



May 23, 2017

Michael Marcotte, Chair  
Coventry Town  
PO Box 104  
Coventry VT 05825

RE: Member: Coventry Town  
Claim #: 20161198-P01  
Date of Loss: 12/16/2016  
Crime & Fidelity Coverage

Dear Mr. Marcotte and other Members of the Board:


Based on documentation submitted by the Town including a forensic report by a certified public accountant, we determined coverage applies under Faithful Performance.

Enclosed is a Sworn Statement of Proof of Loss in the amount of 499,000.00 less the Town's \$1,000.00 deductible. with regards to the December 16, 2016 claim submitted under the Crime and Fidelity Coverage.

The Sworn Statement of Proof of Loss requires a signature from an authorized representative of the Town of Coventry along with a Notary Public.

Should you have questions regarding the enclosed material, please let me know.

Sincerely,

  
Kelly Kindestin  
Manager, Property & Casualty Claims

*Sponsor of:*

VLCT Employment  
Resource and Benefits  
Trust, Inc.

VLCT Municipal  
Assistance Center

VLCT Property and  
Casualty Intermunicipal  
Fund, Inc.

*Serving and Strengthening Vermont Local Governments*

**SWORN STATEMENT IN PROOF OF LOSS (PROPERTY)**  
**VLCT – PROPERTY AND CASUALTY INTERMUNICIPAL FUND, INC**  
89 Main Street, Suite 4  
Montpelier VT 05602-2948

Member: Coventry Town

PACIF Claim No: 20161198-P01

To the Coventry Town of Orleans County

At the time of loss, by the above indicated PACIF coverage document insured Coventry Town

against loss by Faithful Performance to the coverage described under Section IV Page 76 b. according to the terms and conditions of the PACIF coverage document and all forms, endorsements, transfers and assignments attached thereto.

1. **Time and Origin:** A Faithful Performance loss was reported on or about about 12/16/2016.

The cause and origin of the loss were: Faithful Performance

2. **Changes:** Since the said PACIF coverage document was issued there has been no assignment thereof, or change of interest, use, occupancy, possession, location or exposure of the property described except:

3. The Whole Loss and Damage was	<u>\$876,383.76</u>
4. The Limit of Coverage	<u>\$500,000.00</u>
5. Less Amount of Deductible	<u>\$1,000.00</u>
6. The Amount Claimed under the above PACIF coverage document is	<u>\$499,000.00</u>

The said loss did not originate by any act, design or procurement on the part of the Member, or this affiant; nothing has been done by or with the consent of your Member or this affiant, to violate the conditions of the PACIF coverage document, or render it void; no articles are mentioned herein or in annexed schedules but such as were destroyed or damaged at the time of said loss; no property saved has in any manner been concealed, and no attempt to deceive the said company, as to the extent of said loss, has in any manner been made. Any other information that may be required will be furnished and considered a part of this proof.

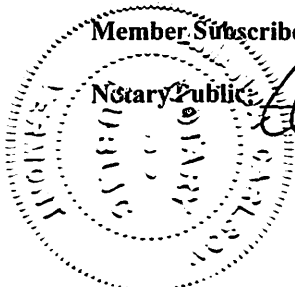
The furnishing of this blank or the preparation of proofs by a representative of VLCT Property and Intermunicipal Fund, Inc is not a waiver of any of its rights.

Signature: [Handwritten Signature]

State of: Vermont County of: Orleans

Member Subscribed and sworn to before me this 24 day of May 2017

Notary Public: [Handwritten Signature] Date Commission Expires: 2/10/19





*Serving and  
Strengthening  
Vermont Local  
Governments*

May 23, 2017

Michael Marcotte, Chair  
Coventry Selectboard  
168 Main Street  
Coventry, VT 05825

Re: Employee Theft and Faithful Performance Coverage for the Town  
Clerk/Treasurer

Dear Mr. Marcotte and other Members of the Board:

This is to acknowledge receipt of the Report of certified public accountant Jeff Graham. The Report contains the Accountant's findings as to the cash handling practices of the Town Treasurer.

As part of its coverage program VLCT PACIF provides Crime and Fidelity coverage to the Town of Coventry. This begins at Page 77 of the 2017 PACIF Coverage Document and is provided on a claims made basis.

Under Condition 3(d) at Page 86 the Town's Faithful Performance Coverage is deemed cancelled as to any Employee or Official immediately upon discovery of any act committed which constitutes a covered loss under Agreement H (which as defined at Page 77 pertains both to the Employee Theft and Faithful Performance elements of coverage). Given the evidence that Ms. Diaz failed to faithfully perform her duties as prescribed by law, the Faithful Performance coverage is also deemed cancelled as it pertains to her.

If facts of the matter change, such that it is deemed to involve Employee Theft under VLCT PACIF Crime and Fidelity coverage, then an additional coverage cancellation letter will be issued at that time.

Very truly yours,

Frederick J. Satink  
Manager of Underwriting, Safety & Health Promotion

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Trust, Inc.

VLCT Municipal  
Assistance Center

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Casualty Intermunicipal  
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