

**Testimony of Vermont School Boards Insurance Trust (VSBIT)
from Ken Canning, VSBIT Multi-Line Program Manager
Senate Education Committee – April 6, 2022**

VSBIT is an intermunicipal insurance association, owned and governed by its members. Currently, over 90% of Vermont preK-12 public schools are members of VSBIT. For over thirty-five years, VSBIT has served Vermont school districts by offering cost effective and innovative risk management services. The Multi-Line Program offers schools comprehensive property & casualty coverage, effective claims management, and proactive risk management solutions. The School Management Resource Center (SMRC) offers support for physical plant management, human resources and policy development. The Unemployment Program allows member schools a way to smooth out rates and allow for more predictable budgeting.

Today, most school supervisory unions/districts (SU/SD) satisfy the statutory bond requirement by purchasing crime coverage. Modern crime coverage policies include, among other coverages, the following two key coverages relevant to this discussion:

- Employee Theft
- Faithful Performance

Employee Theft coverage would pay the insured SU/SD for losses caused by theft or forgery committed by an employee (incl. treasurer, tax collector or other public official) whether identified or not, acting alone or in collusion with other persons.

Faithful Performance coverage would pay the insured SU/SD for losses caused by the failure of any employee (incl. treasurer, tax collector or other public official) to faithfully perform their duties as prescribed by law.

In the past, bonds were required to ensure the faithful performance of certain employees and public officials. Although bonds are still available, today it is far more common for entities to purchase crime coverage.

We believe it is appropriate to modernize Vermont statute to match current practice, and allow SU/SD's the option to purchase of crime coverage in lieu of a bond, if desired. We are not asking for bonding to be removed as an option, only that the statutes be amended to include the additional option of purchasing crime coverage.