in the
area of risk management to protect and conserve
educational resources.*

VSBIT Board of Directors

On behalf of the Board, administrators and staff of the Vermont School Boards Insurance Trust (VSBIT), I am pleased to present you with VSBIT's Annual Report for the year ended June 30, 2021.

VSBIT supports Vermont's public school systems by providing pooled coverages in the areas of workers' compensation, property, liability, and unemployment compensation. We also place a heavy emphasis on mitigating risk by providing Vermont schools with programs and activities that have the goal of reducing claims and creating a healthy and safe climate for students, teachers, staff and administrators to achieve success.

VSBIT is also the primary "third party administrator" for the Vermont Educational Health Initiative (VEHI). VEHI offers health, dental, life and disability coverages to Vermont's educators, including VSTRS retirees.

Change was the key word to describe 2021. Adapting to COVID protocols, changing leadership and dealing with record setting unemployment claims created an extraordinary year for VSBIT. However, our dedicated staff rose to the challenge.

On July 1, 2020 Jonathan Steiner joined VSBIT in preparation to become the next President. He brought with him over 30 years of local government risk pool experience as well as a term serving on his local school board. He and Laura Soares worked together for 6 months to ensure a smooth transition for staff and the membership. On January 1, 2021 Laura retired and Jon took the reins of the organization. Later in winter, Tim Vincent decided to follow his dream of operating his own consulting business, opening the door for Ken Canning to join the team. Ken has a long career in risk management in Vermont, working for VSBIT's sister organization: VLCT. He also served on his local school board. Both have spent time meeting the staff, members, regulators and partners as they work to bring a fresh perspective to the organization and build upon the legacy of VSBIT's success.

During the past year, Unemployment claims overwhelmed the state systems and our unemployment program saw record numbers of claims. Thanks to a strong financial position and careful stewardship the program was able to meet its obligations with only a modest increase in rates. As normalcy returns to the labor market we expect the program to rebuild its reserves in a careful and deliberate manner.

It is a testament to our administrators and staff that VSBIT was able to persevere through COVID and continue providing excellent services and support to Vermont's education system. They are high quality people and I thank them for their efforts. We look forward to a return to lives we once knew but with a greater appreciation from the knowledge of what we have experienced.

Please take a look at our Annual Report and review the great things we are doing for Vermont's educational system. We are proud of our accomplishments and I hope you are as well. Thank you.

Michael Clark, Chair
VSBIT Board of Directors



President's Message

This is my first message as the President of the Vermont School Boards Insurance Trust, and what a first year it has been! Beginning a new leadership position always brings a set of challenges but as we all well know, 2020-21 brought more challenges than most.

First I am grateful to Laura Soares who worked with me for 6 months and beyond to ensure a smooth transition. She left me with a strong base of knowledge about the inner workings of VSBIT and has been great friend as well. VSBIT and the members were indeed fortunate to have her as President for the past decade and I have big shoes to fill. The VSBIT Board is knowledgeable and engaged as well. They have been supportive and a pleasure to work with during the transition.

While Vermont sometimes feels isolated in its pristine corner of the world, we are not immune to global pandemics or events that affect global reinsurance. Whether it is wildfires in the western United States, hurricanes in the south or flooding in Europe, property rates increase for everyone. The same is true for cyber-attacks and ransomware—both affect our rates and availability of coverages as well. Fortunately we have a pro-active team at VSBIT that works with an engaged membership to help keep claims costs down. VSBIT is attractive to our reinsurance partners and they like to do business with us because of our stellar reputation. As a result, we were able to obtain an excellent renewal rate for the membership this year. Thanks to you and staff for this result.

VSBIT's member programs, Multi-Line and Unemployment, remain member-focused and financially sound. You can read more about each of these programs and review VSBIT's financial statements in this Annual Report. Our annual financial audit is available on our website (<http://www.vsbitorg/home/about-us/annual-report/>). The FY 21 audit will be posted as soon as it is available, typically by November of each year.

VSBIT also supports all Vermont schools, regardless of participation in one of VSBIT's membership programs, through our School Management Resource Center (SMRC). This assistance includes VSBIT U, model policy and procedure development, facility operations, HR functions and more. The VSBIT website, www.vsbitorg, provides information and resources for Vermont schools.

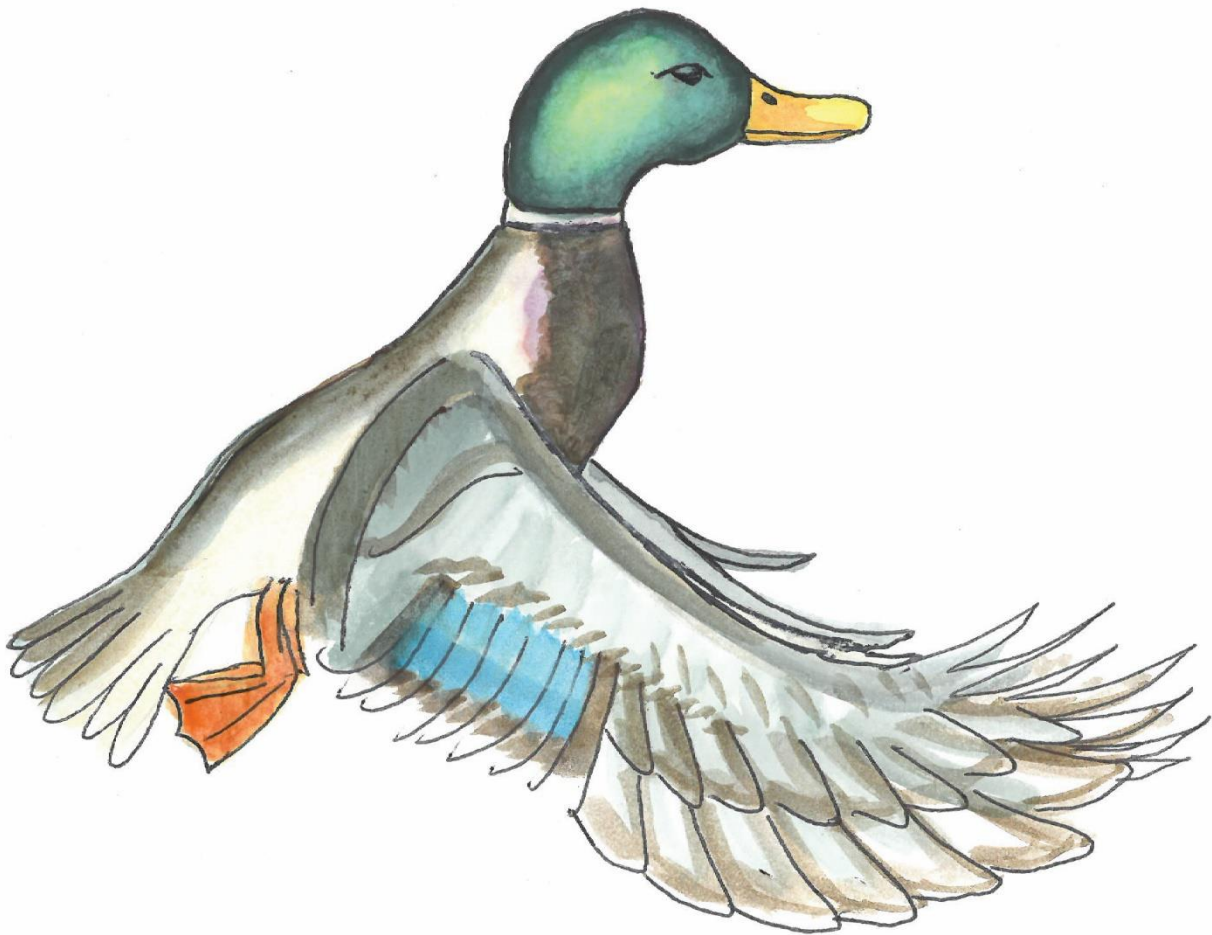
I encourage you to also read the VEHI Annual Report at www.vehi.org to learn about the work of our Wellness Team as well as VEHI's health, dental, and LTD/life programs that VSBIT staff administer and support under the leadership of Bobby-Jo Salls.

VSBIT staff remain committed to providing outstanding service to members and making a meaningful difference for Vermont school districts and employees. I look forward to an opportunity to meet you in person in the coming year and partnering with you to achieve our mission of supporting schools.

Jonathan Steiner

Corporate Officers

President:	Jonathan Steiner
Vice President:	Michael Clark
Secretary:	Brenda Fleming



**BOARD OF DIRECTORS
SINCE OUR FORMATION IN 1978**

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Harlan Adams, V. Pres.
Alfred Hurley McDonald
Miller
John Gutman

1984-1985

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Ruth Sabol
Donald Carpenter

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Ruth Sabol
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Miller
John Gutman

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Thomas O'Brien/Vacant

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Alfred Hurley
Leslie Seaver
Arthur McCann

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Leslie Seaver
Arthur McCann

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Martha Heath
Orise Ainsworth

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Arthur McCann
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Ruth Sabol
Charles Taylor
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1994-1995

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Martha Heath
Orise Ainsworth

1983-1984

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Alfred Hurley, V. Pres.
Leslie Seaver
David Thomas
Ruth Sabol

1989-1990

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Ray Proulx, V. Chair
Ruth Sabol
Charles Taylor
Thomas O'Brien

1995-1996

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Mary West
Martha Heath
Steve Hier

**BOARD OF DIRECTORS
SINCE OUR FORMATION IN 1978 (continued)**

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Steve Hier

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Martha Heath
Chaunce Benedict
Steve Bartlett

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Robert Giroux
Steve Post

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Mary West
Steve Hier
Chaunce Benedict

2003-2004

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Steve Bartlett
Martha Heath
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2009-2010

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Robert Giroux
Steve Post

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Mary West
Steve Hier
Chaunce Benedict

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Robert Giroux
Laura Soares
Mary Sherrer

2010-2011

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Robert Giroux, V. Chair
John Everitt
Steve Hier
Steve Post

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Mary West
Steve Hier
Chaunce Benedict

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Laura Soares
Mary Sherrer/John Everitt

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Steve Hier
Bob Rosane

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Mary West
Steve Hier
Chaunce Benedict

2006-2007

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John Everitt
Ray Proulx
Dave Thomas

2012-2013

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Steve Post, V. Chair
Ron Ryan
Brenda Fleming
Emily Long

2001-2002

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Martha Heath, V. Chair
Mary West
Steve Hier
Chaunce Benedict

2007-2008

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Laura Soares, V. Chair
John Everitt
Ray Proulx
Robert Giroux

2013-2014

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Brenda Fleming, V. Chair
Steve Post
Ron Ryan
Emily Long

**BOARD OF DIRECTORS
SINCE OUR FORMATION IN 1978 (continued)**

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Brenda Fleming, V. Chair
Ron Ryan
Emily Long
Stuart Wepler

2020-2021

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Brenda Fleming
Steven Hier
Mike Bailey

2015-2016

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Brenda Fleming, V. Chair
Ron Ryan
Emily Long
Stuart Wepler

2016-2017

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Brenda Fleming, V. Chair
Ron Ryan
Emily Long
Stuart Wepler

2017-2018

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Robert Giroux, V. Chair
Brenda Fleming
Emily Long
Michael Clark

2018-2019

Stuart Wepler, Chair
Robert Giroux, V. Chair
Brenda Fleming
Michael Clark
Steve Hier

2019-2020

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Steve Hier, V. Chair
Brenda Fleming
Michael Clark
Mike Bailey



VSBIT Staff

Jonathan Steiner	<i>President/CEO</i>	Ken Canning	<i>Multi-Line Program Manager</i>
Chris Roberts	<i>Manager of Finance</i>	Bobby-Jo Salls	<i>VEHI Program Manager</i>
Gillian Pieper	<i>Health Promotion Specialist</i>	Amy Gilbert	<i>Wellness Program Coordinator</i>
Ashley Johnson	<i>Wellness Program Coordinator</i>	Jessica Valler	<i>VEHI Program Assistant</i>
Angela Tremblay	<i>Program Coordinator / Accounting Clerk</i>	Larae Cirignano	<i>IT Coordinator</i>
Jordan Bergeron	<i>Assistant Program Manager</i>	Patty Greene	<i>Claims Adjuster</i>
Kate Charland	<i>Claims Adjuster</i>	Pam Kish	<i>Claims Adjuster</i>
Christy Berard	<i>Claims Adjuster</i>	Joellen Demers	<i>Claims Assistant</i>
Leah McGinley	<i>Claims Assistant</i>	David Pickel	<i>Manager of Risk Services</i>
Ben Prevost	<i>Risk Management Consultant</i>	Heidi Joyce	<i>Risk Management Consultant</i>
Lorie Whittemore	<i>Underwriting Coordinator</i>	Lisa Locke	<i>Administrative Assistant</i>





The School Management Resource Center (SMRC) was established in 1998 to further VSBIT's non-profit mission to support all Vermont public schools regardless of membership in the VSBIT Multi-Line or Unemployment Insurance Programs. We continue to explore areas where our risk management expertise and assistance can make a meaningful difference in our schools.

Some of the ways the SMRC supports Vermont public schools include:

- VSBIT partnered with the International Facility Management Association (IFMA) to offer their Essentials in Facility Management education program to include the Facility Management Professional (FMP) certification course. VSBIT also partnered with ISSA to offer CMI Certified Custodial Technician training (the front line cleaning certification). VSBIT has also been collaborating with the Vermont Superintendents Association (VSA) and their Supporting School Facilities Personnel Pilot Program. The VSA pilot program involves coordinating the Vermont School Custodial & Maintenance Conference, hosting networking and training sessions, as well as public policy engagement to ensure the legislature is aware of the issues facing Vermont schools from a facilities perspective.
- VSBIT worked with Chris Hodges from FEA to deliver workshops to Vermont Schools on Pre-Occupancy Planning.
- VSBIT Risk Management team delivered monthly webinars on subjects including Playground Safety, Preventing Slips, Trips, and Falls, School Cleaning Programs, Electrical Safety, Benefits of Thermal Imaging, Fire Prevention and Life Safety, and more.
- VSBIT developed risk management toolkits to help reduce the risk of liability losses in the area of school board legal and employment practices including:
 - A Title IX toolkit was developed by legal counsel that provides schools guidance in how to implement the new grievance procedures that were put into effect by the federal government. The toolkit provides a model policy, general process forms, and tools for each of the four roles in the process.
 - The HHB toolkit was revamped with new resources and tools for the investigator, designated employee, building administrator as well as a new module specific to school staff/employees. Updates to the school board and superintendent sections are expected to be completed by the end of March 2021.

- VSBIT-U provided eight training sessions in FY21, all of which were held remotely. There were four on Title IX and four regarding Hazing, Harassment and Bullying (HHB). The trainings were conducted by Heather and Pietro Lynn of Lynn, Lynn, Blackman & Maninski.
 - The Title IX sessions were attended by more than 450 people in total. The sessions provided training for the New Title IX Regulations for schools, including defining sexual harassment, intake & assessment, the grievance process and post grievance process.
 - The HHB sessions were attended by more than 500 people and the content was an in-depth treatment of policy definitions, the process for responding to information of potential HHB violations, and investigations to determine policy violations.

VSBIT-U is a valuable resource and is heavily relied upon by both members and non-members alike for annual HHB and Title IX training. In FY22 there will be additional topic covered as well as these perennial favorites.

VSBIT is pleased to provide the above training resources and more via the School Management Resource Center (SMRC) in support of our school communities state-wide.

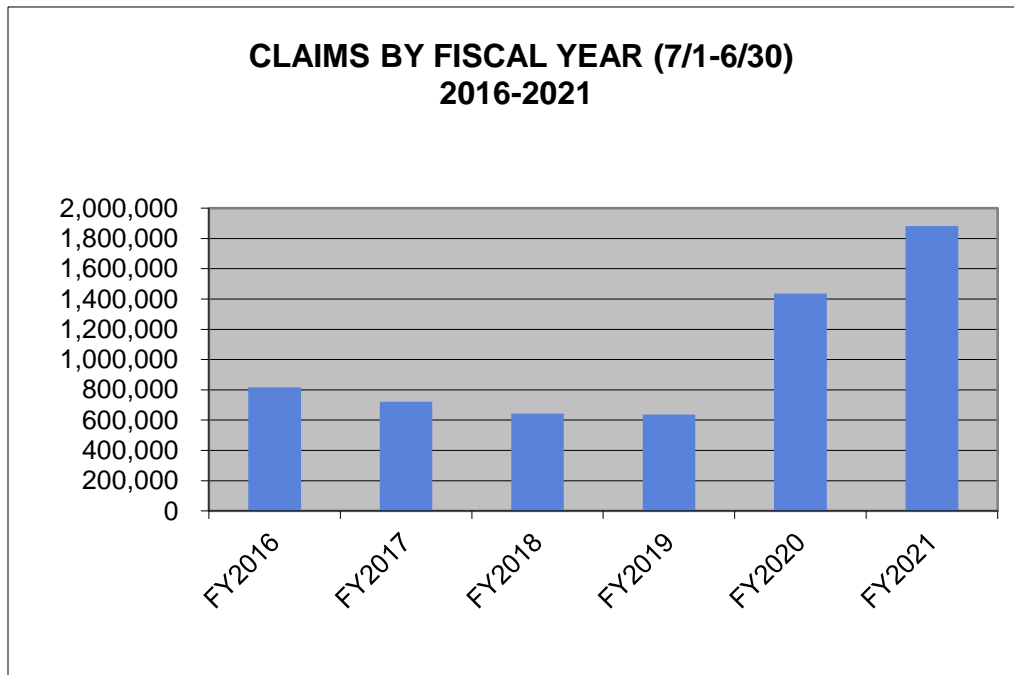


Unemployment Program Summary

The VSBIT Unemployment Program began as the initial program of the Trust in 1978 with 61 districts participating and has since grown to 106 members in 2020-2021. VSBIT member districts are considered reimbursable employers to the state, responsible for paying the cost of actual claims each quarter. VSBIT makes these payments on members' behalf, using member contribution dollars. This allows VSBIT member districts to have the advantages of both paying actual claims costs and a predictable contribution rate. VSBIT engages a TPA, Equifax, to support employers in verifying claims and protesting claims when appropriate.

The Vermont Department of Labor experienced overwhelming demand for unemployment benefits in FY20 which continued to increase in FY21 due to the COVID-19 pandemic. For FY21 alone they paid out over \$3.9 million to claimants charged against VSBIT member school districts. Fortunately, the Federal Cares Act provided 50% relief for the July-March charges and 75% relief for April-June. However even after the relief, total FY 21 claims paid were still over \$1.8 million as compared to \$1.4 million in FY 20. FY21 was the highest claims year in the history of VSBIT.

VSBIT did not change its rate structure in 2020-2021. Rates range from .05-1.06% plus a high risk adjustment factor for those districts that had paid claims in excess of \$1,000 above their contribution over a three year period. VSBIT rates continue to compare favorably to the State rates, which range from 1.1% - 7.7%. VSBIT continues to apply its rates to the first \$8,000 in wages per employee while the State now taxes the first \$14,100.





The VSBIT Multi-Line Program provides comprehensive coverage, risk management programs and services (training, inspections, consultation, grants, etc.) and related support to over ninety percent of Vermont K-12 public schools.

Fiscal year 2021 was another challenging period for our members dealing with the ever-changing nature of the pandemic situation that has consumed much of our collective time and energy. VSBIT has stood by our members and worked side by side with other organizations such as the VSBA, VSA, VPA and legal service partners to provide assistance and guidance as appropriate. The membership took full advantage of complimentary legal advice via the HR Help Button that can be found under the Multi-line tab on the VSBIT website.

Highlights of member benefits provided in FY21 include:

- VSBIT utilized \$200,000 of Multi-Line net position to stabilize FY21 renewal rates thereby keeping rates the same as FY20.
- VSBIT reviewed and approved 59 grant requests totaling over \$240,000.00. Members utilized grants to address HR, Training, Legal, Safety, Security, Playground and Ergonomics risk factors outlined in onsite inspections and audits conducted by Multi-Line Risk Management Consultants.
- Multi-Line provided approximately \$75,000 in loss control services including legal consultations, trainings, developing member resources and more.
- 377 questions submitted via the HR Help Button and answered by consulting attorneys.
- Pre-review of numerous contracts for construction, leases, vendor agreements and more.
- VSBIT initiated Phase 1 of a pilot program for temperature and water sensors in over 25 member schools. The program was initiated after reviewing 5 years of data that showed the Multi-Line Program spent over \$3.3 million in water damage claims. Almost 70% of that was due to burst, leaking, and frozen pipes. This program has already proven itself with just one instance of avoiding a major water damage claim.
- VSBIT fully funded the Ice Alert Program to help prevent slips/trips/falls on a snowy and/or icy surface. Injuries from slips, trips, and falls remain our #1 cause of Workers Compensation claims. In 2017 VSBIT initiated the Ice Alert pilot program at 10 schools. Due to the success of the pilot program, Ice Alerts are currently being used at over 150 schools, or more than 50% of all the schools in the Multi-Line Program.
- VSBIT's FEDP (Facility Education and Development Program) facilitates best practices risk management training for school facility management, custodial and janitorial personnel. VSBIT has partnered with IFMA (International Facility Management Association), and ISSA (International Sanitary Supply

Association) to offer discounted professional development training programs for school staff to obtain certification by these organizations. These programs are eligible for VSBIT's school management training grant.

- VSBIT launched a workers compensation Targeted Risk Management and Safety Culture Initiative this year. The program involves reaching out to individual SU/SD's to review their WC claims data over the past 5 years, and to discuss what initiatives they have in place to help decrease worker compensation claims. New recommendations, resources and training are giving with respect to creating a sustained safety culture. In most cases the first step involves creating and/or reenergizing a Safety Committee at the SU/SD level.

The VSBIT Multi-Line Program is a shining example of Vermont public schools banding together for their mutual benefit as an intermunicipal Insurance Association authorized in statute by the VT Legislature and overseen by the Department of Financial Regulation. As a non-profit member owned and governed self-insured risk pool we continue to prove that there is strength in unity. With broad based coverages designed for Vermont schools, aggressive claims management, and proactive risk management solutions we are here to work for you, our members.



VERMONT SCHOOL BOARDS INSURANCE TRUST, INC.

COMBINING STATEMENT OF NET POSITION

FOR THE YEAR ENDED JUNE 30, 2021

	Unemployment Insurance	Multi-Line	General Reserve	Unemployment Reserve	Multi-Line Reserve	General Operating	Total
Assets:							
Cash	\$ 42,807	\$ 2,529,812	\$ 316,421	\$ 0	\$ 0	\$ 168,302	\$ 3,057,342
Investments	0	28,923,491	34,884,184	4,091,035	4,550,172	0	72,448,882
Contribution Receivable	5,105	229,000	0	0	0	0	234,105
Other Receivables	8,541	76,600	164,869	0	0	37,773	287,783
Prepaid Expenses	0	3,822,325	0	0	0	52,783	3,875,108
Property, Plant and Equipment-Net of \$764,284 Accumulated Depreciation	0	0	0	0	0	3,121,834	3,121,834
Total Assets	56,453	35,581,228	35,365,474	4,091,035	4,550,172	3,380,692	83,025,054
Liabilities:							
Accounts Payable	0	82,923	16,518	0	0	19,542	118,983
Accrued Payroll and Payroll Taxes	0	0	0	0	0	188,570	188,570
Claims Payable	80,155	0	0	0	0	0	80,155
Claims to be Paid	0	6,069,251	0	0	0	0	6,069,251
Anticipated Claims not Reported	0	4,158,000	0	0	0	0	4,158,000
Bonds Payable	0	0	0	0	0	1,362,020	1,362,020
Other Liabilities	150,000	129,023	3,326	0	0	50,745	333,094
Reserve for Unallocated Loss Adjustment Expenses	0	1,741,000	0	0	0	0	1,741,000
Total Liabilities	230,155	12,180,197	19,844	0	0	1,620,877	14,051,073
Net Position	(173,702)	23,401,031	35,345,630	4,091,035	4,550,172	1,759,815	68,973,981
TOTAL LIABILITIES AND NET POSITION	56,453	35,581,228	35,365,474	4,091,035	4,550,172	3,380,692	83,025,054



VERMONT SCHOOL BOARDS INSURANCE TRUST, INC.
 COMBINING STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET POSITION
 FOR THE YEAR ENDED JUNE 30, 2021

	Unemployment Insurance	Multi-Line	General Reserve	Unemployment Reserve	Multi-Line Reserve	General Operating	Total
Revenue:							
Program Contributions	\$ 740,043	\$ 13,174,575	\$ 0	\$ 0	\$ 0	\$ 0	\$ 13,914,618
Other Income	1	4,418	52,400	0	0	2,500	59,318
Investment Income - Interest and Dividends	1,019	422,748	881,530	102,585	131,373	218	1,539,473
Investment Income/(Loss) - Other	0	1,542,257	6,540,638	652,662	(112,828)	0	8,622,729
Total Revenue	741,063	15,143,998	7,474,568	755,247	18,545	2,718	24,136,138
Expenses:							
Net Change in Claims Paid and Reserved	1,906,500	5,613,951	0	0	0	0	7,520,451
Reinsurance Premiums	0	3,059,772	0	0	0	0	3,059,772
Administration Fees to Outside Administrator	38,619	823,465	0	0	0	0	862,084
Other Program Expenses	6,272	1,133,462	13,656	0	0	0	1,153,390
General and Administrative Expenses	75,292	1,123,269	517,578	0	0	2,500	1,718,639
School Management Resource Center Expenses	0	0	321,700	0	0	0	321,700
Total Expenses	2,026,683	11,753,919	852,934	0	0	2,500	14,636,036
Net Income/(Loss)	(1,285,620)	3,390,079	6,621,634	755,247	18,545	218	9,500,103
Distributions to Members	0	0	0	0	0	0	0
Net Income/(Loss) After Distributions	(1,285,620)	3,390,079	6,621,634	755,247	18,545	218	9,500,103
Transfers:							
Transfers In/(Out)	0	0	(26,048)	0	(131,373)	157,421	0
Total Transfers	0	0	(26,048)	0	(131,373)	157,421	0
Change in Net Position	(1,285,620)	3,390,079	6,595,586	755,247	(112,828)	157,639	9,500,103
Net Position - July 1, 2020	1,111,918	20,010,952	28,750,044	3,335,788	4,663,000	1,602,176	59,473,878
Net Position - June 30, 2021	\$ (173,702)	23,401,031	35,345,630	4,091,035	4,550,172	1,759,815	\$ 68,973,981

Our Mission

VSBIT serves Vermont schools by assisting members in the area of risk management to protect and conserve educational resources.

Our Vision

Driven by a commitment to respond to the needs of Vermont schools, and guided by our values, we shall offer cost effective and innovative risk management services to member organizations in areas where our presence in the market place can make a meaningful difference.

Our Values

In conducting ourselves individually and collectively, we will be:

- **Trustworthy**
- **Caring and Respectful**
- **Innovative and Collaborative**
- **Fiscally Responsible**



Visit us online at:

www.vsb.it.org

Art work by: Ashley Johnson, Wellness Program Coordinator