

Insurance Times: Vermont Mutual ends up where it started more than 170 years ago
November 13, 2001, Vol. XX No. 23

The Regional Property/Casualty Insurer Has Been Around Since 1828, Aligning Itself With Independent Agents and New Englanders

by Penny Williams
InsuranceTimes

MONTPELIER, VT — "The con is raising capital. The pro is that being a mutual provides the opportunity for the long view as opposed to the quarterly view," explains the chief executive officer of one of the region's leading mutual insurers.

Having been around since 1828, Vermont Mutual knows about taking the long view. This long view has always encompassed selling through independent agents, emphasizing service improvements, and building a strong regional presence, according to president and CEO Tom Tierney.

"We are trying to concentrate on our commitment to our agents and to our policyholders to make things more expeditious and more available," Tierney said. "We want to close the turnaround time in responding to them both. It's a matter of service - service - service.

"Our commitment to the Independent Agency distribution system is stronger than ever. From every poll and survey that I read, I see that what people want is to deal locally with someone they can trust. The independent agent is, to borrow a phrase coined by State Farm, a 'good neighbor.'"

Among Seven Oldest

Vermont Mutual Insurance Co. was chartered in 1828, making it one of the seven oldest active mutual insurance companies in the country. It provides property and casualty insurance through independent agents and is currently operating in seven states: Connecticut, Maine, Massachusetts, New Hampshire, New York, Rhode Island and Vermont. The company is part of the Vermont Mutual Insurance Group which also includes Northern Security Insurance Co., Inc., chartered in 1904. This wholly-owned subsidiary of the Vermont Mutual is used to provide additional products for independent agents in the Maine, Massachusetts, New Hampshire, New York and Vermont.

Others in Group

The group also includes Granite Mutual Insurance Co., which was chartered in 1906 and joined the group in 1995. It is licensed to do business in the New Hampshire and Vermont and operates through independent agents.

Finally, through its own Baldwin Agency, the insurer offers products in partnership with specialized insurance carriers, such as workers compensation insurance written through Kemper.

About 65 percent of the company's business is personal lines and 35 percent is commercial lines.

Its continued emphasis on the same values has in some ways landed Vermont Mutual back where it started.

Vermont Mutual's first home was a very modest clapboard building that also served as the law office of the first secretary, Joshua Vail. Set to the rear of his residence, this small wooden building actually stood on the land where the insurer's present home office, a Federal-style brick building that it bought in 1954, is located.