

1. EPM

Maria Vergho, Miami Brokerage

2. Reta

Bob Burnett, Gallagher Benefit Services, San Francisco

3. EQ Risk Sharing California Dioceses

Jim Buckley, San Francisco Brokerage

4. BPIC

Sheryl Anderson, CPCU, ARM, Artex Risk Solutions

5. Western Catholic Insurance Company

Dennis O'Hara, San Francisco Brokerage



Benefits to Small vs. Large Diocese

- ❖ Small diocese benefits by purchasing at the discounts offered to the larger one.
- ❖ The large diocese benefits by increasing the spread of risk.
- ❖ Both benefit equally from the cash flow generated by deploying a larger retention.



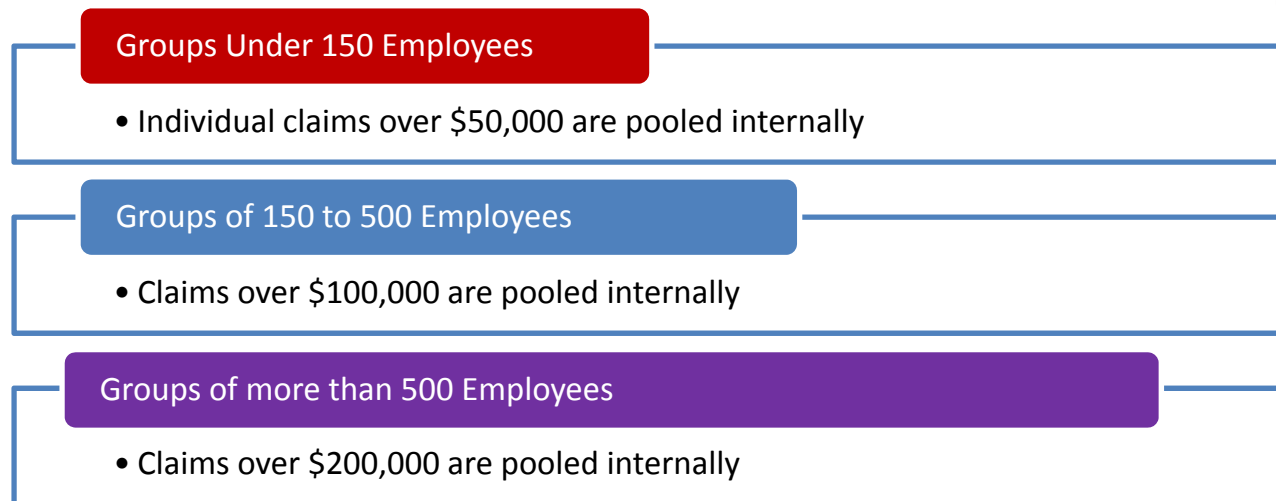
Features of the EPM Model

- ❖ Governance - One diocese, one vote *.
- ❖ Each member has the option of having different SIR's.
- ❖ Each Diocese maintains control over her portion of the retained losses.
- ❖ Each Diocese gets to hold on to her Loss Fund money until claims are paid vs. transferring those dollars to an insurance company.
- ❖ Everyone agrees to the same TPA, Property Appraisal system and Loss Control method/Service.

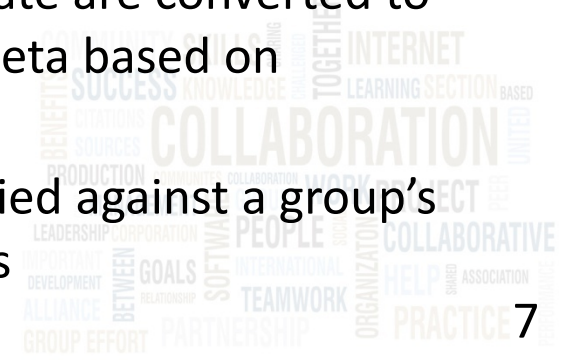


Reta's Approach to Catastrophic Claim Pooling

- Trustor pooling varies by size of an organization:



- Claims over \$500,000 are covered by external stop loss insurance
- All projected internal pooled claim dollars in aggregate are converted to a per employee pooling charge and applied across Reta based on enrollment during the year
- Only claims up to the variable pooling level are applied against a group's experience used in setting the Trust's premium rates

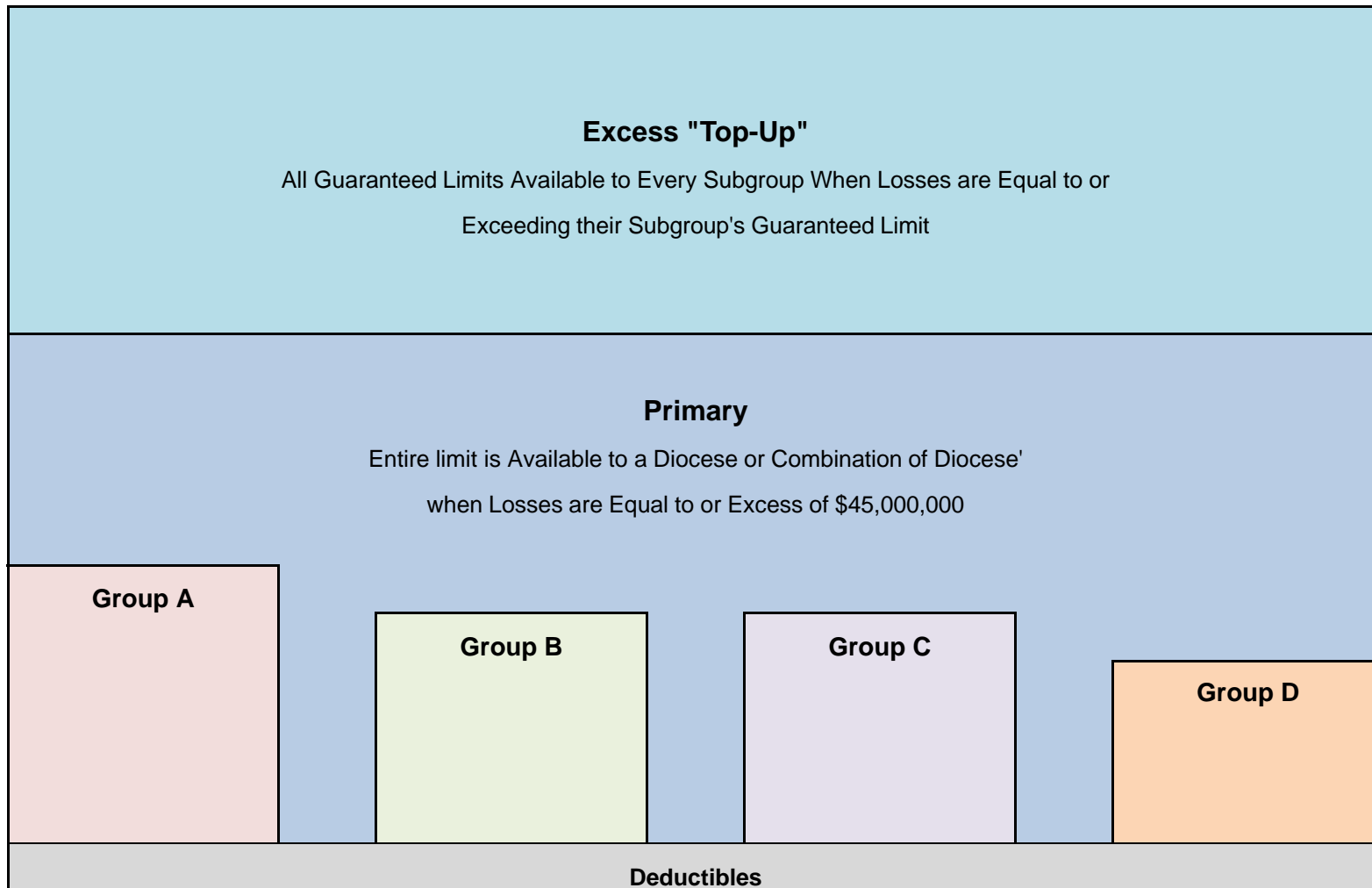




2012
Convocation

Bringing Collaboration to the Forefront

EQ Pool for California Dioceses



❖ Obstacles

- Insufficient limits for Dioceses in second and third events
- Disbursement of claims proceeds
- Credibility of data – statements of values
- Premium allocation
- Claims performance influencing cost

❖ Solutions

- Underlying limit guarantees
- Agreement endorsed to policy with funds held in escrow
- Updated appraisals and modeling
- Industry-based mechanisms
- Must have long-term perspective



The Newest Pool



Western Catholic Insurance Company,
A Risk Retention Group Corporation

*A New Direction for Liability Insurance for
Catholic Dioceses*

- ❖ Formed in 2011 as a successor to The Ordinary Mutual (TOM) which operated since 1987
- ❖ WCIC is owned by five dioceses in the West who wanted benefited from their experience in TOM
- ❖ Licensed in Vermont, WCIC is a risk retention group who can only write liability insurance coverages
- ❖ WCIC has an active service model for claims and loss prevention
- ❖ WCIC has a regional focus to make sure it understands the risks it writes and legal climate of the areas it serves

What was learned from TOM?

- ✓ Governance, Risk Management, Collective Success, Claims Management
- ✓ Governance-TOM taught the lesson that one member, one vote balances the conversation about what is best for dioceses-members
- ✓ Risk Management-Providing tools and resources for risk management is one of the collective benefits.
- ✓ Collective Success-TOM made money from underwriting and investments through a conservative funding model
- ✓ Claims Management-Knowing the claims, knowing the lawyers, knowing the courts brings better resolution of claims



Why join (or not) a Pool?

❖ Why a diocese wouldn't join...

Involvement, capital, lack of flexibility, long term commitment

❖ Why a diocese would join...

A long term view and effective solutions to common problems. Peer group accountability raises awareness to achieve better results. Collective purchasing power for broker services and catastrophic coverage not able to be achieved for members by themselves.

❖ The Choice

- Stay on your own to increase flexibility. Take your chances with the market. Take your chances on your own loss experience.
- Or, band together for the longer term, moderate prices increases and decreases, enjoy the benefits of being your own insurer.

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What have we learned from “Pooling”

*Panel from the Gallagher
Religious Practice Team*

Tony Abella, Sr., Facilitator

Miami Brokerage

