

The Winds of 2005 Devastated Many RPT Members

by Diane Engstrom, Director of Operations, Risk Management Services

By comparison, no other storm has caused as much destruction as Katrina has for Trust members. In August and September of 2004, four hurricanes hit Florida causing property damage and losses for fifty-five Trust members. The combined losses for those four storms was just over \$1 million. The next largest storm was Andrew in 1992. At that time, thirty-six Trust members reported losses and claims totaling \$782,000.

In fall 2005, 118 members of the Risk Pooling Trust were affected by Hurricanes Katrina, Rita and Wilma: 74 members were affected by Katrina, 12 by Rita and 32 by Wilma. The total estimated losses are significant. The \$35.8 million (and counting) in losses for Katrina far outweigh the \$118 thousand for Rita and the \$1.9 million for Wilma.

Since Katrina caused such widespread devastation, this issue of The Risk Factor is dedicated to sharing some of the behind-the-scene stories and risk management practices, while answering some common questions that we hear from Risk Pooling Trust members.

As Director of Operations, it was heartening to see the staff of Christian Brothers Risk Management



Courtyard at St. Stanislaus College Preparatory High School, Bay Saint Louis, MS.

Services help Trust members affected by the hurricanes through the recovery process, while still serving the ongoing risk management needs of many other Trust members.

While we cannot control the adverse events of nature,

we can collaborate to cover the risk and provide affordable protection. Thank you for your participation in the Christian Brothers Risk Pooling Trust. ❖

See page 2 for graphs detailing the most significant hurricanes and the impact of the 2005 hurricanes.

Prepared to Respond: Dealing with Katrina's Arrival and Aftermath

Risk Factor interviews Cheryl Gustafson, Manager of Membership Services and Kevin Duck, Manager of Claim Services

Without a plan when disaster strikes, a common experience is to become overwhelmed, lose hope and scramble to take action. Events like Hurricane Katrina happen once in a lifetime. Yet, with the foresight and creative responses of key managers at CBRMS, the Trust was prepared to handle the enormous toll from the storm quickly and effectively.

RF: When did you first become concerned about approaching hurricanes (Katrina, Rita, Wilma)?

CG: We receive the Aon Alert from Aon Insurance Agency. This service gives advance notice on pending storms and also graphs and charts the projected landfall and wind speeds so that we can start to project the amount of damage.

Dave Williams, VP of Risk Placement Services, with Arthur J. Gallagher, broker for the Trust excess coverages, sent out e-mail notices on the storms. Before the storm hit, Dave developed a spreadsheet of Trust members located in the affected area who could be in harms' way.

Based on the information about Trust members from Dave Williams, the underwriters started calling the Trust members immediately to gather cell phone numbers and establish secondary sources of contact in the event that the hurricane would hit. We told the members that we would contact them after the storm hit just to make sure that they were safe. The storm hit on Monday and the underwriters were on the phone the next day, trying to make contact.

Once we became aware of the amount of devastation that Katrina could wreak, we set up a weekend emergency team, which we had never done before. We scheduled individuals on a 24 hour basis waiting for calls to come in. Unknown to us was that the devastation was so extreme, that members in that area had no way to communicate electronically outside the

region. We were here but the volume of calls was limited because people were not able to get through. We continued to call out during that Labor Day weekend and we kept calling until we reached somebody, even two or three weeks after the hurricane.

RF: How did the claims process work?

KD: With the reports of the devastation and the fact that we were unable to communicate with members, we set up claims for every member potentially impacted. This is something never done before. Usually, the claims process is reactive; we wait until we are notified of a loss before we set up a claim. In this case, we set up a claim for every member and assigned it to RGA Insurance Services to visit the address of the member.

We also created a web-page and posted it prominently on our web-site with directions for members who may have been able to access the information. We created a Weather-Related Disasters Booklet with helpful information on what to do before, during and after a natural catastrophe strikes. The booklet also provided insights to the claim adjudication process and who the involved parties would be. RGA had copies of the booklet and also distributed it to the members.

CG: One of the things we did to expedite and help the RGA consultants was to create a package of information for each member. We printed property schedules, the appraisals, and the coverage summary. We

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Welcome Aboard!

sent the packages to Doyla Meuret's house (see article on page 4), so that RGA had all of the information that they needed to immediately respond. When RGA arrived in Louisiana, all of the information was there waiting for them.

KD: The wire transfer of advanced funds came in response to the lack of mail service and closed banks. We also had RGA hand deliver checks. The underwriting department, RGA, the excess carriers and AJG were very flexible with this process. Everyone came to the table to provide assistance to the members. The excess carriers also wire transferred funds to provide immediate assistance to members. To date, about \$22,500,000 in advance payments from excess carriers flowed through the system to the Trust members, not to mention the \$2,500,000 from our self-insured retention along with AmRe limits.

CG: In terms of the communication effort, Kevin coordinated a daily conference call with RGA, the underwriters, risk control and claims. Initially when the RGA reps got down there, they were our eyes and ears. That was very valuable for us to help determine the extent of damage at each of the locations. We held the calls every day for the first two to three weeks, so that we knew what they needed, and could get it to them ASAP. The process started the day before the hurricane hit and we had everything in place.

KD: We did something that is very different from the traditional approach of many insurers. Ordinarily, a conventional carrier will only address covered damage. We instructed RGA to estimate the entire loss and give a copy of the entire claim file, (including expert reports, estimates, photos and videos) to the member. We provided full disclosure of the claim file; this is never done.

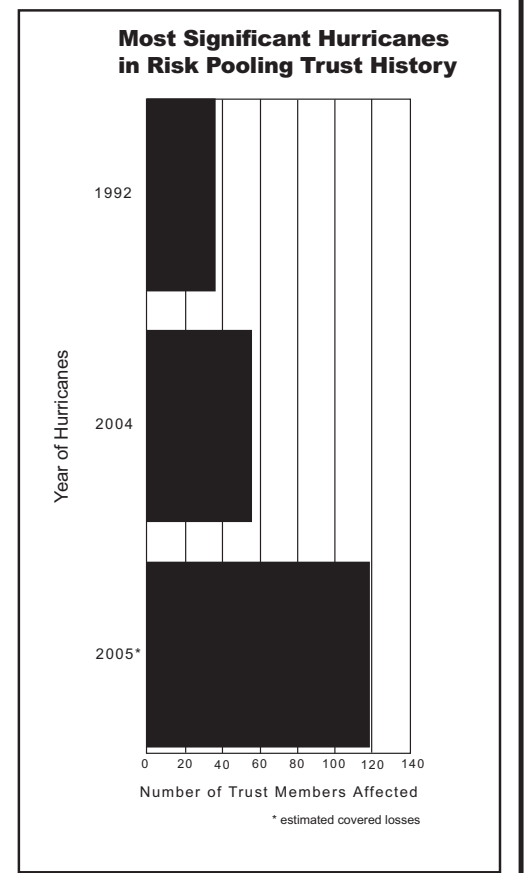
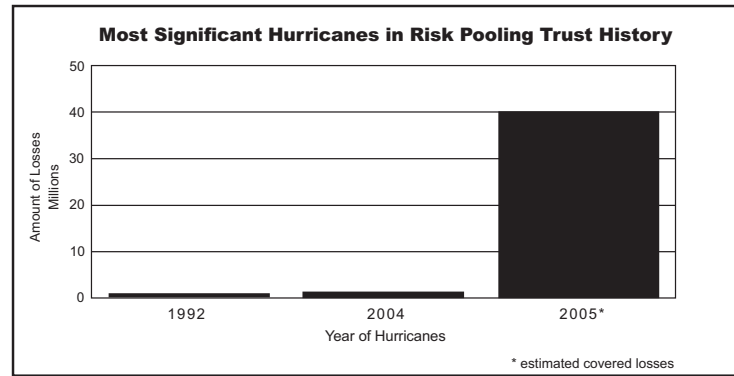
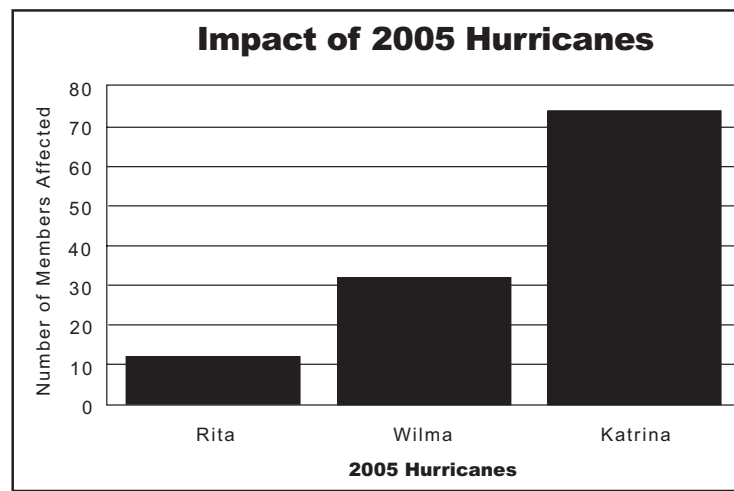
We did that to enlighten the members what the entire damage was so that when they were dealing with contractors, they would not be operating in the blind. If there were any questions about construction, even though the damages may not have been covered, RGA would still step in and work with the contractors so that the member could obtain an agreed price.

RF: How else did that benefit Trust members?

KD: Not only did this policy help with contractors, but also should another revenue stream open up to pay for uncovered losses, they would have a well-documented claim file in their hands to show prospective funders what the Trust paid and what is needed for



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any uninsured loss.

RF: What else did you do?

KD: When the underwriters and claim department heard what the issues were out there, the underwriters and I called those members who had significant damage and had multiple coverages involved. Our intent was to inform the members what we were doing and that we were there for them.

Normally, property losses are isolated events that are of a much smaller magnitude. In this case, we went through our self-insured retention of \$2,000,000 within minutes. Since day one, we analyzed the excess coverage to leave no stone unturned as to what our Plan Document and the excess carriers would cover.

Regarding autos, we set up a dedicated claims adjuster and appraiser through Crawford. Those losses were adjusted and paid very quickly. Through Crawford and RGA, we expedited total losses from the vehicle schedule on the date of the loss. Thus, the member would not pay full value for items that they no longer had.

RF: It sounds like the Trust is prepared to respond to large scale events like this one.

KD: I think we now have a roadmap to prepare for any catastrophe of this magnitude. Coincidentally, two years before Katrina, we had begun updating our catastrophe plan. The touch points were in place: a natural disaster booklet; underwriters were ready; the RGA team was available; and Belfor Construction was in line. We had the framework to deal successfully with this historic event.

CG: We have people in place who are dedicated and totally committed to helping our members. We saw a need in Hurricane Katrina and we were able to mobilize very quickly and respond. We had in place what the U.S. Government did not have in place. We had a plan of action that we could quickly mobilize on. The Risk Pooling Trust was prepared to handle a catastrophe, whatever the catastrophe was going to be.

KD: For the last two years, we've been maneuvering the pieces into place. We were very selective of the representatives from RGA who would handle the claims of the Risk Pooling Trust. We selected the people who were a better fit for our culture. As a result of that, RGA has been assimilated into our culture and is dedicated to looking out for the best interests of Trust members. For example, a member called

RGA to verify a recommendation. They had been told by the contractor of their choice that a building was a total loss and should be destroyed. The member called Tom Roche of RGA who advised the member that he didn't agree. When the engineering report arrived, it showed that the building was sound and should be repaired, not razed.

RF: What's next?

KD: We have had and will have on-going meetings with members in New Orleans. We are there to listen, understand and help with any issues and concerns they may have. We also have visited some of the member sites that were totally devastated. We are providing resources and information for members to understand the process for contacting FEMA for disaster assistance. ♦

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QuickPlace Provides Real-Time Communication

by Cheryl Gustafson, Manager of Membership Services

Sharing critical information in a real-time fashion among people in different locations was one of the challenges resulting from Hurricane Katrina. Both the Claims and Underwriting departments of Christian Brothers Risk Management Services (CBRMS) used QuickPlace, a secure online collaboration center, was used by the response team to protect and share the information. QuickPlace is a product of Lotus Domino.

Using the spreadsheet of property information, CBRMS underwriters included the secondary contact information. That spreadsheet was maintained in a special QuickPlace. The underwriters updated the spreadsheet with whom they tried to contact, what damages the contact thought were there. RGA Insurance Services and CBRMS shared that spreadsheet.

Using the QuickPlace as a communications device was new. We took the master list from AJG and modified it to meet our needs. The spreadsheet served as a communication link between the underwriters and RGA to see who had been contacted and who had not, whether RGA had stopped at the site - it was as close as real-life time as we could get, considering that RGA is on the street.

RGA would call their own office and get the things they needed to do their job. RGA had the same problems as everyone else in communicating outside the area. The QuickPlace also served us extremely well because it expedited the advance payments from the excess carriers.

Ordinarily, the way the process works, is that you

have a claim filed, RGA would investigate and do their report, send the report to us, we'd look at it, we'd elevate it up the channels, they would look at it, and then they would respond with a payment. In this case, all of the excess carriers had access to the QuickPlace and were living by the information on the spreadsheet we were updating. So they were being updated real-time and notified when any updates came in. When the claim reports came in later, those also went into the QuickPlace. The minute that new information hit the QuickPlace, everyone was being notified. It served a phenomenal function. ♦

RGA Insurance Services Mobilized to Adjust Claims Quickly

Risk Factor Interviews Randy Grundy, General Adjuster, RGA Insurance Services, Glen Ellyn, IL

Getting property claims adjudicated quickly and effectively so that a Trust member can get on with the recovery process is vital. We interviewed Randy Grundy about the challenges presented by Hurricane Katrina. Here are excerpts from that interview:

RF: Who is RGA Services and what do they do?

RG: RGA is an independent property adjusting company that specializes in property losses. Catastrophic losses fall into what we do. We have quite a bit of expertise in weather-related claims, since the average experience of our adjusters is more than 15 years. We've been involved with Hurricane Andrew in 1992, the earthquakes in California, the Mississippi River floods of 1993, lots of hail and wind damage and so on. We deal with a handful of losses up to several hundred losses for a given event.

For all clients, we handle about 100-150 losses a month. We've been adjusting claims for the Risk Pooling Trust since 1998. We focus on people first and adjust losses second. We like to think that we treat everyone with the same courtesy, respect and service, no matter how small or large the claim. Not because we are looking for something beyond that, but because that's the attitude we should have.

RF: How do you apply that philosophy to Trust members?

RG: With Christian Brothers, our conversations revolve around how can we better treat the Affiliate. We have to look at the building and then at the people that the building is affecting. You have to understand and address the concerns. The building part - those can always be taken care of. It's getting the kids back to school, getting the sisters back to where they have a home.

For example, with St. Stanislaus (Bay St. Louis, MS), we got in on Friday after the storm. On Saturday, Belfor had 25 to 50 people on site starting to move



Chapel at Sisters of St. Joseph of Medaille.



Residence for Brothers of the Sacred Heart, Bay Saint Louis, MS.

debris. That following Monday, Belfor had over 100 people onsite. Now, remember there was nobody in the area to do the work. Belfor brought people from Memphis and other areas where there was a labor source. Some drove two or three hours each way to the work site every day, just because there were no hotel rooms available or electricity.

RF: It must have been overwhelming to see the amount of damage.

RG: Yes. When you first see the building, you're completely overwhelmed and thinking there's no way that this building can be repaired. But a week later, like the Sisters of St. Joseph, after we got the demolition on track, it wasn't as nearly as bad as it looked because of the muck and mold and whatever else.

RF: What was so different about Hurricane Katrina?

RG: What was so different about Katrina is the large geographical area that it affected, and the number of people that were displaced. That's from New Orleans to Biloxi, Mississippi - a five hour car ride. When we first went out, just the logistics of finding a place to stay were challenging. We originally started out in Baton Rouge and we'd have to calculate our trip to make sure that we would have enough gas to get there and to get back without filling up because there were no gas stations open. In New Orleans, there were a lot of difficulties just getting to the property because of the evacuation orders.

RF: What else about Katrina caused difficulties?

RG: The problem in areas around New Orleans was the large amount of long-term standing water. Normally, you get a storm surge - it comes in, it goes out. We've never had a catastrophe where the property sat under water for 28 days so the damages were significant. Plus, there were other problems - contamination, mold, the environment in general.

There are a lot of areas that still don't have drinking water or electricity.

There were hundreds or thousands of cars that were flooded out and parked in areas like car graveyards. Some people don't even know where their cars went. In the Bay St. Louis area, we had 15 boats on the St. Stanislaus campus that didn't have anything to do with the school.

RF: Talk more about how you were able to get into the New Orleans area, where it was closed with martial law in effect.

RG: We obtained passes from the Governor's office for Essential Services to give us access as part of the services for the recovery effort. Initially, we went through military checkpoints every morning to show our pass. We were able to enter the city on September 9. We were there when Little Sisters of the Poor and Holy Cross College were taken over by the military, police and fire departments. When we did our inspection at Holy Cross College, it was home to 400 to 500 firemen.

At Brother Martin High School, we went with the President to look at one of the Brothers' residences, just a few blocks away. We were confronted by soldiers with M-16s asking why we were there. They made us show them documents from Christian Brothers that contained proof of coverage, that we had an address and that we had a reason to be there. I retrieved my files with the property schedule to show that the building was on the schedule and that we were supposed to be there. The President had keys to the house, but they weren't going to take it. And they stayed there while we did the inspections.

RF: Were you ever concerned about your own safety?

RG: When we were in New Orleans at that time, we might not see a car driving on the road all day. This

Providence in Relocating? One Never Knows...

By Dave Pipitone,
Communication Services Manager

In Spring 2005, Doyla Meuret's husband made a job change that relocated them to Louisiana. Doyla had worked for Christian Brothers Services since 1991 and was providing risk control services to Risk Pooling Trust members. After several discussions and realizing that Doyla could be effective working from home in Gonzalez, Louisiana, she remained on staff as a Risk Control representative.



Doyla's new home was ideal: a slightly rural location, room for her dogs to roam and – a fully functional trailer space with water and utility hook-ups at the back of her property. Doyla didn't camp, so the trailer space wasn't a high priority. It came with the house, but didn't hold much other attention or interest.

That is, until four months later when Hurricane Katrina arrived. Perhaps the largest logistical obstacle was finding a base of operations for the RGA Insurance adjusters. Hotel rooms were either flooded out or filled with evacuees. Electricity and phone lines were intermittent.

Learning that Doyla's land held a potential for RGA's base, CBRMS arranged to secure the trailer hook-up. RGA Insurance rented a trailer to use and pulled it to the site. Doyla's address became the contact point to ship key documents and information that RGA adjusters needed to serve Trust members quickly and effectively. ❖

RGA Insurance Services Mobilized to Adjust Claims Quickly
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is a large city and you might not see anybody. Picture being in these buildings alone. It was somewhat dangerous; if you got hurt or fell, there's nobody that could get you. Initially, we would buddy up those first few days. You could fall off a roof, or a ladder, there was still muck and water all over.

RF: *Navigating in the city must have been a challenge.*

RG: When we visited some members, the route had viaducts in low lying areas that were under water. We were using our GPS to find a way to higher ground where we could reach our destination; some low-lying areas had 4 feet of water in them and we needed another way around them. Efficiency was not the issue; we were just trying to do what we could to get there because there was no easy way.

RF: *What was the impact of Hurricane Rita?*

RG: Rita affected primarily Texas and by itself caused only a couple of claims for the Trust members. What happened with the aftermath of Katrina, was that when Rita was forming in the gulf, we were staging to enter New Orleans. So, another evacuation order was given with Rita. We were just getting into buildings and setting up drying equipment and we had to evacuate for three or four days. Katrina was the priority, since we were covering an area from Florida to New Orleans. Katrina did impact several states. Alabama was pri-

marily wind damage and service interruption; outside of Mobile there wasn't a lot of damage. In Mississippi, anything along the coast was devastated. We looked at a lot of locations where the buildings were just slabs, where we had to use a GPS to make sure we were at the right address. Other than the foundation, there was nothing left.

RF: *Where is the restoration at, in terms of completion?*

RG: In most of the places in Mississippi, repairs are underway or in the process of being completed. In New Orleans, each property is different. Some organizations have hired a public adjuster (See "Dollars and Sense" article below) or an attorney, and we're not getting access to the property. We don't have any control over the demolition. For the ones where we have control, repairs are completed or underway and the buildings are stabilized.

RF: *Randy, thank you for your time and sharing this fascinating story of dealing with the aftermath of Hurricane Katrina. It was very eye opening.*

RG: Thank you. We appreciate the time to serve the members of the Risk Pooling Trust. ❖

Property Restoration Key to Responding to a Water Damage Claim

An interview with Kevin Duck, Manager of Claim Services of CBRMS and Randy Grundy of RGA Insurance Services

Getting labor, equipment and supervision to a disaster site doesn't just happen. For the last 18 months, Christian Brothers Risk Management Services (CBRMS) met with Belfor Property Restoration to establish pricing and billing arrangements to hit the ground running when a loss occurs. Belfor is the largest property restoration contractor in the world. Kevin Duck, Manager of Claim Services of CBRMS and Randy Grundy of RGA Insurance Services talk about the role of reputable emergency and contractor services.

KD: There are a lot of contractors out there that have different objectives and service standards. We wanted an organization that understood our mission and would provide the quality of the service standards that we want our members to receive. We established the relationship with Belfor to immediately respond to our members in need of emergency work. Their first objective is always to protect life and second to protect property. They make sure that all safety measures are in place during catastrophic situations, whether there is leaking gas or live electrical lines, etc.

RG: Controlling a property loss involves key activities within the first 48 hours to stabilize a building and minimize water damage. Stabilizing a building involves making temporary repairs to the roof, removing all the wet materials out, and putting drying equipment in place to start the drying process.

The building must be dry before we evaluate the extent of damages. Once the drying is completed, we scope the loss to determine the range of repairs - which areas are affected by the damage and what it will take to repair it. The cost of repairs depends on the pricing of materials and labor.

KD: An effective claims process involved communication and a team approach in arranging and implementing a plan of action to address the damage. The adjusters build dialog with the members about what is needed to be done. Another member

of the team, if the member wanted to work with them, is Belfor Construction.

We hand-picked two senior managers at Belfor to help coordinate the restoration efforts of big losses. On the big losses, there are people on-site who can make major decisions and deploy a lot of people very fast. Belfor uses a lot of contract labor firms and provides the on-site supervision. They have tremendous resources. The alliance serves both the member and the Trust. The Trust is served by mitigating the loss quicker, literally saving hundreds of thousands of dollars over the course of a year by responding immediately.

RG: When Katrina hit, CBRMS called upon that arrangement to work to get buildings stabilized. Belfor was at one of the RPT member sites taken over by the National Guard. The member was underinsured with flood damage, yet Belfor directed the National Guard to help the member remove debris, temporary repair work and save money. Where else could you expect a contractor to go the extra mile like this?

KD: When a catastrophe occurs and there is six feet of water in the building and a section of the roof missing, there isn't time to get bids. You have to react, you have to get temporary repairs done, you have to get equipment in to start drying the building. Once buildings are stabilized, then RGA Insurance Services can work with the contractors in regard to rebuilding.

RG: In New Orleans, the water had to recede first. Another complexity of Katrina was the lack of electrical power. There was no electrical service, so everything was done with generators. Generators were a tight commodity but Belfor had the resources. Fuel was trucked in to run the generators. The logistics were very complicated, which ultimately results in higher costs. ❖



Storm surge at St. Stanislaus College Preparatory High School, Bay Saint Louis, MS.

Dollars and Sense: How the Trust Arranged Advanced Payments

Risk Factor Interviews John Bagdzius, Chief Financial Officer, Christian Brothers Services

Dealing with the immediate cash needs following a natural catastrophe has definite challenges. Following Katrina, time was of the essence and many banks were closed in the New Orleans area.

RF: What did you do to get advanced payments?

JB: Working as a team, the Risk Management Services (CBRMS) division and the Financial Services division quickly developed a process to forward funds to the affected members of the Risk Pooling Trust (RPT). We had to make sure that there were proper internal controls in place and that the CBRMS Claim Department authorized the payments. Once that was done, we wanted to make the funds available for the members as quickly as possible.

Immediately after the storms passed through, we selected bank partners to identify local bank options for members of the Risk Pooling Trust. While servicing Risk Pooling Trust members over the past years, we developed a number of relationships with banks. We relied on the top-tier of those relationships to bring about this arrangement.

We chose a wire solution because it had several advantages over sending a check. A paper check would take up to five business days to clear and the Members' local banks may not be open to cash the checks. However, electronic banking has a critical need for the correct information. The numbers

in the bank account or routing number must match exactly. A single wrong number can delay payments by several days.

RF: How did you handle closed banks?

JB: In the affected areas, closed local banks helped the process by initiating business continuity plans which redirected their customers to alternate banks. We wired payments directly to the alternate bank for the Trust member. This allowed the member to have immediate access to the funds. The bank partners identified a local presence so that the member could go to a specific bank location and receive wired funds even if there wasn't an "official" account at that bank.

RF: How were communications handled? How were affected Trust members contacted?

JB: The field claim adjusters established communications with Trust members and adjudicated the claims. The adjusters authorized the payments by faxing a completed form to the CBRMS Claim Department for approval. CBRMS forwarded the form and approved amount to the Financial Services division, which arranged the wire transfer. Many times, we were able to process a claim request and wire funds the same day. We used this same process for payments for Hurricanes Katrina, Rita and Wilma victims.

As a follow up, we met with CBRMS to determine what type of needs they had from a funding perspective and revisited that question each time a storm hit. We asked if this arrangement was working to get the funds into the hands of Trust members to meet their needs to get a pulse on the best solution. Several Trust members responded that this arrangement worked very well for them.

RF: What did we learn throughout this process?

JB: Beware. A temptation for members is to use a public adjuster, who often acts on a "bounty." There are public adjusters who knock on doors, promising to adjust a claim and achieve higher recovery amounts. These people reap a percentage of the recoveries, which reduces the net proceeds that a member receives. The member is obligated to pay that fee from any receipts, even though our representatives may have already adjusted the claim.



The Challenges of Recovery At Saint Stanislaus College Preparatory High School

Risk Factor Interviews Br. Ronald Talbot, President, Saint Stanislaus College Preparatory High School, Bay Saint Louis, MS.

The Risk Factor interviewed Brother Ronald Talbot, a Sacred Heart Brother, who is the President of Saint Stanislaus College Preparatory High School, in Bay Saint Louis, Mississippi. The storm decimated their property on August 29, 2005, but with a cooperative approach and accelerated recover efforts, the school reopened two months later on November 1.

RF: Tell us about Saint Stanislaus, its mission, history.

BR: We are a day and residency school for boys in grades 6 through 12. We have 360 day students and 160 residency students. The residency students came from eight countries and 13 states. We've been at this location for 152 years. The mission has stayed the same, but not the buildings. Before the storm, we had 24 brothers, many of whom were retired and infirm; now we have five on campus.

The others are displaced - living in Rhode Island, New Jersey, Arizona and Alabama. Their residence was a three story assisted-living type of residence and the first two stories were totally wiped out by the storm surge

RF: How did Hurricane Katrina affect Saint Stanislaus?

BR: We've gone through a number of hurricanes but nothing like this one. We were prepared for a Camille, which was our bellwether before in terms of disasters. As one brother who lived here during Camille said, "Katrina was ten times worse than Camille."

Katrina seriously damaged all eight of our buildings and our athletic fields. The Small Business Administration (SBA) estimates \$19.2 million in damage. The entire administrative center in the first floor of our school was wiped out. All of our past student records and financial records and all of our archives are gone. In our library/chapel building, the library was on the first floor, the chapel on the second floor. The library completely collapsed into the basement. So we have no library left. The dining hall is a two-story facility. We had six feet of water in the second

story. All of the kitchen equipment was moved around by the storm surge and ruined by the salt water.

Right now, we have no dining hall to work with. We had eight feet of water in our gym and eight feet of water in our new fitness center, which opened in 2003. All of our vehicles were destroyed - five buses, two Suburbans, and four trucks. The older brothers were in the residence that was adjacent to the school. They were staying on the second and third floors. As the water came in, they had to go to the third floor.

RF: What happened to the boys in residency?

BR: We sent home all but 46 of them. The others were able to leave before the storm came, because they lived within driving distance. The majority of the 46 students were international, from Mexico or Korea primarily. The students stayed here on the second floor of the school building and we weathered the storm together. There was a time when we were surrounded by water - there was six feet of water all around us downstairs. The storm came in during the morning and by mid-afternoon all of the water had receded. There was debris all over the place, but we could get out of the building.

What was remarkable, after the storm receded, the sun came out and it was a beautiful day after that. The devastation was so extensive that you couldn't forget it. Everywhere you looked there was devastation. Over a third of our faculty had their houses totally destroyed with nothing left. The other two-thirds whose homes were still standing, had water in their houses. That was pretty much the same thing with our day students. A large portion of the boarding population was from southeastern Louisiana, so they were affected by the storm, too.

RF: After the storm, what was the first thing that you did?

BR: Our first concern was to get the students out of here and get them home to their parents and make contact with their parents. We knew that their parents



Gymnasium floor at St. Mary's High School New Orleans Female Dominican Academy



Dormitory Hallway, St. Stanislaus College Preparatory High School, Bay Saint Louis, MS.

would be concerned. We were running out of food and water, and the bathroom facilities weren't working.

We were able to reach one of our brothers in Mobile late that Monday night and somehow he was able to charter a bus. Even though Mobile was also hit by the storm and was without electricity, we were fortunate that the Brother in Mobile could send help. So by



Occupation of Our Lady of Holy Cross College, New Orleans, LA.

noon Tuesday, we were able to transport all of our kids out of the area.

RF: After everyone was safe, what was the next thing that you did?

BR: The next thing was to decide whether to rebuild or not because the damage was that extensive. The one thing going in our favor was that all of our classrooms were on the second floor of the school building, and except for rain water, it was relatively untouched. So we knew that there was some hope for rebuilding.

As soon as we decided on that, the focus became very quickly to get the second floor of the school building up and running as soon as possible. Then we made priorities on other buildings; we don't have the money to rebuild all of the buildings so we have three or four standing vacant right now. We boarded up the first floor of the school building but were able to get the second floor up and running on November 1.

We started up in conjunction with Our Lady Academy, the girls school, across the street which also had very serious damage. We were able to get about 70% of our day enrollment back. Now we are working on getting the gym and fitness center ready. We are getting the dormitories ready to accept students back on January 3.

RF: That's really quick recovery considering the delays that so many others have faced.

BR: I would say that's largely a result of Christian Brothers and Randy Grundy (RGA Insurance Services) and Belfor Restoration which we hired at the recommendation of Randy Grundy. The storm was on Monday; Randy Grundy met with us in Baton Rouge on Thursday. On Friday, Randy, our Provincial Brother Iy and I met here and by Sunday, we had Belfor here starting the recovery process.

RF: What was the recovery process like?

BR: I'll bet it took four days just to remove the debris from the property to get good access to the buildings. Massive amounts of debris. Trees fallen. Stacks of driftwood and lumber from other houses and buildings four to six feet high. Vehicles all over the place - vehicles that were here on campus. Families of about 10 faculty members stayed with us during the storm; we had 25 vehicles on campus that got flooded and were floating around, were misplaced and in buildings. One of the cars ended upside down inside the chapel in the Brothers' building.

RF: How did you feel about the process of recovery?

BR: The quickness that Belfor was able to bring things back together and the thoroughness and amount of resources they put into things really gave us great hope. I kept asking them several times, is November 1st a reasonable date to start school? They always assured me, "Yes." They weren't always sure, but they always assured me, "Yes." In terms of the amount of work being done in other places, we were far ahead of the game. We picked November

1st as a guess when we would be able to get things right. It was a little over two months.

Property insurance covered everything that was wind damage. We had a \$1,000,000 limit on the flood damage and most of the damages on the first floors, which is where the major part of the damages are, were all flood damage. The rapidly moving water knocked things over, knocked out walls, tore windows out. Many buildings now have no window frames at all.

RF: What was helpful about the role of the Risk Pooling Trust in dealing with the storm's aftermath?

BR: Without the guidance of Christian Brothers to Randy and Randy to Belfor, we would not be working in the school right now. There is no way we could have gotten organized that quickly to get things done. We were shell-shocked besides. We needed someone to hold our hands and tell us what direction to go in and those services were provided.

The nice thing throughout this process is that it is very easy working with the adjusters and Belfor and consequently, Christian Brothers. This is not the experience that a lot of people along the Gulf Coast are having with their insurance companies. Many have had waits and delays. Our development director's house is totally gone - a total loss. But he can't get any payment on it yet, so he's still carrying a mortgage on something that's not there. We've had really good progress with Christian Brothers. A number of our faculty members are living in FEMA trailers, some live with relatives. It's definitely a make-shift situation. One of our religion teachers told me that he was not looking forward to Christmas and that he didn't even enjoy the weekends any more. When he was at school, at least he felt he was away from the messiness of it all. This is a man with a wife and four kids living in a FEMA trailer.

RF: Is there anything else you'd like to tell us?

BR: We're very happy with the response from Christian Brothers and the working relationship that we have. Anything that we've asked for, they've tried to give us, anything within reason, whether it's certain materials or paperwork to supply to FEMA and SBA, they've been very helpful. ❖

Relationships of Trust Provide Win-Win During Catastrophes

by Cheryl Gustafson, Manager of Membership Services and Kevin Duck, Manager of Claim Services

KD: Positive relationships with Trust members are the building blocks to responding when a catastrophe strikes. The member's relationship with the underwriters opened the door to introduce the claims process to members and invited both the Claims Department and RGA into that circle of Trust.

CG: The majority of the claims calls, when they started coming in, came to the underwriters. These claims were not called in on the regular toll-free claims number; the underwriters took the call, recorded the information and passed it along the way. That shows the respect and the comfort level that the members feel of whom to approach in time of need.

In some commercial insurance companies, the internal communication between the underwriting and claims departments is non-existent. Underwriters bring the business in; claims pay the claims and there is no communication between the two departments. If CBRMS had not worked together as closely as it had, our members would not have experienced the success in getting claims resolved so quickly.

So, what made it work with Hurricane Katrina? It's our core, the foundation of our success is the strength of the relationships we have internally, the relationships with our members. That allowed us to work closely with the Trust members and keep out unhelpful outside influence. The members rely on us and are

committed to us, just as we are to them.

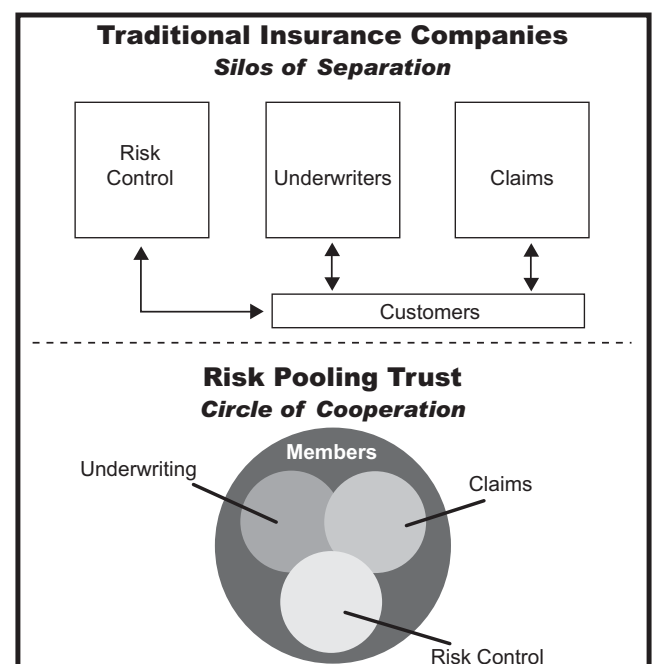
Our entire mode of operation, what was in everyone's mind and heart, from the time the storm hit until today is we wanted to make sure that the members are safe; they can rebuild, buildings can be rebuilt, our primary concern was the safety of every single member out there. In everything that we did, we stood on our principles and the mission of the Trust. Everything was done in a spirit of collaboration and mutual trust.

In the commercial world, there is often a level of mistrust between the underwriter and the claims professional, where each one does his/her own thing. When we talk to each other here, and we say, "I need help", the other one asks, "What can I do to help you?" That's rare in the insurance world. It permeates everything that we do here today to strengthen our relationships.

KD: A couple of years ago, one of the De La Salle Christian Brothers from Lewis University came over to give a series of talks about the mission of the Brothers. In the first talk, he spoke about the cornerstone of Christianity is wishing others well. Whoever you deal with or come across in life, you wish them well. That's what our team has exemplified. RGA, claims, and the underwriters recognize that when members are suffering, what is it we can do to alleviate that burden, how can we help them? In my opinion, through helping,

that's what wishing others well is about.

CG: We are blessed to have the staff that we have. We are so deeply rooted in the foundation that this Company was founded upon. Each and every day we come to work at CBRMS, those are the principles that we stand on. Every pencil that we push, every hand that we move goes toward the mission and principles we stand for. ❖



2005 Hurricanes Raise Questions and Answers

By Michael Vollmer, Risk Manager

Trust members have been asking a number of questions about the impact of Hurricane Katrina on the Trust. Here are the most common questions and their answers.

Q: How will the 2005 hurricanes affect my coverage?

A: The Trust has its overall insurance renewal with its excess carriers on August 1, 2006. During the Spring there will be extensive renewal discussions with the existing insurance carriers as well as a multitude of perspective new carriers. The goal will be to maintain the extremely broad insurance coverage form (terms and conditions) that the Trust has had throughout its long history. The insurance industry has routinely employed wind deductibles or percentage of loss deductibles for locations listed in coastal areas and higher risk areas for flooding. The Trust has never had such wording and it is our intent to convince carriers that there is no need to impose such wording at this 8-1-06 renewal. The standard property deductibles under the Trust are a simple stated amount selected by the member such as \$250 or \$1,000 etc.

Q: What impact will the hurricanes have on our 2006 renewal cost?

A: At this point in time (seven months before renewal) it is too early to give any sound cost projections. However, it is a reality that the hurricanes of 2005 will have a significant impact on the overall insurance industry. Prior to the hurricane season the overall insurance industry and in particular the property marketplace was very favorable to the insurance buyer. Major events such as Katrina, Rita, and Wilma will impact the carriers loss ratios and financial bottom lines. Also, the industry is now dealing with the second active year of hurricanes and unfortunately the experts are already predicting a very active 2006 season. The insurance carriers underwriters will take this information into consideration when reviewing

their risk exposure models and pricing formulas for the 2006 renewals.

The good news is the Trust over the years has been able to build its reserves and over time has increased its self insured retentions which greatly buffer any overall cost increases the Trust has incurred.

Q: Will I have to pay an assessment to cover the losses from the 2005 hurricanes?

A: NO, absolutely not will there be any need to have a special assessment to the membership as a result of this past hurricane season. The Trust has never had to make an assessment during its long history. The Trust has a very strong financial position and as previously noted its financial reserves are very solid. As of this writing the projected claims coming from Hurricane Katrina will be in the area of \$35,000,000. However, the only claim cost to the Trust will be its current \$2,000,000 self insurance retention. The remaining balance will be paid by the excess insurance carriers that have solid Best Ratings of A or greater. The strength of the Trust is built on the financial safety features that have been part of its long history.

Q: Is flood coverage really necessary?

A: Flood is a very important coverage. Every member always needs to review its exposure to all types of risks. Flood is just one of many potential claim perils that needs to be properly insured. Every member should work in conjunction with its Christian Brothers underwriting representative as well as our loss control staff to determine the overall exposure for loss due to flooding as well as the respective limits of flood protection that is purchased. The Trust staff can also assist members with securing flood coverage for high risk flood zones from the National Flood Insurance Program(NFIP). ❖

Christian Brothers Risk Pooling Trust: Silver Lining in Ministry Storms

by Tom Perry, Chairperson of the Trustees of the Risk Pooling Trust

The aftermath and tragedy of Hurricane Katrina taught the United States several humbling lessons about the value of preparedness and collaboration. Even though organized, advanced notice for evacuation and pleas for safety were given, the aftermath was a disaster. Newspapers and TV carried stories about corruption, looting, botched coordination and blame games between local, state and federal authorities, ignoring the risks of flooding, and the slow response to deal with the complexities of the situation.

By contrast, despite the ongoing difficulties in the region, I believe that Risk Pooling Trust members can admire the great value of cooperation upon which the Trust is founded. The Trust responded to distressed members quickly and effectively. The key to that productive collaboration was based upon the confidence generated by synergistic relationships. As the events of Katrina unfolded, the Trust responded with compassion, speed, and professional risk management.

Relationships between the Trust members and the Plan Administrator, Christian Brothers Risk Management Services, were on solid ground. Communication was established and maintained, as much as possible, before the storm hit and during the aftermath.

Relationships that had been built carefully over time with the claim adjusting service, the insurance broker, the excess carriers and the restoration company stood firm and paid off in innovative ways to help the Trust Members deal with the tragedy. New methods were put into place that reduced the claim

reporting time and funneled advance payments to affected Members.

What's even more impressive is that the Trust is fiscally sound, despite the largest multi-million dollar loss event in its 26 year history. And while the event and its aftermath demanded constant attention of the Plan Administrator, the needs of the rest of the Trust members were handled without a hitch.

I'm reminded of the Gospel passage from John 16, "In the world you will have trouble, but take courage, I have conquered the world." Jesus never promised an easy time in life. We are promised God's continuing care and presence that yields the hope for overcoming difficulty. Over time, the trouble from Katrina's aftermath will pass away. Until then, I tip my hat and thank Divine Providence for the Risk Pooling Trust and Christian Brothers Services, which provide that silver lining in ministry storms. ❖



President Bush Announces Gulf Restoration Plans from St. Stanislaus

On Thursday, January 12, President George W. Bush held a meeting in the Blaize Gymnasium at St. Stanislaus College Preparatory School in Bay St. Louis, MS. Only four months earlier, that building was flooded and the gym floor was significantly damaged by Hurricane Katrina.

As President Bush began his address, he remarked, "Finally, I want to thank Brother Talbot and Brother Hingle of this fantastic school. Thanks for hosting us... Thanks for your being in education; really an important part of the future of this state and this country, to make sure people get a good education."

At the meeting, Mr. Bush outlined the details of a continuing recovery plan and Congressional Bill to deal with home rebuilding, jobs, small business, education and debris removal. Hope for the future, in face of a catastrophic loss, was a consistent message throughout the speech.

Having a secure place that was physically able to host this meeting, in the facilities of a Trust member recovering from Hurricane Katrina, is a definite sign of hope of the progress that can be made following a catastrophe. ❖



President George W. Bush is greeted by Brother Ronald Talbot before giving remarks on Gulf Coast Reconstruction at St. Stanislaus College Preparatory School in Bay St. Louis, Mississippi January 12, 2006. White House Photo by Eric Draper.

Source:
<http://www.whitehouse.gov/news/releases/2006/01/20060112-3.html>

Merger and Consolidation Consulting Available

Protecting physical and financial assets is a top priority for merged organizations. Specialists from Christian Brothers Risk Management Services can help Trust members discover coverage gaps, omissions, or deficiencies and determine any appropriate economies of scale.

For more information, contact Michael Vollmer at (800) 807-0300, ext. 3024.

Pray For Our Members

The following is a list of CBRPT hurricane victims. Please keep these members in your prayers.

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| <p>Boys Hope Girls HopeMultiple Locations, LA Brother Martin High SchoolNew Orleans, LA Brothers of Christian SchoolsLafayette, LA Brothers of Sacred HeartMultiple Locations, LA Bay St. Louis, MS Camp StanislausBay St. Louis, MS Carmelite FathersNew Orleans, LA Catholic High SchoolBaton Rouge, LA Christian Brothers FoundationNew Orleans, LA Christian Brothers ResidenceMetairie, LA Christian Brothers SchoolNew Orleans, LA Claretian Missionary SistersMiami, FL Congregation of the Holy CrossNew Orleans, LA Congregation of the Marianites of the Holy CrossMultiple Locations, LA De LaSalle Christian BrothersLafayette, LA De LaSalle High SchoolNew Orleans, LA Discalced Carmelite FathersNew Orleans, LA Discalced Carmelite NunsCovington, LA Dominican FathersWaveland, MS Eucharistic MissionariesMultiple Locations, LA Franciscan Friars AssumptionGreenwood, MS Franciscan Friars - Province of St. JohnAlexandria, LA Franciscan ProvincialateNew Orleans, LA Good Shepherd Nativity Mission SchoolNew Orleans, LA Henriette Delille Middle SchoolNew Orleans, LA Holy Trinity FathersCrown Point, LA</p> | <p>Little Sisters of the PoorMobile, AL Marianist Province of the United StatesNew Orleans, LA Mt. Carmel AcademyNew Orleans, LA Mt. Carmel MotherhouseNew Orleans, LA New Orleans Female Dominican AcademyMultiple Locations, LA North American Province of the Sisters of the CenacleMetairie, LA Our Lady of Holy Cross CollegeNew Orleans, LA Our Lady of Prompt SuccorOpelousas, LA Our Lady of Wisdom HealthcareNew Orleans, LA Our Lady Queen MonasteryTickfaw, LA Passionist MissionsBirmingham, AL Saint Pauls High SchoolCovington, LA Saint Stanislaus College Preparatory High SchoolBay St. Louis, MS Sisters of Christian CharityNew Orleans, LA Sisters of Mercy of St. LouisHattiesburg, MS Sisters of Mercy, US ProvinceGolfport, LA Sisters of Mt. CarmelMultiple Locations, LA Waveland, MS Sisters of Saint JosephMultiple Locations, LA Sisters of the Blessed SacramentMultiple Locations, LA Sisters of the Holy FamilyNew Orleans, LA Society of Holy Child JesusNew Orleans, LA Society of Saint Edmund, Inc.New Orleans, LA Society of Saint TeresaMultiple Locations, LA</p> | <p>Society of the Divine WordNew Orleans, LA Bay St. Louis, MS Society of the Little SistersNew Orleans, LA Southern Dominican ProvinceMultiple Locations, LA St. Anthony's PrioryNew Orleans, LA St. Clare's MonasteryNew Orleans, LA St. Dominic PrioryNew Orleans, LA St. Joseph's AbbeyMultiple Locations, LA St. Margaret's Daughters HomeNew Orleans, LA St. Mary's ChurchFairfield, AL St. Vincent DePaul of HoumaHouma, LA The RedemptoristsBaton Rouge, LA Boloxi, MS Union Sisters of PresentationMultiple Locations, MA Daphne, AL New Orleans, LA US Province of the Sisters of the Incarnate WordJefferson, LA Vincentian Center Southern ProvinceNew Orleans, LA</p> |
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