

REPORT OF THE INSURANCE AND RISK MANAGEMENT SUBCOMMITTEE

(This subcommittee is responsible to the Financial Advisory Committee)

This subcommittee of the Financial Advisory Committee advises the Diocese of Niagara and its Parishes through the Financial Advisory Committee regarding Insurance and Risk Management.

The program of professional appraisals of the church owned properties is ongoing. During the past year, the insurance building inspection program has been continued by the Insurance Broker.

This is a special service done by our broker as most do not do this anymore. Churches and church properties at all of the church locations have been inspected over the last 10 years.

A manual on Church Insurance and Risk Management has been prepared by our broker and is available to each parish through the web in the password protected area accessible to Rectors, Wardens and Treasurers. We strongly urge that this essential document be made available to ALL new Wardens to help with their duties and responsibilities especially regarding their duties around Liability, Money Handling and Fiduciary issues. This past January, a summary of all the coverage's, limits and deductibles was sent to each parish to keep Corporations informed about what the Diocesan coverage's are. Especially important too, is the issue that has come to the fore recently with 2 claims for lightning striking a couple of our churches. Parishes from a risk management point of view should look into the installation of lightning rods to protect their buildings.

The subcommittee carried out its annual review of the Synod's policies, with our broker's assistance. All insurance companies are finding it difficult to assess risk; no more so than when there have been some very large losses. In this Diocese, because of the measures we have taken over the past 16 years. i.e. the program of church appraisals done by our independent appraiser, there has been some rate stability. This year we were able to lower the ratings on all parishes slightly. We are still faced with the continual challenges regarding insurance companies that will entertain our class of risk because of the Physical and Sexual Abuse coverage's. It does not help to have a couple of major property losses even over 10 years when we go seeking quotes from other companies, which our broker does on an annual basis. Losses over the past ten years have exceeded premiums. Often we think that only property claims are paid but claims under our liability coverage have increased also. In the last year this has been even more true. Even if a liability claim is not paid there are lawyer fees, etc which add to the overall cost and our loss ratio goes up.

The User Group Insurance program is going well for the various groups that rent space in parish properties. This is a mandatory program throughout parishes in the Diocese and further information is available on the Diocesan website. This program provides coverage for outside groups meeting on church premises and more and more parishes are getting on board.

Insurance is a very complex commodity and again, we want to thank our broker, David Ricketts. David keeps on top of changes in the market place and advises the FAC and the sub- committee and parishes. He is available to assist, at any time, any parish with their questions.

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RISK MANAGEMENT SUBCOMMITTEE (continued)**

Our Insurance Administrator, Kim Waltmann, is the cheerful voice at the Diocesan Resource Centre to assist you on a daily basis as well.

Many thanks go to the members of the subcommittee for 2009:

Kathryn Anderson

Brent Davis

Linda Daniels-Smith

Neil Groombridge

Violet Whitehouse

Gord Archbell (Interim Treasurer)

Andrew Clinkard (Member Insurance
Task Force)

Kim Waltmann

(Administrator/Secretary)

Respectfully submitted,
Mrs. Judy Conning, Interim Chair