

**MINUTES OF THE VLCT PROPERTY AND CASUALTY INTERMUNICIPAL FUND,
INC. BOARD OF DIRECTORS MEETING
VLCT OFFICE, MONTPELIER, VT and VIA ZOOM
FRIDAY, NOVEMBER 7, 2025**

Directors Present: Aaron Frank, Bryan Young, Kelly Murphy, Todd Odit (remote), Erik Wells, Karen Barber, Rene Bouchard, Charles Safford, Rob Gaiotti (remote) and Nicolas Storrellicastro

Staff Present: Phil Latvis, Seth Abbene, Kelly Knotek, Jill George (remote), Ted Brady, Phil Woodward and Kelley Avery

Others Present: Betsy Bishop (B2.0 Consulting – remote) and Samantha Dunn (All at Once , LLC – remote)

President Frank called the meeting to order at 10:02 a.m. He welcomed new board members to the meeting and asked all present to introduce themselves. President Frank asked for a motion to approve the agenda.

Upon motion (Storrellicastro/Safford), duly adopted, the board voted unanimously to approve the meeting agenda as presented.

President Frank asked for a motion to approve the consent agenda.

Upon motion (Murphy/Storrellicastro), duly adopted, the board voted unanimously to approve the consent agenda.

Phil Latvis provided a brief organizational update, including the following:

- Mr. Latvis attended and spoke at a climate discussion group at the University of Pennsylvania regarding flood risks and challenges our members face.
- Mr. Latvis, along with other VLCT staff Jessi Hill, Zander Yensan, Joann Gosselin and Susan Rowell, attended the NLC RISC Staff Conference October 26 – 29 in Annapolis, MD.
- Staff submitted the preliminary 2026 PACIF rate and reinsurance filing to the Department of Financial Regulation (DFR).
- The launch of Origami Claims is delayed due to continued work on the Policy system. Staff is working with the Origami team on a revised implementation schedule for 2026.

Mr. Latvis and Kelly Knotek provided a brief update on the 2026 renewals to the board. PACIF renewal questionnaires were mailed out to members at the end of October, and staff have begun working on value collections. The undertaking has been a collaborative effort between Underwriting, IT and Finance department staff. The collection process is much easier and faster now in the new system, which should be a welcome change for members. Mr. Latvis noted the challenges with the Origami Policy system this year necessitated a delay in implementing the Origami Claims system from January 1st to a target date for July 1st of next year.

Mr. Lavis reviewed the updated PACIF Reinsurance structure for 2026. The overall increase in reinsurance costs for 2026 has reduced from what was reported at the October 7th meeting. Since

the October meeting, MunichRe is now confirmed as an additional carrier on the first layer of Property reinsurance and will participate with NLC Mutual with NLC taking 85% and MunichRe taking 15% on a quota share. This combination reduced the property rate on this layer and lowered the premiums. In addition, staff recommends continuing with the current carrier, Beazley, for another year on Cyber coverage. Staff will explore alternative options for the Cyber coverage with our reinsurance broker for the 2027 program year. Mr. Latvis requested the board approve the updated 2026 PACIF reinsurance structure.

Upon motion (Young/Wells), duly adopted, the board voted unanimously to approve the updated 2026 PACIF Reinsurance Structure as presented.

Mr. Latvis briefly reviewed the Conflict of Interest Policy with the board. This policy is reviewed with the board on an annual basis. The board is also required to submit Conflict of Interest forms annually as well in accordance with DFR mandates and based on Article 4.21 of the PACIF Bylaws. Director of Operations Jessi Hill will be sending the Conflict of Interest form via DocuSign for execution to board members soon, and Mr. Latvis urged the board members to please sign and return these forms promptly.

Under board governance, President Frank noted Dave Atherton served as the board's Secretary/Treasurer, and with his passing this position is now vacant. President Frank noted he is open to nominations from the board. Director Wells noted his willingness to serve in this capacity.

Upon motion (Safford/Storellicastro), duly adopted, the board voted unanimously to appoint Erik Wells as Secretary/Treasurer to the PACIF board.

Executive Director Ted Brady updated the board on the activities of the VLCT Building Committee. President Frank now serves on this committee and thought it prudent to update the board on these activities. Mr. Brady provided the board with the brief history and background of VLCT's various office locations in Montpelier and costs, including lease situations, leading up to the current location at 89 Main Street. The Building Committee started its work a few years ago to begin assessing potential alternative locations, and Mr. Brady outlined and detailed the steps and actions taken over the past few years to get to this point.

Recent work with consultant Betsy Bishop of B2.0 Consulting arrived at the concept of forming an Association Hub, a space which would be shared with other similar state association entities. The idea behind this concept is not only in sharing space but also collaboration by sharing resources, knowledge, potentially sharing staff and also possibly gaining revenue opportunities and potential cost savings. Mr. Brady highlighted various office locations being considered for such a space and potential costs associated with each. Betsy Bishop joined this meeting remotely, along with Samantha Dunn, development consultant from All at Once, LLC. Both Ms. Bishop and Ms. Dunn answered various questions from the board regarding the viability of the project and the various locations currently under consideration. Both Ms. Bishop and Ms. Dunn left the meeting after there were no further questions from the board.

PACIF General Counsel, Phil Woodward, recommended the board enter into Executive Session to discuss prospective real estate negotiations.

President Frank moved to enter into Executive Session, pursuant to 1 V.S.A. §313(a)(1)(a), for the purposes of discussing contracts, as premature general public knowledge may place PACIF at a substantial competitive disadvantage. General counsel advised this purpose for potential real estate negotiations was a better fit under 1 V.S.A. §313(a)(2). President Frank moved to amend the motion as recommended by general counsel. The motion as amended was seconded by Director Storrellicastro, and the board entered into Executive Session (11:38 a.m.).

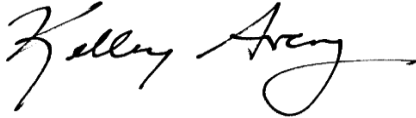
All staff left the meeting, and the meeting recording was paused. Staff was invited back into the Executive Session at 12:04 for further discussions with the board.

Upon motion (Safford/Wells), duly adopted, the board voted unanimously to leave Executive Session (12:13 p.m.).

There was no other business.

Upon motion (Safford/Storrellicastro) duly adopted, the board voted unanimously to adjourn the meeting (12:14 p.m.).

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Kelley Avery", with a stylized flourish at the end.

Kelley Avery,
Assistant Secretary

Link to Meeting Recording:

https://us06web.zoom.us/rec/share/x-jp9OMgRJ3Si4K4p-RpYo0ikPX4zHLlwIEi3N7nYeRHACFI_T5JK9HVQXD5faWV.-y4WjuwjCmBTuCR_?startTime=1762527669000