

## **INSURANCE PROGRAM PHILOSOPHY**

The protection of people and property is the paramount goal of the Archdiocesan Insurance Program (Program). The promotion of safety and the adoption of sound risk management practices are fundamental to the Program's success.

The foundation of the Program is the sharing of risks and responsibilities among all those insured under the Program. The Program promotes the well-being and protects the financial resources of its members as they pursue their mission as Church. The Program provides support to all of its members through the provision of technical assistance, the purchase of insurance, and the formulation of appropriate risk management practices.

An effective, economical insurance program requires trust, open communication, and shared knowledge. This manual along with training programs, online support, and the active participation of the insured members, are essential elements of such a program.

The principles of the Program are detailed below for all to see and understand as they serve as the building blocks for a successful partnership.

The total cost of the Program (e.g., excess insurance premiums, self-insured losses and administrative costs) should be sufficient to promote safety and provide adequate protection of member assets, while recognizing the many needs for finite financial resources.

Insurance protection (e.g., self-insurance retention, excess insurance coverage, and loss control and safety programs) should be cost-effective, based upon continuous examination of exposures and risk management options, keeping in mind at all times our mission as Church.

Program administration requires the following:

### **Risk Identification and Evaluation**

Annually, an inventory of risks and an evaluation of exposures will be compiled, and the cost-effectiveness of retaining, transferring, or avoiding each type of risk will be analyzed.

### **Risk Transfer**

The Program will take advantage of all reasonable opportunities to indemnify and hold the program members harmless in order to minimize the cost of such risks to the Program's members. The current requirement for "Tenant Users Liability Insurance Program" is an example of risk transfer. Lease provisions holding the Member harmless for tenant use of facilities and naming the Member as an "additional insured" are another example.

### **Safety and Loss Prevention**

Risks will be prioritized and strategies will be designed to minimize the incidence of unsafe acts and conditions, learning from losses through investigation, feedback, and adjustments. A Risk Management Manual and online resources are available to assist with safety and loss prevention.

### **Claims Management**

Claims reporting procedures will be clearly written, simple to administer, and readily available. All claims will be investigated promptly and thoroughly, and will be managed in accord with the mission of the Church.

### **Budget**

A budget will be prepared annually to reflect anticipated costs of the Program. Such costs shall include the maintenance of an insurance fund reserve for claims incurred but not reported (IBNR), as well as for program operating expenses.

### **Cost Allocation**

Expenses of the Program will be shared with a simple, straightforward, and equitable formula appropriate to an insurance pool. Claim deductibles will be established and will be the responsibility of members who sustain losses.