MEMORANDUM

Date September 27, 2024

TO: VLCT PACIF Member Municipality

FROM: VLCT PACIF Underwriting Division

**RE: 2025 PACIF Renewal – Updates and Values Collection Overview**

Dear PACIF Primary Contact:

In support of the 2025 PACIF renewal, this memo briefly summarizes changes that you’ll see as you complete the 2025 values collection process, using Origami, our new policy system. As a new process, we understand that there may be a learning curve for some members. With that in mind, within the values collection questions and on some of the pages, there are help text links which will provide you with guidance on how to respond to a given question or complete a section. Additionally, the various pages you’ll see are listed below, along with brief descriptions to provide you with some insight into what you’ll see once you open the values collection link. *Note that this memo may be helpful to you as you complete the values collection process, so you may wish to print it out as a reference.*

The new renewal process includes some enhancements, such as a more user-friendly interface, the ability to save work in progress and return to it at a later date, and also the ability to edit completed work up until the point that all pages have been completed. **As always, you’re encouraged to contact the underwriting team if you have questions or encounter any problems.**

**All Members, except Solid Waste Districts**

**Other Entities**

You will be asked whether your municipal coverage includes coverage for other entities, such as libraries, rescue, fire, or friends of these entities. You may need to gather information about these other entities if you do provide coverage for them. Please provide full names for these entities.

**First Responders**

You will be asked to answer a number of questions about first responders that fall under your coverage with PACIF. This information is used in general liability rating, so please answer the questions thoughtfully. Make note that for certified law enforcement personnel, we are looking for your estimate of *total hours worked – rather than payroll* for this section*.* You should be able to estimate this from existing payroll reports. Payroll will still be required for your Worker’s Compensation coverage through the payroll schedule included in a separate values collection page.

**Payroll**

We have provided you with the Current Estimated Payroll and the PACIF Estimated Payroll for 2025 which reflects a 3.4% increase over the 2023 audited payroll. If you agree with the PACIF Estimated Payroll in a class, you do not need to do anything. If you do not agree with the PACIF Estimated Payroll, you will need to provide your payroll estimate for the 2025 policy (calendar) year. That information should be entered into the Member Estimated Payroll field. If you have a new class code that needs to be added because of a new department or personnel change, new payroll can be added by clicking on the +New Payroll link. As a reminder, the minimum payroll for Animal Control Officers (ACO), Constables, Tree Wardens and Firefighters is $275 per individual. The minimum payroll for Ambulance is $300 per individual.

**Libraries**

There is a specific page related to libraries to help confirm whether your local libraries are or should be covered under your PACIF coverage and whether they are independent entities or a municipal library. If there is a library within your municipality please answer carefully and keep in mind the various key coverages to consider such as Worker’s Compensation, Property & General Liability, Employment Practices Liability, Public Official’s Liability and Crime/Fidelity Coverage. If there are questions regarding what coverages might apply and how, please contact your Underwriting Team to discuss.

**Exposures**

There are some questions that require the selection of coverage limits. These include limits for Data Processing System Equipment (DPSE), Portable Equipment (PE), and Uninsured/Underinsured Motorist Bodily Injury Liability (UM/UIM). To complete the first two, you may need to consult with others to estimate the value of Data Processing System Equipment and Portable Equipment the municipality owns or is required to provide coverage for. The UM/UIM coverage limit choice may come at an additional cost depending on the limit selected and number of vehicles. Help text links on the values collection page are provided to help you select limits that are appropriate for your municipality.

**Crime**

Crime questions remain the same as prior years to confirm what crime controls your municipality currently has in place. These questions will help determine whether your municipality will qualify for a preferred Crime rate.

**Employees**

Employee questions remain the same concerning headcounts of employees, elected officials, and volunteers.

**Vehicles, Property and sUAS (drone) Schedules**

These “grids” will be listed on separate pages, where you’ll be prompted to review your vehicle schedule, property schedule and sUAS (drone) schedule. Full vehicle, property and sUAS schedules may be downloaded and exported in various formats to suit your needs (PDF, Excel or Word). You’ll be presented with a grid that contains the currently scheduled items. Please verify that all information is correct, including the addresses. Follow the directions on the page if you need to remove scheduled items from the renewal. If you also need to request removal of an item on the current term, you will see that option after you click Yes to “Remove from Renewal”.

With regard to sUAS, you will be presented with a small unmanned aircraft system (sUAS) schedule/grid. If you don’t have any drones, a blank grid will appear. If you do have one that is not on the grid, click on the new sUAS link to add it and complete the required information. Note that adding a sUAS to coverage is subject to underwriting acceptance. If you wish to remove one from the renewal, follow the same procedure used to delete coverage for a scheduled vehicle or property.

**Dams**

You will need to review the Dams schedule for accuracy if any appear in the grid. If no dams are listed, you do not currently have downstream liability coverage. To add a dam, please contact underwriting. Dams must be pre-approved following review of certain aspects of the dam including the most recent state inspection.

**Solid Waste Districts (SWDs)**

**SWD Operations**

SWDs will be presented with questions about various hazardous waste activities, solid waste, and oil collection. For the first time, we are asking about the population served by the SWD. Please use your best estimate for this value.

**SWD Payroll**

We have provided you with the Current Estimated Payroll and the PACIF Estimated Payroll for 2025 which reflects a 3.4% increase over the 2023 audited payroll. If you agree with the PACIF Estimated Payroll in a class, you do not need to do anything. If you do not agree with the PACIF Estimated Payroll, you will need to provide your payroll estimate for the 2025 policy (calendar) year. That information should be entered into the Member Estimated Payroll field. If you have a new class code that needs to be added because of a new department or personnel change, new payroll can be added by clicking on the +New Payroll link.

**SWD Property and SWD Employees**

There are some questions that require the selection of coverage limits. These include limits for Data Processing System Equipment (DPSE), Portable Equipment (PE), and Uninsured/Underinsured Motorist Bodily Injury Liability (UM/UIM). To complete the first two, you may need to consult with others to estimate the value of Data Processing System Equipment and Portable Equipment the municipality owns or is required to provide coverage for. The UM/UIM coverage limit choice may come at an additional cost depending on the limit selected and number of vehicles. Help text links on the values collection page are provided to help you select limits that are appropriate for your municipality

**SWD Vehicles and Property Schedules**

Each of these schedules or “grids” will be listed on separate pages, where you’ll be prompted to review your current vehicle and property schedule. Full vehicle and property schedules may be downloaded and exported in various formats to suit your needs (PDF, Excel or Word). You’ll be presented with a grid that contains the currently scheduled items. For both vehicles and property, please verify that all information is correct, including the addresses. Follow the directions on the page to remove scheduled vehicles or property from the renewal. If you also need to request removal of an item on the current term, you will see that option after you click Yes to “Remove from Renewal”.

**Other Important Considerations**

* During the course of this year, we’ve received a number of claims for buildings and other property that **were inadvertently not listed on the property schedule**. Because of this, we urge members to ***carefully review their property schedule*** to make sure that all buildings, covered bridges, radio towers and related equipment, and other items are scheduled as required. If you have questions about whether something should be scheduled, please contact a member of the underwriting team at underwriting@vlct.org.
* If you have covered bridges or pedestrian footbridges, consider having them appraised. We are finding that members who have a loss to a covered bridge generally have them scheduled well below their reconstruction value. This is important because these structures are only covered using Agreed Value, so the most the member will receive is the scheduled value. Please contact a member of the underwriting team to discuss this further and obtain contact information for a qualified appraisal firm.
* Valuation Type – Please note that Guaranteed Replacement Cost (GRC) is the default valuation for most types of property unless you have a building that has been vacant for 60 consecutive days, then the valuation type must be Actual Cash Value (ACV). If you would like to discuss other *Property Valuation Options*, please call Underwriting. Note that within the renewal email notification, there is a link that describes property valuation types.
* If a property appraisal was completed in 2024, that value will be used as the 2025 scheduled value. Otherwise, property values have been adjusted using a 4% inflation factor to keep values aligned with the rising costs of reconstruction. It is important to understand that values used on the property schedule reflect the cost of reconstruction and therefore will generally be higher than grand list or “market” values.

**60 DAY NOTICE**

* VLCT PACIF is a member-owned organization, and our Bylaws and Member Agreements govern the terms and conditions of membership. The bylaws state that members are required to provide a 60-day written notice of their intent to withdraw from the Fund and, further, that members can only withdraw at the end of a coverage period. Therefore, members intending to go out to bid or withdraw from the Fund must notify PACIF in writing via email or by letter, postmarked by November 1, 2024.

Please complete the renewal values collection process **as soon as possible, but no later than October 18, 2024.** If you have any questions or need assistance in completing the application, contact Suzie Benoit, Kelly Knotek or Vicky Abare in our underwriting department at 800-649-7915 or email us at underwriting@vlct.org.