

Report of the Insurance / Risk Management Subcommittee

The Insurance / Risk Management Subcommittee functions as a Subcommittee of the Diocese of Niagara's Financial Advisory Committee. Its purpose is to provide advice on matters pertaining to the Synod's Insurance Program and Risk Management related concerns. The Subcommittee is tasked with carrying out an annual review of the Synod's policies with the broker's assistance and to report its findings to the Finance Committee.

Our insurance Broker is Jones Brown Inc. (formerly Pearson Dunn). The insurance carrier for the Diocese continues to be the ECCLESIASTICAL INSURANCE OFFICE PLC. The Subcommittee has remained with Jones Brown and ECCLESIASTICAL as we believe that they both have a proven track record in insuring the needs of faith based communities.

Following are the highlights of our claims history.

Property / Liability claims paid out: \$400,102 / \$0 for the year ending Jan 31, 2016.

Property / Liability claims paid out: \$1,433,031 / \$37,473 for the 5 years ending Jan 31, 2016.

The Loss ratio for the year ending Jan 31 2016 was 51%. The Loss ratio for the 5 years ending Jan 31 2016 was 37%. As a result the Diocese did not qualify for the Profit Sharing (return of premiums) for the year ending Jan 31 2016. We are hoping losses will be less in the coming year allowing the Diocese to be eligible for this discount again in the coming year. This discount is passed on to parishes on a prorated basis if their insurance is paid in full in the year.

Policy changes for the 2016-2017 policy year:

Premium rates per \$100 of insured values have remained the same in the new policy year. However, since property values used have not been increased for the general pool of properties for 3 years, and the cost of materials and labour used to repair or rebuild properties has gone up in the last few years, it has been decided that property values, for properties that have not been appraised in the past 3 years will have a 3% inflation factor added to their values for the 2017/2018 premium year.

Functional Replacement Cost (FRC) has been discussed with Ecclesiastical over the past few years. We are planning to test this method of determining replacement costs and therefore premiums in the fall of 2016.

Deductibles have not increased for the new policy year; however coverage values have increased for Crime related claims from \$25,000 to \$50,000.

User Group Insurance Program

This program is ongoing and being actively used by the parishes in the Diocese. Rates and application forms can be found online.

The Subcommittee continues to work to ensure coverage meets our Diocese and parish needs and is cost effective.

Respectfully submitted,
Joanna (Jody) Beck
Treasurer and Director of Finance