

The Importance of Benchmarking

It is important to benchmark individual Diocese claim data against other Dioceses, but sometimes difficult to acquire relevant, current data. Once the necessary data is found, the next challenge is presenting it so that elements such as varying employee counts, population and building values can be factored in.

In addition to a comparison benchmark, each Diocese receives an individual benchmark for the same time period. This can assist in determining where a Diocese fits into the overall picture and help identify areas of focus for improvement.

Benchmark Data Timeframe and Description

The benchmark data was generated from Gallagher Bassett Service's Risx-Facs database on April 1, 2010 for the following policy years:

- 7/1/04 – 6/30/05
- 7/1/05 – 6/30/06
- 7/1/06 – 6/30/07
- 7/1/07 – 6/30/08
- 7/1/08 – 6/30/09

The data extracted for analysis was by line of coverage, including: Auto, General Liability, Property and Workers' Compensation.

Reading the Benchmark Data

The claim data gathered from the time period 7/1/2004—6/30/2009 is broken down into five tables. A description of the tables and their functions is as follows.

Table A: Claim Frequency

Table A represents Claim Frequency or the number of claims reported during the cited policy years.

Table B: Claim Severity

Table B represents Claim Severity or the cost of the claims reported for the same timeframe.

Table C: Average Cost per Claim

Table C represents Average Cost per Claim. To understand Table C, consider the following example. The Average Cost per Claim for Auto Liability totaled \$XX. This figure was completed by taking the total Auto Liability Claims Severity figure and dividing it by the total Auto Liability Claims Frequency figure. The same calculation was made for all lines of coverage to represent the Average Cost per Claim for the five years represented.

Table D: Underwriting Information

Table D represents Underwriting Information, which was provided by Arthur J. Gallagher & Co. based on the information provided during the Dioceses' annual submission. The Underwriting Information includes Number of Vehicles, Number of Parishioners, Total Insured Value (TIV) of reported properties and the Diocesan Payroll to calculate five-year averages. The information included in Table D is important because it allows comparison of BPIC's actual "ground-up" losses to the reported risk by line of coverage.

Table E: Weighted Losses

Table E provides answers necessary to fully utilize the benchmark exercise. The information included in Table E is an analysis of the five year averages of Underwriting Information. The data in Table E are derived from taking the figures in Table D (Underwriting Information) and dividing it by Table B (Claim Severity).

This benchmark can be utilized by each individual Diocese to measure the success of their individual loss control programs and processes. A benchmark is a risk management tool and is not a rating model and does not have any factors in your retention levels.

MY DIOCESE
5 YEAR REPORT CARD
JULY 1 THRU JUNE 30
VALUES DATED AS OF JULY1, 2010

Table - A Claim Frequency						Table - B Claim Severity					
	Auto Liability	General Liability	Property	Workers' Compensation	Claims All Coverages		Auto Liability	General Liability	Property	Workers' Compensation	Experience All Coverages
0	22	-	-	-	-		-	-	-	-	-
0	-	-	-	125	-		-	194,557	-	472,565	-
0	-	14	-	-	-		25,204	-	-	-	-
2007 - 2008	-	-	63	-	-		-	-	-	-	-
2008 - 2009	-	-	-	-	-		-	-	759,172	-	-
Totals	22	14	63	125	-		\$25,204	\$194,557	\$759,172	\$472,565	\$0

Table - C Average Cost Per Claim				
1,146	13,897	12,050	3,781	#DIV/0!

Table - D Underwriting Information					
		Vehicles	Parishioners	TIV	Payroll
2004 - 2005		-	413,469	-	-
2005 - 2006		181	416,470	-	-
2006 - 2007		-	500,932	-	-
2007 - 2008		-	514,030	-	-
2008 - 2009		169	698,491	-	-
5 Year Average		70	508,678	-	-

Table - E Weighted Losses					
		Losses per Autos	Losses per 1000 Parishioners	Losses per 1M of TIV	Losses per 1M of Payroll
2004 - 2005		#DIV/0!	-	#DIV/0!	#DIV/0!
2005 - 2006		-	467	#DIV/0!	#DIV/0!
2006 - 2007		#DIV/0!	-	#DIV/0!	#DIV/0!
2007 - 2008		#DIV/0!	-	#DIV/0!	#DIV/0!
2008 - 2009		-	-	#DIV/0!	#DIV/0!
5 Year Average		#DIV/0!	93	#DIV/0!	#DIV/0!