

The Risk Factor



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Serving the Catholic Church as an Instrument of Hope and Healing

By Jim Barnes, Managing Director, Christian Brothers Risk Management Services

In the United States, there are an estimated 40 million adult survivors of child sexual abuse. Research indicates that one in ten males and one in five females reported having been a victim of abuse by someone they trusted. The Catholic Church has not been immune to allegations of violating the trust of young people and children; however, they have taken some positive and aggressive steps to address the situation.

In 2003, the Conference of Major Superiors of Men (CMSM) contracted with Christian Brothers Risk Management Services (CBRMS) to assist in the implementation of a program for the protection of young people and children through their subcontractor, Praesidium Religious Services. In a presentation to the U.S. Bishops, CMSM President Fr. Ron Witherup SM, reported that "CBRMS has many years of experience in developing sensitive and effective internal climates for the protection of children and young people in religious and other organizations of the church." Fr. Witherup further stated that Praesidium Religious Services is one of the "principal contractors" and worked extensively with The National Catholic Risk Retention Group and Christian Brothers Services in the production of the VIRTUS® program adopted by the Bishops for their work with diocesan personnel.

Dr. Monica Applewhite, President of Praesidium Religious Services, addressed more than 175 leaders of male Religious Orders in the United States. The presentation of sexual abuse problems was compassionate, sensitive and historical. The path toward prevention would involve a serious and firm commitment by Religious Orders to establish national standards and extensive organizational change. This

included a model set of policies which would eventually become subject to audit and then accreditation.

CMSM began a comprehensive program of large scale organizational change, entitled "Instruments of Hope and Healing." From October 2003 until the CMSM/LCWR Joint Assembly in August 2004, the program unfolded at 12 regional meetings and three workshops. These sessions conveyed a heightened awareness of how to serve in the process for healing. The leaders of male Religious Institutes focused on their commitment to ensure the safety of children. As I attended these sessions, it was edifying to see the leadership of these institutes come together in a spirit of collaboration to develop accountability standards that address the problem of child sexual abuse.

The oversight role of CBRMS in the Instruments of Hope and Healing program ended this past August. As a service to CMSM and the program, CBRMS, on behalf of the Trustees of the Risk Pooling Trust, filmed the presentations and prepared an edited set of DVDs. I hope that these DVDs maintain the awareness of the facts surrounding young people and child sexual abuse and recapture the wisdom presented at the regional meetings and workshops. I also hope that contribution authorized by the Trustees on behalf of the Risk Pooling Trust will help the CMSM program as it goes forward with its work of hope and healing. It has been an honor and a privilege to work with CMSM, Praesidium, Andrew Kopon and Mike Airdo from the law firm of Cremer, Kopon, Shaughnessey and Spina, Ms. Kathleen McChesney of the U.S. Bishop's Office of Child and Youth Protection, as well as Roger Duffield of CBRMS and Dave Pitone of Christian Brothers Services.

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Spring 2005



Report All Property Losses Early

by Randy Grundy,
General Adjuster for RGA Insurance Services, Inc.

A common situation that results in the late report of a property loss by an Affiliate typically involves a contractor or a third party which causes the damage. For example, a school is having work done in their gymnasium by a general contractor. One of the workers for the general contractor hits a sprinkler head, causing water to spray out and flood a small section of the hardwood flooring in the gymnasium. The contractor assures the Affiliate that they will take care of the damage and immediately begins cleaning up the water on the surface of the gym floor.

In order to control cost, the contractor will typically use his own employees. At the end of the day the water has been cleaned up and the floor appears fine. A couple days later the hardwood flooring begins to cup as the damage worsens. The contractor took care of the water on the surface of the floor; however, the water that ran under the floor was never addressed. The moisture has caused the flooring to swell and now begin to buckle. The damages are now significant and the contractor reports the loss to their liability insurance carrier. The adjuster comes out to investigate and denies liability. The loss is now reported to Christian Brothers Risk Management Services (CBRMS).

What problems has the delayed reporting caused? First of all, the damages are much greater due to the fact that the floor was not properly dried immediately following the loss. If a professional drying company had been brought in, they would have tested the moisture levels in the affected areas and developed a strategy to dry the entire floor system including the area beneath the floor. A significant amount of damage occurs every day that water sits underneath a hardwood floor.

Secondly, evidence that would have been used to prove what happened has now disappeared. When the sprinkler head was replaced, the technician simply discarded the head. Short of a confession by the general contractor's employee, there is no way to prove what happened without the sprinkler head. Witnesses are now difficult to identify or locate after the fact. All this affects CBRMS's ability to pursue subrogation, or make a claim against the responsible party for financial losses. Delayed reporting has taken a relatively small loss, with a good potential for subrogation, and turned it into a large loss with no subrogation potential due to the lack of evidence.

The contractor started off with good intentions, but as the damages are determined and the dollars increase, their willingness to follow through has diminished. The Risk Pooling Trust Plan Document requires the timely reporting of all losses. It is a good practice to report all property losses to CBRMS and let them decide the extent of their involvement. If a contractor or vendor is willing to accept liability, they have adjusters that will help in evaluating and documenting the damages. This is part of the service you receive when you are a member of the Risk Pooling Trust.

Note: CBRMS contracts with RGA Insurance Services, Inc. to adjudicate losses and assist Trust members who have sustained damage to their property.

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As I read in MARK 10: 13-16 "And they were bringing children to him, that he might touch them; and the disciples rebuked them. But when Jesus saw it he was indignant, and said to them, 'Let the children come to me, do not hinder them; for to such belongs the kingdom of God. Truly, I say to you, whoever does not receive the kingdom of God like a child shall not enter it.' And he took them in his arms and blessed them, laying his hands upon them."

Upcoming Seminar Schedule

Mark Your Calendars Now!

Tuesday, October 11, 2005 in Houston, TX.

Make plans to attend the risk management workshop, "Detecting and Preventing Financial Fraud in Catholic Operations." Led by experts who are certified fraud examiners, this workshop will focus on recognizing red flags and implementing a prevention and control system for safeguarding financial and physical assets.



Educational Opportunities

Make sure to check the online schedule of workshops, seminars and audio conferences at www.cbsecurities.org/seminars

RISK ADVICE

IF SOMEONE IS INJURED ON YOUR PROPERTY

- Express concern, using neutral statements such as, "Are you okay?" or "I'm going to call for help right away."
- Call for immediate assistance.
- Make the injured party as comfortable as possible without physical contact.
- Write down as many facts about the incident as possible including date, time, names and phone numbers of people involved and/or witnesses, and note any injuries
- **Contact Christian Brothers Services Risk Management Services (800) 807-0300.**

- Say anything to suggest or admit fault or negligence.
- Discuss the payment of medical bills
- Contact the Plaintiff or the Plaintiff's attorney if a lawsuit is filed

Welcome Sr. Jean Frye, IBVM



The Risk Pooling Trust welcomes Sr. Jean Frye, IBVM, as a new Trustee. Sr. Jean is the Provincial Treasurer for the U.S. Province of the Institute of the Blessed Virgin Mary headquartered in Wheaton, IL. As a member of her order for 45 years, Sr. Jean taught secondary school classes in mathematics, physics, chemistry, religious studies, driver education, auto mechanics and tennis. She has been a principal and college counselor. Sr. Jean provided set and lighting design for school plays and currently teaches mathematics at the College of DuPage. Sr. Jean enjoys golfing and viewing science-fiction and suspense-filled movies.

Sr. Jean's community was one of the founding members of the Risk Pooling Trust. "When I was at the high school I dreaded the yearly meeting when we were negotiating for insurance carriers for property, workers' comp, and liability," she writes. "The Trust came as a welcome relief. Any dealings I have had with the Trust over the years have been positive experiences that really offset the negativity of the particular incident (property loss, auto accident, etc.). Service is really a hallmark of the Trust in my experience."

On her new role as a Trustee, Sr. Jean told us, "The Trust enjoys a very good reputation in the Catholic community. I hope that I can bring a sensitivity, passion, and wisdom to our task that will maintain that good standing. I hope to be instrumental in my small way in fulfilling the expectations of the present and future members of the Trust as a faithful representative."

Welcome Aboard!

Risk Pooling Trust

Holy Family Child Care Center, Wheeling, WV
Our Lady Queen Monastery, Tickfaw, LA
Priest of the Sacred Heart, Hales Corners, WI
Saint Luke Institute, Inc., Silver Spring, MD
Sisters Adorers of the Holy Cross, Portland, OR
Sisters of Mercy of North Carolina, Belmont, NC
Sisters of St. Joseph of Wheeling, Wheeling, WV
Sisters of the Divine Compassion, White Plains, NY
St. Jude School, San Jacinto, CA
St. Vincent De Paul Society, Wisconsin Dells, WI
The Ursulines of Brown County, St. Martin, OH

Student Accident Plan

Busy Bee Child Care, Fairfax, VA
Incarnate Word Academy, Houston, TX
Missionaries of Charity, Detroit, MI

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.



Employee Focus on Mary Todd



Mary Todd joined RMS as a Claim Consultant in June 2004. Mary has had more than 25 years in the insurance industry, including experience with a subsidiary of Fireman's Fund.

In her day-to-day duties, Mary assists Trust members with customer service questions related to the claims process. Mary works directly with the Trust's claims service provider to resolve issues that arise. She fields inquiries to produce custom claim report requests. Mary oversees the subrogation process, interacts with the Trust's attorneys on litigated recoveries, and handles aggregate and excess recoveries for collecting from reinsurance companies.

Mary is happily married to Marc Alberico. In their free time, they love to cook, especially gourmet French and Italian cuisine. The Albericos enjoy traveling and exploring new destinations. A former marathoner, Mary enjoys cross-country skiing, 10K runs, jogging, yoga, and Pilates, among other exercise.

Regarding her service to Trust members, Mary says: "My goal is to provide quality service on a daily basis, focusing on effective claim handling, timely response, and helping to demystify our claims process when losses occur. Effective claim handling is key to the Risk Management cycle and can help to reduce loss costs for our affiliates."

Tribute to Jack Burke, Chairperson of the Trustees

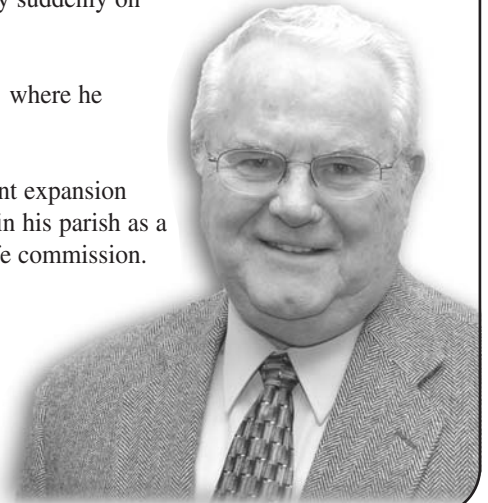
Jack Burke, the long-time Chairperson of the Trustees of the Risk Pooling Trust passed away suddenly on January 31st. Jack served as a Trustee for more than 20 years.

For 40 years, Jack was associated with Notre Dame High School for Boys in Niles, Illinois, where he served as a teacher and Assistant Principal for finance and operations.

After Jack retired, he served as an advisor to the school's President and led the school's recent expansion and building projects. Jack was a registered real estate and insurance broker. He was active in his parish as a member of the Knights of Columbus, the vice chairman of the men's club and the Parish Life commission.

Jack and his wife, Mary, have four children. Jack loved to travel and took more than 35 trips to Ireland. In his spare time, he liked a good game of golf.

Jack was a strong advocate of Christian Brothers Services and a close personal friend of many of the Risk Management Services staff. Jack was loved by many and will be missed by all.



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