



Roman Catholic Archdiocese of Boston

Office of Risk Management

66 Brooks Drive, Braintree, MA 02184

800-899-1242

www.rcabrisk.org

June 29, 2020

Re: July 1, 2020 Insurance Program Renewal

Dear Pastor:

The majority of our insurance programs are set to renew on July 1. We have just now concluded our negotiations and I would like to advise you of the results of those negotiations and our renewal rates for the coming year.

As mentioned in my recent status letter, with the renewal of the workers' compensation program on March 31st, **we were pleased to report another dividend declaration and the rate reduction of 2%.**

Property

As discussed previously, while the property claim activity was less this year, the commercial property market has now hardened. In spite of last year's near record increases, the markets were again seeking an increase in the range of 20-30%, which is somewhat lower than last year. Markets continued to cut back capacity this year, again driving up the number of insurers needed to fill out layers and increasing the cost of capacity. Parishes will see an increase of 15%; however, we will not be increasing the insured building values.

General Liability

My previous letter noted the hardening of the liability markets affecting the General Liability, Employment Practices Liability (EPL) and D&O costs. EPL continues to be a substantial loss driver in both this program and the "stand-alone" AIG Directors and Officers program. Although this market had also begun to harden last year, this year has brought an unusual level of capacity reduction with some longtime insurers cutting their participation in half, and some withdrawing from the religious non-profit sector completely. This year we were able to keep the increase for liability to 10%; however, we had to accept a lower limit to do so, at \$30M rather than \$50M.

Other Lines

The auto line saw improved claim trends this year; however, Crime claims continued to trend higher. The auto insurers were also seeking extreme increases - nearly 60%. By restructuring the program, we were able to cap the increase at 10%.

The increased Crime claim activity in the lower layers (below \$250K), along with more insurers cutting back on capacity (requiring more insurers than last year to fill each layer) drove an increase of 10%. I encourage you to revisit the cyber risk advisories we and MIS have published to avoid falling prey to these types of crimes.

Summary of Programs

I recognize that these adjustments and increases come at one of the most difficult and challenging times for our parishes and institutions. The insurance markets have hardened substantially, and this hard market will likely continue for another 24 to 36 months. Working with our brokers, consultants, advisors and other dioceses, we will devote our energies through the year to developing innovative ways to mitigate the impact of this market as we navigate these challenging times.

Property: **15 %**

Boiler & Machinery: **10%**

Scheduled Property: **5%**

Parish Theft: **5%**

Liability: **10%**

Volunteer Accident & Health: **Flat**

Auto: **10%**

Priest's Auto: **10%**

Crime: **10%**

Although these increases are substantial, the structure of our programs continues to enable us to mitigate the full impact of the fluctuating costs of insurance. I urge you to support our loss control and risk mitigation efforts and this structure by reading our risk alerts and following the guidelines and recommendations that we issue, as they can ultimately save our parishes and institutions hundreds of thousands of dollars in costs. Please ensure that the parish staff responds to our outreach and information requests and provides or updates relevant contact information, including email addresses and cell phone numbers (especially for facilities/custodial staff).

Once again, I would like to take this opportunity to remind you of some of the additional protections and services that we offer to our parishes:

- AAA membership is being provided to all of our pastors at no cost
- Other priests living in the rectories are eligible for discounted AAA associate membership at \$33.00 a year
- Safe driver training is available for employees and additional training is available for those operating multi-passenger vehicles
- Information regarding all of our programs, including access to forms, newsletters and contact information can be found on our website, **www.rcabrisk.org**
- Certificates of insurance
- Claims and litigation management
- Crisis response and crisis management teams to assist and support our pastors and parishes through difficult or unusual incidents or events
- Loss control support such as ergonomic studies, engineering inspections, liability risk assessments and specialized coverage programs for special events

Some of the programs and services that were offered this year include:

Pandemic planning and COVID-19 response support

- Parish Safety & Security / Active Shooter Response Training
- Harassment and Hostile Work Environment Prevention

- Online Driver Safety Courses
- Boiler Operation, Maintenance and Upkeep
- Cyber Security Audits
- International Travel Safety & Security

Given the nature of the COVID-19 pandemic, we are considering adding an online platform for some of our training sessions, such as parish safety, harassment prevention, and ServSafe® food manager certification. More information will follow in the coming weeks. In the meantime, if you are interested in any of these training sessions, please contact doreen_rearden@rcab.org.

I encourage you to contact our offices with any of your needs or questions and allow us to assist you. In order to effectively improve services, it is necessary for me to have knowledge of your experience, so I ask that you please take a moment to share with me your experience with our offices.

I welcome your input and suggestions and can be contacted at 617-746-5740 or at JFM@rcab.org.

Thank you for your anticipated cooperation and support, and for all that you do for the Catholic Church of Boston,

Sincerely,



Joseph F. McEnness
Executive Director,
Office of Risk Management and Insurance