

# The Risk Factor<sup>®</sup>

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## The Insurance Marketplace Projections for 2003

By Catherine Duffin, CPCU – Gallagher Captive Services, Inc., Itasca, IL (Consultant to Christian Brothers Risk Pooling Trust)

Since 2001, no insurance carriers are willing to look too deeply into their crystal ball to make projections. Assuming there are no significant catastrophic events in the very near future, the following are some observations regarding marketplace conditions and current indications.

The good news is that the worst of the dramatic price adjustments is likely behind us, barring any new catastrophic events. The bad news is that all is not yet well with the insurance industry, necessitating additional, slightly more modest premium increases in 2003 and likely for several years to come. The pricing adjustments instituted in 2002 were dictated by an industry that had, in large part, abandoned the insurance fundamentals – premiums determined based on exposures and loss expectancy. Instead, reliance had been placed on investment income and the ability to drive down costs by use of such things as health care cost containment programs. When the investment income dried up and other efficiencies had been maximized, there was no way to offset mounting claim losses other than to increase incoming premium dollars.

One of the important considerations in today's market is the health of individual insurers. Carrier downgrades and insolvency have significantly impacted the insurance industry.

Even now the insurance industry is coming to grips with potential asbestos claims that are decades old. It has been projected that the industry as a whole is approximately \$30 to \$50 billion in unfunded reserves. This situation is gaining added prominence as Wall Street analysts call for carriers to fully disclose their projected asbestos liabilities. We expect to see carrier disclosures on this subject in 2003.

Preparations for the August 1, 2003/2004 property casualty renewal are well underway. Be aware that the underwriters for the excess carriers have raised the bar on renewal submission requirements. Carriers are looking for far more detailed information about member operations, particularly for risks in the health care and college/university areas, before they are willing to provide renewal quotations. While renewal information will be presented to the underwriters in early spring, carriers will not likely be releasing quotes before the 30-day window preceding renewal in order to factor in the most current pricing variables.

In conclusion, the insurance industry is dealing with some serious issues in a very serious manner. The carriers' individual ability to successfully meet the financial demands placed upon them will impact both their longevity and the insurance marketplace as a whole.



**A Point of View:**  
Quality Care  
Through  
Communication

**Be Aware of  
Construction  
Contracts**

**Student Accident  
Coverage**

**New Employee  
Focus**

**New Trust  
Members**

**Upcoming Seminar  
Schedule**

Spring  
2003

## A Point of View:

# Quality Care through Communication

by Roger Duffield, Manager of Risk Services



A new training program has been created for Risk Pooling Trust members. Any member who is concerned with documentation and communication in the care of elderly patients in nursing homes or residential facilities will

benefit from this program designed for CNAs, LPNs and RNs. A Point of View training program contains a video and fourteen training modules that deal with relevant issues in today's long term care settings:

- How to communicate effectively about resident care
- How to use and document charts properly
- How to understand and use Care Plans and Activity of Daily Living Plans
- How to document pressure sores and falls
- How to interact with residents respectfully
- How to use restraints appropriately
- How to handle nutrition and hydration
- How to validate residents suffering from dementia
- How to understand resident rights
- How to build cooperative communication among CNAs and much more

The program was jointly developed by Christian Brothers Risk Management Services, and Atlantic Mutual, assisted by the law firm of Cremer, Kopon, Shaughnessy and Spina. An advisory team of several Risk Pooling Trust members also provided valuable content and insights into nursing home operations. The program is packaged in a convenient binder and on a CD that includes participant materials, an instructor's guide, and videotape. Each facility can have its own instructor and conduct the training at its own pace. The training video shows a story of how proper documentation and communication avoided the filing of a lawsuit. The tape also includes several vignettes of resident behavior that help lead interactive discussion. Each training module is less than 45 minutes in length; most modules can be covered in less than 30 minutes.

The training program will be distributed to all Trust members with resident care facilities by late Spring 2003.

## Beware of Construction Contracts!

By Hope Janisco, Contract Review Analyst



The new addition to your building is nearly complete and you anxiously wait moving day. The contractor is putting

on the final coats of paint and attending to other minor details to finish the project. Suddenly, a fire breaks out causing hundreds of thousands of dollars in damage. An investigation determines that the fire was caused by the negligence of the contractor's employees. Who's responsible for the damage? To find out, you have to go back to the construction contract. Standard construction contracts contain a clause which mutually waives subrogation between the building owner and the contractor. Signing a contract containing this waiver makes the property owner responsible for the damages with no recourse to seek

reimbursement from the contractor, regardless of fault. But it doesn't have to be that way! Contract wording is negotiable prior to signing (and sometimes even after signing).

One of the many services provided to members of the Risk Pooling Trust is Contract Review. Members are encouraged to send all contracts to Christian Brothers Risk Management Services prior to signing. We review the entire contract, looking closely at subrogation clauses and insurance requirements. When necessary, we suggest wording changes to the contract which will better protect your interests.

For additional information regarding Contract Review services, please call Hope Janisco at 1-800-0300 ext. 2539, or e-mail [hope\\_janisco@cbservices.org](mailto:hope_janisco@cbservices.org).



## *New Employee:* **Kevin Duck**

*By Megan Stasiak,  
Communications Services Intern*

This past August, Kevin Duck joined the Risk

Management Services Division. Kevin, a business graduate of Western Illinois University, is the Manager of Claims Services. His responsibilities include administrating and setting the strategic direction for the Trust's Property/Casualty Claims. Kevin says that he truly appreciates Christian Brothers' "commitment to service," and he respects the company's purer definition of insurance: "A group of people or organizations bonding together in order to assist each other in times of need."

Kevin was born and raised in Illinois. His career path, however, led him to work and reside in a number of states throughout the country before leading him back home. Kevin and his wife Suzanne currently live in Batavia with their two little girls, Cassandra (6) and Natalie (4). Spending time with his family, reading and playing basketball are a few of Kevin's favorite activities. He also enjoys other sports, carpentry, and the television show, *24*.

"Our mission is to instill good will and confidence among those we service to ensure that their respective interests are well protected," said Kevin. "We believe that good will and confidence can only be achieved through listening, caring and using our technical expertise to respond expeditiously to the affiliate's needs."

## **Student Accident Coverage Available for \$1.00 per Student!**

*By Doyla Meuret, Risk Analyst*



**In a few months, the school year will be over and summer vacation will begin. For many schools, the "vacation" ends in August as the doors open for athletes to begin practicing for the next sport season, and students come in to purchase books and pick up class schedules. Before we know it, the first day of school is upon us!**

**With all the activity that a school year brings, it's not uncommon for students to have accidents which require medical attention. One way to protect the parents/guardians against financial loss resulting from a school-related accident is to enroll in the Christian Brothers Student Accident Plan. The Plan provides excess coverage over other valid health/accident coverage with limits of \$50,000 per accident. Also, at no additional cost, each student is covered by a catastrophic medical policy with limits of \$1,000,000 per accident.**

**Schools have four coverage plans available. These range from classroom coverage only to a plan which includes all extracurricular and sport activities. Plan costs start at \$1.00 per year per student! In addition, all coverage plans (except the 24-hour boarding school plan), include coverage for accidental injury to students while participating in school-sponsored summer activities at no additional cost!**

*For additional information you can visit our web site at: [www.cbsecurities.org](http://www.cbsecurities.org), call Doyla Meuret at 1-800-807-0300, ext. 2535, or e-mail: [doyla\\_meuret@cbsecurities.org](mailto:doyla_meuret@cbsecurities.org).*

**Welcome Aboard!**

- Adorers of the Blood of Christ, IL
- Arrupe Jesuit High School, CO
- Augustinian Recollects of New Jersey, Inc.
- Blessed Scalabrini Residence, RI
- Carmelite Fathers, TX
- Dominican Sisters of San Jose, CA
- Duchesne Academy, NE
- Education and Intervention, Inc., IL
- Franciscan Poor Clare Nuns, MN
- Franciscan Sisters of the Sacred Heart, IL
- Kino Jesuit Community, SD
- L'Arche Noah Health of Seattle, WA
- Little Sisters of the Poor, IL
- Maria High School, IL
- McCullough Hall, TX
- Missionary Sisters of St. Benedict, IL
- Mother McAuley High School, IL
- Project Rachel of San Antonio, TX
- Province of Saint John the Baptist of the Order of Friars Minor, OH
- Rural and Migrant Ministry, NY
- Sisters of Charity of the B.V.M., IA
- Sisters of the Immaculate Heart of Mary, CA
- Sisters of Incarnation-Consecration, FL
- Sisters of Incarnate Word & Academy, OH
- Sisters of Servants of Blessed Sacrament, CA
- Sisters of St. Casimir Maria Convent, IL
- Sisters of St. Francis of Perpetual Adoration, IN
- Sisters of St. Joseph of Wichita, KS
- Sisters of Mercy-Chicago Region
- Sisters of the Sacred Heart of Jesus, TX
- Society of St. Edmund, Inc, VT
- St. Andrew's Village, CO
- St. Catherine Residence, WI
- The Brother David Darst Center, IL
- The De La Salle School, NY

# Upcoming Seminar Schedule

To register for any of these workshops, please call Laura Hart at (800) 807-0300, ext. 3054, or visit [www.cbsecurities.org/seminars](http://www.cbsecurities.org/seminars).

## Preventing Sexual Misconduct in Catholic Ministry

This full day workshop includes two sessions:

*Protecting God's Children and Using Screening and Selection Techniques to Prevent Child Sexual Abuse* • March 11 Denver, CO • March 12 Honolulu, HI • April 22 Joliet, IL • June 4 Metairie, LA\* • June 17 Clarkston, MI

\* Selection techniques only

## Applying Employment Practices in Catholic Organizations

*Managing the Risks of Employee Liability* • March 11 Honolulu, HI • March 19 Clarkston, MI & Napa, CA • May 7 St. Paul, MN • May 13 Joliet, IL • May 20 Chicago, IL • July 18 San Antonio, TX • September 9 Metairie, LA

*Using Communication Tools to Improve Employee Relations* • March 11 Honolulu, HI

*Managing Allegations of Employee Wrongdoing* • April 30 Glencoe, IL

**Using General Risk Management to Control Losses** • May 13 Tampa, FL

## Audio Conferences (learn from the convenience of your own office!)

All conferences begin at 10:30 a.m. Central Time. **March 11** Employment Liability Investigations • **April 8** Progressive Discipline • **May 13** HIPAA Privacy Issues

If you know of a Catholic Organization that would like to receive information about the services provided by Christian Brothers Risk Management Services, please call Michael Vollmer at 800-807-0300, ext. 3024.



## Attention: RPT Workers' Compensation Members

To maximize savings on Workers' Comp medical benefits, you can direct injured employees to PPO providers. Refer to the 2003 Filing Instructions for instructions on accessing the PPO website. This site also has information which you can use to create a posting notice for your employees. For additional copies of filing instructions for 2003, call Madeline at 800-807-0300 x 2646.

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