

Diocese of Grand Falls, Newfoundland and Labrador, Canada

Roman Catholic Episcopal Corporation of Grand Falls

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October 13, 2022

TO PASTORS, PARISH ADMINISTRATORS AND PARISH FINANCE COMMITTEES

Dear Friends,

At a meeting of the Council of Pastoral Leaders, I was asked to provide some background information regarding the very significant increase in Insurance rates.

The Diocese of Grand Falls is part of a Insurance Pool of Dioceses of Atlantic Canada. We entered into this pool in order to spread out our insurance experience across a wider group. As you know, insurance rates are determined by the experience of the insured: good experience (small losses) means lower rates; bad experience (large losses) means higher rates. By pooling our experience with a larger number of insured, we are able to spread out the good/bad experiences. For example, when one diocese has a particularly bad year that can be offset by the good experiences of other dioceses. This has served us very well in the past.

There are two reasons for the significant increase of insurance rates. First, the overall experience of the Atlantic Dioceses in our insurance pool experienced several bad years in a row with few Dioceses having good experiences. As a result, insurance rates have increased significantly across Atlantic Canada, including the Diocese of Grand Falls.

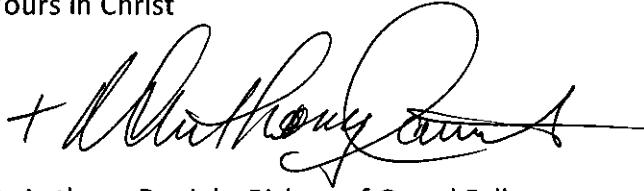
Secondly, globally, the Insurance Industry is seeing an increase in major losses worldwide. These losses have weakened the industry's ability to provide coverage worldwide and guarantee complete indemnification. Therefore, the Insurance Companies have raised their rates and this has 'trickled' down to us.

Each Diocese in Atlantic Canada that is a member of our Insurance Pool has a representative on our Insurance Management Committee. Mr. Pierce Carey is our representative. This committee meets regularly to monitor and react to changes in the insurance industry and to find ways to keep insurance rates as low as possible while maintaining high levels of insurance.

October 13, 2022

While I realize that this explanation does not ease the pain of the increase in your insurance rates, I hope that it provides a reasonable clarification.

Yours in Christ

A handwritten signature in black ink, appearing to read "R. Anthony Daniels". The signature is written in a cursive style with a large initial "R" and a long horizontal flourish at the end.

R. Anthony Daniels, Bishop of Grand Falls

cc. Pierce Carey, Business Manager, Diocese of Grand Falls.