MISSION STATEMENT
The mission of the Bishops’ Plan Insurance Company (BPIC) is to strengthen stewardship by providing a collaborative, stable property and casualty insurance and risk management solution to meet the unique needs of each participating Roman Catholic diocese.

A CALL TO LEGACY
Welcome

In the life of a company, there are many mileposts that a company passes that mark its achievements. Among these, for instance, is the company’s first sale, first profitable year. The Bishops’ Plan Insurance Company has achieved an even greater accomplishment—10 years of operations. While that alone is a major achievement, the company has also been extremely profitable as well.

There are countless pieces that came together to help build this company. From the original vision and design of a business plan that would drive our company to reach its goals, to the service providers that imparted invaluable expertise and guidance, to the Company’s board of directors who have contributed their wisdom, finesse, and most importantly, their time. In a collaborative effort, all have contributed in making the 10th anniversary celebration of this Company’s operations possible.

A statement of appreciation and gratitude seems shallow and not enough to these extremely important partners that have been brought together and achieved the success that BPIC has experienced. But it is with a great deal of gratitude that I thank, on behalf of the Company’s board of directors, the many people who have been instrumental to us.

Personally, I am extremely proud of the success we collectively have achieved. Our future looks extremely positive, and in the next 10 years we should bring multiple times more benefit to our members.

In the following pages of this report the Board offers a summary of the Company’s history and accomplishments from the perspective of two vital contributors of our management team, our Episcopal Moderator, Bishop Thomas J. Paprocki and the BPIC Administrator of the program, Peter Persuitti. Again, thank you to all for aiding the Company in achieving this milestone.

Thomas Schadle
Chair, BPIC Board of Directors
In Thanksgiving

On behalf of the Board of Directors and my own Diocese of Springfield in Illinois, a member diocese of the Bishops’ Plan Insurance Company (BPIC), I am writing as the Episcopal Moderator, both to express a sincere sense of gratitude for the success of the company and to share my enthusiasm for what this Company represents—church ownership, collaboration and long-term stewardship.

I personally have come to a whole new appreciation of insurance in the 21st century and the opportunity that the Church has to have greater control over the outcome of coverage and claims. Time and time again, I have heard firsthand the stories of BPIC responding to claims in a way that positively impacts ministry—enabling us to live out our call of being witnesses of the Gospel of Jesus Christ. Expeditiously advancing funds to make the parish whole and recognizing excellent operational practices in the underwriting process mean a great deal to us as Church.

It took me several board meetings as Episcopal Moderator to realize the importance of collaboration to BPIC. Given BPIC’s foundational role in helping a diocese structure an all-lines protected self-insurance program, I quickly saw that there would always be a need for partner carriers in excess of this all-lines primary program. And so it is that BPIC keeps the lines of communication open, especially with our sister Catholic group companies—The National Catholic Risk Retention Group, Western Catholic Insurance Company and Catholic Mutual Group. I admire this opportunity to bring diversification to the overall risk financing program, yet incorporate more ownership models and like-minded Catholic companies in the mix.

Ultimately, I find the long-term view of the BPIC Board admirable. We live in a world that measures time in nanoseconds, yet we know the Church is an institution that needs to make decisions with a long-term perspective. Today is important, but tomorrow is the gift that we have been given to steward responsibly. As I look back on the ten years of BPIC’s existence and the growth of its members, impact of its sustaining rate decrease year after year, and endowment building (surplus), I am humbled to be a part of this effort to help the Church create a future that is able to be well positioned to evangelize and spread the Good News of the Gospel.

Faithfully Yours in Christ,

Most Reverend Thomas John Paprocki
Bishop, Diocese of Springfield in Illinois
BPIC Episcopal Moderator
**Acknowledgements**

*Tempus fugit.* Who would believe ten years have passed since BPIC took her first steps!

It takes valued partnerships and a devoted sustainable commitment to achieve the kind of success the Bishops’ Plan Insurance Company (BPIC) has experienced over its short ten years of history. Let us never take for granted the importance of those professionals—both those contracted and those who have governed—who have worked together—each primus inter pares in respect to the expertise each brought—to help the Church find new and meaningful ways to reclaim dollars for ministry. It is a real privilege for me to put together this report, much of it coming from my heart and my head, in terms having witnessed firsthand the energy of many true professionals through the formation and ten years of existence. Together *gaudeamus*!

At the end of the day, BPIC is ultimately a risk-financing strategy of the 21st Century that will allow dioceses to efficiently and prudently take greater risk—not just as the entity itself (self-insured concept)—but in collaboration with other like-minded, risk management-oriented dioceses (reinsurance captive). This risk assumption is tailored to the individual diocesan member’s appetite, yet is financially aggregated in BPIC as a company, leveraged across all lines of coverage and diversified across the membership, representative of the entire United States.

Prudent risk-taking is an important part of our call to Stewardship, and with BPIC as a reinsurance captive, owned by the Church, we now have a legacy calling us to collaborate, to use the predictive analytic and claims tools we have been given and to find new ways to empower the diocese with important information, vital to decision-making and reducing costs.

Personally, I especially want to thank the Board of Directors and Bishop Paprocki. What a privilege to work side by side with you, mindful that you all have full-time positions and yet take this governance responsibility with a sense of gravitas. I have had the special opportunity to work especially closely with BPIC’s two Presidents, Paulette Furness and Tom Schadle. They represent in so many ways the spirit of giving; I can’t even imagine the number of hours given or the value of their skills applied to leading the Company. I thank them for their untiring guidance and genuine friendship over the years.

And to the Members who have joined the Company, thank you for your confidence in BPIC and your loyalty to the Company.

I also am grateful to Pat Gallagher and The Gallagher Group of Companies for allowing me to serve BPIC and to bring the vast resources we as a Practice and organization have to bear for the Church and BPIC. And to Sheryl Anderson of Artex Risk Solutions, thank you for the privilege of working side by side from the beginning with you in service to BPIC, its Board of Directors, its Members and the service provider partners.

Peter A. Persuitti  
*BPIC Administrator*  
May 2013

As you can see, I think out loud in Latin, a language that lives for me and the Church! So taking the words used above one by one, Tempus Fugit “Time Flies” Gaudeamus “let us all rejoice”, Primus Inter Pares “First Among Equals” Gravitas “Seriousness of Purpose”
The Call to Formation

There are many stories around this topic, mostly relating to diocesan leaders stepping forward across the country to collaborate and Arthur J. Gallagher & Co. (Gallagher) putting its resources to bear, but like many initiatives that come to fruition, there is often a compelling situation that causes leaders to act.

For dioceses, we will always see the sexual abuse scandal starting in 2002 as a turning point in the Church. We have the benefit of time now to be able to say with confidence that the Catholic Church has the best resources for protecting children among child-serving organizations (Virtus®).

Yet, at the same time, there was tremendous agita among many diocesan CFOs regarding what they perceived as unsustainable cost increases in their self-insured programs and intolerable lateness of renewal quotes that negated the ability to plan and find ways to quickly absorb these increases.

Gallagher, as broker and consultant, has been the longtime architect and steward for the Bishop’s Plan, an all-lines protected self-insurance program that includes an aggregate stop-loss feature to protect the loss fund. In fact, Pat Gallagher’s father (J. P. Gallagher) was among the pioneers who worked with Lloyd’s of London to get this unique, horizontal approach to risk financing done in the 1980s (Lineslip). At one point more than 90 dioceses were deploying this product as the foundational piece of their self-insurance program and more than 100 public entity pools and other faith-based retention programs were using this proprietary program. To this day, there is no other insurance program that combines all-lines coverage across the spectrum of property and casualty!

Over time, the Diocesan program experienced some very adverse outcomes, with loss ratios exceeding the targets and the reinsurers requiring more premium year after year. Some dioceses were mitigating the increases by assuming more risk. So after some 25 years of existence, this program for dioceses hit the wall and its future was in jeopardy. (By the way, the commercial package program for public entities and other faith-based retention programs continues and is successful in its own right).

Gallagher’s Religious Practice leadership, along with its Gallagher UK Team, reached out to the Diocesan community, looking for new ways to mobilize this long-standing program serving the Church. We can all be grateful for this “Formation Group” of dioceses that responded to the call and took the time to work with Gallagher in bringing a new, relative solution to bear—an ownership model with the Church as a quota-share participant on the lineslip with Lloyd’s partners.

What Gallagher’s Actuarial Team in London did (mindful that they had more than 20 years of history of the program—with data being critical) was to look at the dioceses’ increased rates and modified structures against the past losses. What this revealed was compelling—the future could be profitable—and it was time for the Church to ride this wave and become an owner on this Lloyd’s of London lineslip. With this encouraging picture, now it was time to target the best way to stabilize the pricing and the timing of the renewals longer term. How could the Church become an owner of this lineslip, a participant as a group, and have greater control of the dynamics of the renewal? The answer—form a reinsurance captive.
A number of dioceses embraced the picture that the profit and loss projections were showing. There was a profound sense of “now is the time” to take ownership, to invest in this program and create a future that would securitize a better future financially for the Church. Initially the Lloyd’s syndicates were willing to offer 20% of the lineslip for the Church. Overlaying this 20% on the projections still demonstrated a return on investment that could far exceed any mutual fund or stock— in excess of 15%, compounding annually.

Of course, there would be another challenge. Forming a group captive would require collateral for the 20% of the risk of the lineslip assumed by BPIC. There were two options: LOCs (Letters of Credit) and Cash. Given the prospect for very positive returns through cash in, the dioceses decided to fund with cash, using a 1:1 ratio (most captives start with a 1:3 or 1:5 contribution/premium ratio), meaning that the pricing going forward would actually be the premium plus 20% = 120%. Increased costs!

There was another unknown that had a variable in the feasibility documents— who would join? How much premium would constitute the early years? Obviously, the more that joined, the more likely the group would meet or exceed its projections.

In this process, Gallagher’s Religious Practice was supporting these efforts, arranging the meetings, providing the data through its group of companies (Gallagher UK, Gallagher Bassett) and navigating this shift from a Gallagher proprietary program to a Church-owned program. Working with its Corporate Executive Leadership team, a loan offer was devised— entirely independent of BPIC— to interested founding dioceses needing financial help in meeting their capital contribution requirement. Gallagher recognized the importance of stability in captive formations and decided to offer a matching grant to dioceses who stayed with BPIC for ten years— 10% paid by the diocese and 10% paid by Gallagher’s Foundation (Note Executed). The diocese would be then in the captive as a fully funded member and in BPIC at the end of ten years the loan would be forgiven by Gallagher.

The formation group of dioceses decided to move forward in the creation of BPIC, confident that the quality of the underwriting data was genuine; the prospects for financial success improved.

Now the Company was up and running with member dioceses of BPIC engaging Gallagher’s UK Group, today known as Protected Self-Insurance Program Managers (PSI), as the Underwriting Manager and Gallagher’s Artex Risk Solutions, Inc. for Program administration services. As a recently appointed leader of Gallagher’s Religious Practice (coming from Munich-American Risk Partners) I would take on a role of coordinating BPIC’s operations and report to the BPIC Board of Directors, who now had a vital role, leading its share of the lineslip, on behalf of the membership of dioceses!
The Early Years

We have the benefit of time, writing this in 2013, to look back and say, without question, that the Company was blessed by the leadership of Paulette Furness, Esq. of the Archdiocese of Portland in Oregon—the right person at the right time. The early years were filled with challenges of emerging as an organization with a structure that was sustainable, efficient and engaging of members. Paulette’s background included being a lawyer and leader of the business affairs of a diocese. There is no question that this background served the Company well, as she led the following strategic initiatives:

- Constituting a board and its governance culture.
- Selecting a domicile for the captive.
- Contracting with service providers for operations.
- Forming committees and engaging members.
- Managing the conversion from a stock company to a member-owned nonprofit captive.

There were challenges to forming a nonprofit captive in these early days. Given the nature of dioceses coming together as a group, BPIC was formed as a stock company, an industrial insured captive. BPIC was successful obtaining a ruling from the IRS recognizing its nonprofit status. With each new member, however, there were security laws that we had to follow and filings we had to make in that state.

We were fortunate to be among the first of these nonprofit captives to actually benefit from new legislation in Vermont that would allow the Company to have standing as a nonprofit captive. Given the complexity of the stock issuance and filings, we pursued this path of conversion to a nonprofit captive (which had been the original intent) and were successful in completing this conversion with Shareholders now being known as Members.

Establishing contracts, working with BPIC’s legal team and managing the conversion were all legal-intensive, and Paulette was the epitome of sharing her “talent, time and resources” with BPIC. In fact, Paulette is the longest-serving member on the Board, having been its first President and presently serving out her third term and chairing the Administration Committee. Paulette has given hours and hours of work and expertise to help BPIC over these ten years, and we are all very grateful and know it has a great deal to do with BPIC’s overall success.

We also have to recognize that BPIC is a reinsurance company, and underwriting is vital to the life and blood of its success. The early years saw an experienced leader step forward to lead the Underwriting Committee—Mike Tooley, CFO of one of the smallest dioceses in the country, the Diocese of Ogdensburg in upstate New York. The Diocese of Ogdensburg has had a protected self-insured program since the late 1970s, and Mike truly runs his insurance department as if it were a profit and loss center. He can show you the financials and cash flows over the years, which when you think about it, speaks to the power of self-insurance and control of claims’ outcomes and total cost of risk reduction over time.

In fact, one of Mike’s early valued contributions was the creation of the “Funding for Risk” toolkit that captures him in a video teaching the concepts of protected self-insurance. We packaged this with a 30-page manual and, to this day, it is available online as a guide for those dioceses who want to control their destiny and move to a prudent level of self-insurance.

Mike continues to serve on the BPIC Underwriting Committee and his leadership from the beginning is something we will treasure as a gift to the Early Years and a treasure that keeps shining forth.
Increase in the Lineslip

It didn’t take the board long to realize that the 20% share was a toe-in-the-water approach—yet, best to crawl before you walk, so to speak. But early on, Matthew Kaminski (Archdiocese of Chicago’s Risk Manager at the time), BPIC Secretary and a member of BPIC’s Underwriting Committee, witnessing the accumulation of funds on BPIC’s bottom line, kept asking, “Why don’t we explore retaining 30%?” Questions would ensue:

• Would members have to contribute more capital?
• What is the impact on losses paid at that retention level relative to the premium being retained by BPIC?

Kent Nickerson of Arthur J. Gallagher (UK) Limited has been BPIC’s internal actuary and vital member of the BPIC Underwriting Manager team and pro forma steward from the very beginning. We are always mindful that Brit (as lead underwriter) has its own set of actuaries and BPIC, as a captive, has a contracted Actuarial Partner in Perr & Knight. But suffice it to say that BPIC was able to explore these options given Kent’s experience and strong familiarity with the diocesan data, and especially BPIC’s experience under its new ownership structure. Kent is truly shepherding the vital data that is owned by BPIC.

Kent’s thorough research pointed to positive outcomes for BPIC. The Formation Committee had made a prudent decision to fund the 20% share at a 1:1 ratio and thus the Company could take on more risk and remain in acceptable standing. In addition, BPIC’s performance exceeded the pro forma expectations in those early years, resulting in an accumulation of surplus that could be deployed and allow the Company to take 30%. It was time to bring this outstanding work and recommendation by the BPIC’s Underwriting Committee to the Board.

The Board’s unanimous approval would now require two things: 1) discussion with the lead underwriting partner on the program, and 2) if this change was accepted by the carrier, preparation of a revised business plan for the Vermont insurance regulators.

Discussions with BPIC’s lead underwriter, Brit, a Lloyd’s syndicate, went very well. All along, Brit has been a great partner and after a relative brief time of discussion and understanding of each other’s goals for BPIC, Brit committed to ceding 30% of the risk to BPIC. It was time for Artex’s Sheryl Anderson to prepare the business plan for the BPIC Board to approve and Vermont regulators to review and, hopefully, approve. While there was significant work and preparation to these steps, involving other members of BPIC’s professional service team, the Vermont regulators came back with an immediate approval within days of submission of the revised business plan.

What a brilliant move this proved to be for BPIC! Today we can see that if the company had remained at the 20% partner, the bottom line results would have yielded less than half of what we have today as assets under management. That extra 10% share has been impactful, and BPIC remains grateful, especially to Brit, for allowing BPIC to increase its share (and thus reducing Brit’s share).

What is a Lineslip?

A Lineslip is a contractual arrangement for the reinsurance for the all-lines product and stop-loss that constitutes the BPIC program. Typically Lloyd’s reinsurers would ‘sign up’ for a percentage of the risk on the lineslip and the lineslip would ultimately be ‘filled’ by a risk-taking group of reinsurers with a mutually agreed set of expectations (Target Loss Ratio, Return on Equity, Operating Margins, Coverages, Claims Administration)
Experience—Linking Claims to Benchmarking Reports, White Papers and Website Resources

One of the many benefits of an insurance company owned by its members is the ability to analyze the plethora of information (e.g., exposures, claims) in new and dynamic ways to identify trends and anticipate potential risks in the future. Predictive analytics is certainly a futuristic idea that has made its way to reality!

As the group of members has grown and matured over the years, BPIC has access to remarkable data—not just for its ten year history, but from the inception of the Gallagher Bishop’s Plan proprietary program. BPIC’s Risk Control Committee has embraced this data and produced some very important information for members, in partnership with Gallagher Bassett Risk Control Consulting, all of which is available online through the BPIC members’ website www.bpicmembers.org

Over the years the Risk Control Committee has evolved, taking on the important role of establishing risk management standards for members and creating tremendous resources that have helped members and the Church overall understand its risk profile and mitigate risk through access to BPIC’s best practices.
Online Website
One of the first activities of the company was the creation of the website for the Company, a partnership that brought the BPIC service team, Gallagher Bassett Risk Control Consulting, in2vate and various appraisal companies together to collaborate in the development of an extremely robust site. Today the site is filled with information, training resources, committee reports and appraisal information as well as links to Virtus® and The Gallagher Post Program® through single sign-on access. Member dioceses may allow any number of staff and volunteers to access the password protected site and access voluminous amounts of complimentary materials. And, today’s board meetings are “green,” with the Board being able to access the average 150-page board meeting binder online— that’s progress given the number of binders we prepared (and trees cut down) in the early years! We are in the cloud!

Online Property Appraisals
Just looking at the appraisals themselves, a member diocese has real-time access to the entire appraisal information, GPS coordinates, COPE (Construction, Occupancy, Protection and Exposure) information and Google Earth maps of locations. We are so appreciative that competing appraisal companies see a higher good in cooperating in having this member website be a single source for all appraisals online.

Customized Annual Benchmarking Reports
Each year Gallagher Bassett Risk Control Consulting Services works closely with the Brit team to produce a group benchmarking study that ultimately compares members’ key ratios such as average cost per claim for Auto Liability, General Liability, Property, and Workers Compensation coverages or in the aggregate— consolidating claims for all coverages. A median is established and members can see annually where they stand relative to the items benchmarked— above the median or below the median.

White Papers
Over the years, the BPIC Risk Control Committee, with significant contributions by Amanda Weller of Gallagher Bassett Risk Control Consulting, has produced a number of white papers:

2006— The Use of 15-Passenger Vans Within Your Diocese
2011— Fidelity Fiduciary Stewardship: Preventing Fraud in Your Diocese, Parishes, Schools and Ministries
2012— Avoiding Employee Claims for Wrongful Termination

Since 2011, we not only produce these reports and post them online, but BPIC also includes a customized companion training module available online which is able to be assigned to an unlimited number of staff and volunteers. This is a benefit of being a member of BPIC.

Online Training Programs
BPIC has been offering its members access additional training modules from an extensive list of training offerings—all to help member dioceses deploy risk management training throughout the enterprise.
The Value of Great Partners

Perhaps midway through this report, it is important to pause and recognize something that all organizations would welcome – valued partners who have been with BPIC from the beginning, recall the formation of BPIC and the uncertainty surrounding all elements of formation. The Board made a strategic decision from its inception to align with experts rather than build that capacity internally. If the fact that each of the partners has been with the Company since its inception is any indication of success, stability or luck, then it merits we spend some time acknowledging these partners.

Brit, A Lloyd’s Syndicate

Much has happened at Brit in ten years, including the establishment of a U.S. presence in Chicago. BPIC made the strategic decision to have its captive fronted by Lloyd’s paper. Each of the other Catholic Church programs issues its own insurance policies. BPIC believes having the financial strength of Lloyd’s behind its member insureds’ policies is vital to the Company’s long-term strength as a reinsurance company. Brit has also offered BPIC stop-loss reinsurance since the Company’s formation, another very unique offering. Brit’s recognition that BPIC is different, that BPIC is dynamic and a mutual stakeholder in seeing the lineslip succeed has been important to this relationship’s success. BPIC remains grateful to Matthew Wilson, Nick Davies, Andrew Murnieks and the Brit team for its dedication to BPIC since the Company’s beginning.

USA Risk Group of Vermont, Inc.

Becky Anderson has been reporting the Company’s unaudited financial results to the BPIC Finance Committee and Board on a quarterly basis and has coordinated the audit work provided to Johnson Lambert LLP associated with preparation of the Company’s audited annual financial statements since the inception of the company. She also acknowledges receipt of BPIC’s premium cessions, facilitates payment of claims and expenses, and communicates with TD Wealth regarding the Company’s banking arrangements. USA Risk has been a great partner and brought its expertise as a captive manager in Vermont to bear. We have had to submit several Business Plan changes during the past ten years due to the dynamic nature of the company and Becky, with support from Andrew Sargeant and earlier Gary Osbourne has been instrumental in helping facilitate this process with the Vermont regulators.

Primmer Piper Eggleston & Cramer PC

Over the years, Randy Wachsmann and Jeff Johnson have provided tremendous advice as BPIC’s captive counsel. These services have consistently been provided in a very timely manner with receptiveness to answering all Board questions and a commitment to helping the Company achieve an optimum solution. Whether this be related to the conversion of the captive from a stock company to a mutual company or for that matter, any governance issue, Randy has been instrumental in helping guide this relatively young company in its deliberations.

TD Wealth

While BPIC started with a small corpus, assets under management have now grown to over $13 million. On a regular basis Tina Truax McCuin has provided the Finance Committee and Board with economic status reports and forecasts. As a result of the investment placements by TD Wealth team under the guidance of the Finance Committee, BPIC has been able to outperform several benchmark indices. This has been accomplished while adhering to the set of investment guidelines adopted by the Board and complying with the investment guidelines of the United States Conference of Catholic Bishops (USCCB).

Perr&Knight

How fortunate for us to have connected with this specialized actuarial firm led by Tim Perr and Scott Knight which is based in Santa Monica, California. Yet, as we see today, this firm is a vital partner to a number of the faith-based risk retention programs. We have witnessed a remarkable partnership between Perr&Knight’s
team of Charlie Lenz and Bruce Fatz who work closely with BPIC’s Underwriting Team actuary, Kent Nickerson, and Sheryl Anderson of Artex Risk Solutions, as they navigate the compounding of individualized insurance program structures which vary by member each year. This is a most tedious process and yet the IBNR calculation is core to the ability of the Company to bring stability in pricing and to achieve favorable long-term growth. This complex web of data has been professionally managed and guided by the best in the industry.

Johnson Lambert LLP
I recall when Debbie Lambert was a sole practitioner some 20 years ago and to see the network of offices she now has servicing the auditing needs of captives, trusts and risk retention groups is truly amazing. Hats off to the great partnership between Johnson Lambert LLP, USA Risk Group of Vermont, Inc. and Artex Risk Solutions, Inc. in has resulted in the production of the captive’s audited financial reports. It is noteworthy that year after year the captive has received a clean report as respects it operations and financial picture. Johnson Lambert LLP also conducts a review of the Member Statement calculations prior to their issuance. The auditing process has changed over the years, today being much more detailed and painstaking, yet this is important in validating the financial health of the Company, something our members rely on without question.

Church Mutual Insurance Company
Gallagher had forged a national broker program with this carrier that not too many years ago did not work with brokers or with the Catholic Church. Church Mutual Insurance Company (CMIC). In recent years CMIC has expanded its business plan as shifts have taken place in the overall religious denomination community. With CMIC we have innovated in the creation of a unique “Companion Property Program” (CPP) with a group dividend component that allows participating member insureds three sources of reclaiming dollars: their own SIR program, the BPIC captive, and now the CPP program! Three is an important number for the Church!

Arthur J. Gallagher & Co.
I have been fortunate to have access to a plethora of resources and appreciate the Religious Practice Leadership Team, especially Tony Abella, Sr. and Wally Bryce, for partnering on the formation phase of the company and staying with us, year after year. Sheryl Anderson of Artex Risk Solutions has truly led the day-to-day operations of BPIC, working closely with each of the professional service team members identified above to ensure the Company runs smoothly and efficiently. Facilitating committee and board teleconferences, preparation of committee and board meeting materials, orchestration of member webinars, meetings with service providers, involvement in Board strategic planning sessions, release of the annual Member Statements, keeping the website relevant and even leading arrangements for board and members’ annual meetings, liturgies and other outings – these have been the mainstay of the work in which Sheryl Anderson and I have been engaged from different vantage points – Sheryl as the Captive Director of BPIC, bringing alternative risk expertise, and I as Administrator, possessing the market intelligence of the faith-based world along with the product knowledge of the all-lines protected self-insurance program.

Underwriting, though, is the cornerstone of the program and Gallagher UK (now known as Protected Self-Insurance- PSI), formerly led by Terry Stubbs and now under the leadership of Michael Vaughan-Fowler and Dave Adams. From the Company’s inception PSI has been engaged in managing the vital data, moving

We may be moving to a world of networks well led, as opposed to organizations well managed.”
—Jim Collins, Great by Choice
through submissions to design meaningful structure scenarios, diocese by diocese, negotiating with the lead underwriter, Brit, helping members move from "as is" renewals to new retention configurations, attending board meetings, supporting conference calls, et al. We all know Kent Nickerson, actuary and a member of the Gallagher UK team, is the heart and soul of the data, having managed IBNR and rate negotiations on behalf of BPIC during this ten year period. Gallagher Bassett Claims and Risk Control Consulting have also been very helpful in bringing their expertise to bear, especially in supporting the work of the Risk Control Committee and in providing such important services as the annual benchmarking reports and in producing the plethora of online training resources to complement the White Papers which they have authored.

We also recognize another Gallagher partner, Risk Placement Services (RPS), whose Shawn McCall was responsible for engineering our latest product addition, the Companion Property Program (CPP). This program is particularly helping BPIC achieve its growth goal through the incorporation of more Property premium in the BPIC captive. CPP has also allowed BPIC to realign its property and casualty portfolio balance to a limited degree, an unintended yet welcomed consequence of this partnership program with Church Mutual Insurance Company.

Where would we be without the Gallagher producers to help promote the program throughout the country? Today BPIC works with all agents and brokers representing dioceses and appreciates the BPIC Administrator’s coordination of these efforts on a day-to-day basis. Other members of the Gallagher team – Mike Wroblewski and Amanda Weller of Gallagher Bassett, Wally Bryce of Gallagher Risk Management Services and Phil Bushnell of Gallagher Benefit Services – have all lent their expertise in so many ways over the years. Don’t forget Amanda Weller is the author of those benchmarking reports and facilitator of the White Papers that BPIC produces. How about all of the online modules that have been created for the benefit of BPIC member dioceses? Again, a big “thank you to” the Risk Control Committee and Gallagher Bassett Risk Control Consulting.

The BPIC Board is especially grateful to Gallagher’s Tony Abella, Sr., who has been the heart and soul of the Gallagher Team and the Bishop’s Plan for more than 33 years. Since BPIC’s inception, Tony has contributed on board and committee conference calls and attended board meetings on his own time and expense, and the Board is grateful for his untiring dedication and proven expertise.

BPIC has taken its role in oversight of these service partners very seriously and conducted regular reviews to ensure the Company is receiving the highest level of service. While some of our partners may have changed their corporate name and a few of the people on the teams have moved on, we enter our second decade with the same core team of service partners in place, unified, aligned and poised to take the Company to the next level of success over the next ten years, mindful we all earn the opportunity through our dedicated work each day!

2011 photo of the Board of Directors with the Gallagher Team. You will note Tony Abella, Sr. at top right. Always lending insight and experience at each BPIC meeting.

L to R

1st Row Cathy Macina, (Diocese of St. Augustine), Mary Beth Koenig, (Diocese of Austin), Ana Jarosz, (Diocese of Palm Beach), 2nd Row Bishop Thomas John Paprocki, Paulette Furness (Archdiocese of Portland in Oregon), Bob Sellers, (Diocese of Birmingham), Tom Schadle (Diocese of Tulsa), 3rd Row Bob Ryan, (Archdiocese of St. Louis), John Shaheen (Diocese of Tucson) and Martin Hoak (Diocese of Burlington), 4th Row Terry Stubbs, Rick Bankston, Sheryl Anderson, Peter Persuttii and Tony Abella, Sr. of the Gallagher team.
New Frontiers

Growth has been a overriding goal since the inception of the Company. BPIC could achieve growth in two key ways:

1. Current members placing more lines of coverage and expanding coverage layers with BPIC.
2. Attracting new members to the Company.

This dynamic is unique in that most insurance companies grow by retaining insureds and growing premium, but BPIC can also benefit from current member insureds reconfiguring their retention structures year by year. This may be driven by the insurance market firming overall (retain more risk) or be related to a particular line of coverage (such as Workers Compensation), in which case the member might raise the attachment point for the excess carriers (or the carrier might demand it!).

Reaching Out to Bishop Owners

One of the early initiatives to retain members was reaching out to the Bishops. Early on, we did not have an Episcopal Moderator and we would simply try to connect with member/owner bishops at the quarterly USCCB meeting of Bishops (refer to June 2003 event below). But with Bishop Paprocki coming on board as Episcopal Moderator, the relationship with the Member Bishops has deepened, with their having a better understanding of BPIC and its role in the risk financing strategy of the diocese. For four years now, Bishop Paprocki has hosted a dinner for BPIC Bishops and guest Bishops (who are prospective new member dioceses) at The Walters Art Museum in Baltimore as part of the meetings of Bishops held each November in Baltimore.

Expanding Coverages

While there is an annual review of the manuscripted Lloyd’s form to help ensure we are capturing the essence of the exposures, we continue to seek ways to leverage group buying (e.g., CPP and Terrorism coverage). With group purchasing, the more BPIC members purchasing this coverage (with no risk taking by BPIC), the greater the potential discount.
Sexual Misconduct Liability (SML) Coverage
SML presented itself as another opportunity, given that overall BPIC had not covered SML. Given the offering of The National Catholic Risk Retention Group, there was a well-established program that attached at $250,000. Some dioceses were looking for coverage underneath that attachment, and we worked with Brit to do a feasibility of such risk-taking. Ultimately, Brit offered BPIC the opportunity of a 50–50 share (versus BPIC’s 30% share on all other coverages) of this new exposure in BPIC. BPIC’s approach here in adding this coverage offering would be slow, methodical and calculated over a long period of time.

Working With Other Brokers
One of the branding challenges was the perceived exclusive alignment of BPIC with the Gallagher distribution network. Gallagher’s Religious Practice does work with many different brokers, especially through the PSI Underwriting division, BPIC’s Underwriting Partner. It was a natural for BPIC to open itself up to other brokers, and today we have one diocese in BPIC and PSI through a non-Gallagher broker and are working with several brokers and agents on other opportunities.

Companion Property Program (CPP)
While in some ways the CPP is expanding coverages, this is being done without any risk-taking by BPIC, yet is a tremendous benefit to members. Let me explain. The CPP is underwritten by Church Mutual Insurance Company, through an affiliation with RPS Itasca, the largest wholesale broker for Church Mutual and an exclusive partner in the diocesan sector. RPS and Church Mutual, along with PSI, worked diligently to come up with an innovative program that would marshal BPIC member dioceses together in the procurement of property coverage, attaching at $1 million per occurrence. Over 400 years of insurance carrier experience would be brought together between Brit (underlying Property layer) and Church Mutual (excess Property layer up to $125 million) in the creation of the CPP. This group incorporated a group dividend into the mix and we witnessed BPIC’s own book of business grow through incorporation of additional underlying Property coverage in BPIC (to match up with the attachment point for the CPP). This provides member dioceses the opportunity for a new layer of premium reclamation through a dividend program in the Property excess layer, an innovation for the insurance industry.

“BPIC strives to become an ever more integral part of your insurance program.”
A Financial Overview
Ten Years—Growth

<table>
<thead>
<tr>
<th>Year</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Earned Premium</td>
<td>$1,524,800</td>
<td>$2,084,467</td>
<td>$2,327,192</td>
<td>$2,242,065</td>
<td>$2,038,178</td>
<td>$1,873,643</td>
<td>$1,809,590</td>
<td>$1,862,860</td>
<td>$2,123,683</td>
<td></td>
</tr>
<tr>
<td>Underwriting Expenses</td>
<td>$933,074</td>
<td>$1,087,925</td>
<td>$629,190</td>
<td>$1,845,819</td>
<td>$1,298,653</td>
<td>$1,494,466</td>
<td>$1,045,735</td>
<td>$1,730,510</td>
<td>$1,788,908</td>
<td></td>
</tr>
<tr>
<td>Net Underwriting Income</td>
<td>$591,726</td>
<td>$996,542</td>
<td>$1,698,002</td>
<td>$396,246</td>
<td>$739,525</td>
<td>$379,177</td>
<td>$763,855</td>
<td>$132,350</td>
<td>$334,775</td>
<td></td>
</tr>
<tr>
<td>General and Administrative Expenses</td>
<td>$207,509</td>
<td>$217,980</td>
<td>$253,622</td>
<td>$243,281</td>
<td>$258,837</td>
<td>$281,578</td>
<td>$272,327</td>
<td>$300,065</td>
<td>$304,444</td>
<td></td>
</tr>
<tr>
<td>Net Investment Income</td>
<td>$17,983</td>
<td>$90,224</td>
<td>$213,635</td>
<td>$518,458</td>
<td>($148,277)</td>
<td>$561,912</td>
<td>$577,456</td>
<td>$290,112</td>
<td>$575,607</td>
<td></td>
</tr>
<tr>
<td>NET INCOME</td>
<td>$402,200</td>
<td>$868,786</td>
<td>$1,658,015</td>
<td>$671,423</td>
<td>$332,411</td>
<td>$659,511</td>
<td>$1,068,984</td>
<td>$122,397</td>
<td>$756,144</td>
<td></td>
</tr>
</tbody>
</table>

Year after year, BPIC has outperformed the underwriting profit targets, while at the same time reducing the cumulative rate over 30% in ten years. In the early years, there were some corrections to the IBNR (Incurred but Not Reported) values in favor of the Company, again reflecting this new company and the coming together of a diverse group of members. There were some significant losses on Property in the early years that the company weathered, while accumulating funds for future Liability and Workers Compensation claims development. This combination of all-lines average and offerings staggered payout of potential claims, while reclaiming dollars not needed for expected losses, has benefitted BPIC. Consistent, methodical underwriting process and structures review has also benefitted the company.

In revisiting the chart above that captures the key summary financials since the inception of the company in 2003, first and foremost, the company has shown net underwriting income in each of the years, ranging from a high of nearly $1.7 million to a low of $132,350. Equally impressive, given the uncertainty present at the time of the Company’s formation, the economic downturn that was weathered, including fair market valuations calculations that impacted the financials (refer to year-end 2008) and the sustained lower investment returns resulting from financial market conditions, is the Company’s net investment income. A look at the top line – Net Earned Premium, reflects the Company has shown just over a 39% increase over this ten year span. This is impressive given the following headwinds:

- Loss of several members during this 10 year period.
- 30% reduction in the margin beginning in 2010.
- Cumulative negative rate change over the life of the company of over -32% (refer to exhibit below).

Cumulative Rate Change over 10 years...Negative Slope
The Company was showing significant profits in the early years—especially 2006. Taking this into consideration, the Board worked closely with its Underwriting Manager, PSI, and Brit, the lead insurer, to adjust rates to more accurately reflect the experience of the members. This is what captives are all about. We started by being rated as a group of dioceses (broad historical information) and it was clear that the group we attracted had better than expected loss experience. We would begin to migrate to more accurate rates, reflective of the group’s experience and distance ourselves from broader industry rating in general. Over time this was a cumulative rate change of over 32%!

What is critical to know about BPIC is the true financial vehicle that it represents. It is not meant to absorb the expected losses of the members that participate in the captive, and thus structures are customized and annually reviewed to adjust the line of coverage layers to the member’s experience. The fundamental principle is that a member diocese is better off absorbing the expected losses over time, rather than paying overhead on costs to adjudicate and close out the claim. Each diocese, with the advice of its broker, revisits its risk financing structure annually to determine how their layers are performing and whether there is proper balance in the assumption versus transfer of risk. What BPIC provides is:

1. The product to create a platform for self-insurance (and if desired, also purchase a stop-loss product and fully fund their loss fund aggregate—in essence, significantly reducing risk!).
2. The next layer of self-insurance as a group of member dioceses who are owners in the company.

Prudent assumption of risk requires professional partners to help navigate the complexity of insurance, but in the advent of the 21st century it behooves each diocese to use these resources to reclaim dollars for ministry. Yes, it is easier to transfer risk and pay a fixed amount, but is it proper stewardship, especially given what we know today and what we have available in products, programs and partners willing to collaborate? BPIC has emerged as a viable financial vehicle for the Church that has produced a compounded rate of return in excess of 15% annually on the initial capital contributed. This is the power of collaboration and mobilizing resources of the 21st Century!

We are pleased to share the following high level details from the past two years’ financial statements:

<table>
<thead>
<tr>
<th>BPIC</th>
<th>2011</th>
<th>2012</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Earned Premium</td>
<td>$1,862,860</td>
<td>$2,123,683</td>
<td>14%</td>
</tr>
<tr>
<td>Net Underwriting Expenses</td>
<td>$1,730,510</td>
<td>$1,788,908</td>
<td>3%</td>
</tr>
<tr>
<td>Net Investment Income</td>
<td>$290,112</td>
<td>$575,607</td>
<td>98%</td>
</tr>
<tr>
<td>NET INCOME</td>
<td>$122,397</td>
<td>$756,144</td>
<td>518%</td>
</tr>
</tbody>
</table>

In 2012, BPIC achieved its growth goal with two new members and Net Earned Premium growth of 14%. BPIC experienced strong Net Investment Income representing a 98% increase over the prior year with Net Income up 518%—another great year for BPIC!
In summary, BPIC has successfully accumulated assets under management which begs the question of when members might expect dividends. The Board has spent a great deal of time talking about this. The Board has also witnessed opportunities to grow the Company and live out its efforts to be relevant through the offering of new products. Such increased risk taking requires the financial support which is provided by surplus. At one point, the Company decided to incorporate limited sexual misconduct coverage in to the captive. It also has increased its net maximum per occurrence exposure over time as the Company witnessed its members take more risk through their individual placements, thus creating an opportunity for BPIC to look at excess layers and other ad hoc quota share opportunities. All of these are financial transactions and opportunities for BPIC to participate and potentially reclaim dollars for ministry at impressive returns. Through these dynamics of change and growth, the Board has never had to go back to members to ask for more capital in order to collateralize these expansions! The accumulated retained earnings year after year are being put to good use and continue to yield significant return for the Company and the members.

Clearly, the decision early on by the Formation Committee to move to an ownership model was a wise one, as history has shown. In addition, the modeling that was done by Gallagher UK prior to the inception of the captive and was used as evidence of potential success, was able to be done because Gallagher UK had over 30 years of experience writing dioceses under the Bishop’s Plan proprietary program. All of this points to the importance of data in the overall scheme of decision-making and in prudently taking more risk.

As BPIC matured, it began to use language like rent vs. own, another important concept in finance. BPIC obviously utilizes an owner model and the more it was able to speak to member owners in this fashion, the more commitments we saw to risk management and loyalty to the Company. It is clear that BPIC is a complex and often misunderstood group arrangement, but to boil it down to its simplest form, it is true ownership by a group of committed dioceses around the country with an eye on return on that investment. Wouldn’t most companies like to have the kind of accumulated net income and financial return BPIC has witnessed in its first ten years?
2012 Audited Financial Statements—Pictures Speak a Thousand Words

The audited BPIC 2012 Financial Statements as prepared by Johnson Lambert LLP were approved by the Board of Directors for presentation at the 2013 Annual Meeting of the Members on May 2, 2013 in Chicago, IL.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2012 and 2011 and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Burlington, Vermont
April 18, 2013

Bishops' Plan Insurance Company

Statements of Operations and Changes in Net Assets - Unrestricted

<table>
<thead>
<tr>
<th></th>
<th>Year ended December 31,</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2012</td>
<td>2011</td>
</tr>
<tr>
<td>Revenues</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Premiums earned</td>
<td>$2,123,683</td>
<td>$1,862,860</td>
</tr>
<tr>
<td>Net investment income</td>
<td>575,607</td>
<td>290,112</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Revenues</td>
<td>2,699,290</td>
<td>2,152,972</td>
</tr>
<tr>
<td>Expenses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Losses and loss adjustment expenses</td>
<td>1,221,593</td>
<td>1,350,615</td>
</tr>
<tr>
<td>Policy acquisition expenses</td>
<td>417,109</td>
<td>379,895</td>
</tr>
<tr>
<td>General and administrative expenses</td>
<td>304,444</td>
<td>300,065</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Expenses</td>
<td>1,943,146</td>
<td>2,030,575</td>
</tr>
<tr>
<td>Net Income</td>
<td>756,144</td>
<td>122,397</td>
</tr>
<tr>
<td>Capital returns to members</td>
<td>(230,692)</td>
<td>(536,894)</td>
</tr>
<tr>
<td>Net Assets - Unrestricted, beginning of year</td>
<td>3,551,029</td>
<td>3,965,526</td>
</tr>
<tr>
<td>Net Assets - Unrestricted, end of year</td>
<td>$4,076,481</td>
<td>$3,551,029</td>
</tr>
</tbody>
</table>
### Balance Sheets

<table>
<thead>
<tr>
<th>Assets</th>
<th>At December 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2012</td>
</tr>
<tr>
<td>Investments, at fair value:</td>
<td></td>
</tr>
<tr>
<td>Fixed-maturity securities</td>
<td>$10,226,709</td>
</tr>
<tr>
<td>Equity securities</td>
<td>2,576,930</td>
</tr>
<tr>
<td>Mutual funds</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Investments</strong></td>
<td>12,803,639</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>410,968</td>
</tr>
<tr>
<td>Certificate of deposit</td>
<td>500,506</td>
</tr>
<tr>
<td>Premiums receivable</td>
<td>68,442</td>
</tr>
<tr>
<td>Deferred policy acquisition costs</td>
<td>182,783</td>
</tr>
<tr>
<td>Prepaid reinsurance premiums</td>
<td>23,434</td>
</tr>
<tr>
<td>Accrued investment income</td>
<td>90,370</td>
</tr>
<tr>
<td>Other assets</td>
<td>9,172</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td><strong>$14,089,314</strong></td>
</tr>
</tbody>
</table>

| Liabilities and Net Assets - Unrestricted   |                 |                 |
| Liabilities                                 |                 |                 |
| Losses and loss adjustment expenses         | $4,802,029      | $4,294,412      |
| Unearned premiums                           | 1,056,950       | 887,426         |
| Surplus notes payable                       | 1,531,171       | 1,479,737       |
| Return capital payable                      | 2,559,018       | 2,328,327       |
| Other liabilities                           | 63,665          | 62,239          |
| **Total Liabilities**                       | 10,012,833      | 9,052,141       |

| Net Assets - Unrestricted                   |                 |                 |
| Unrestricted net assets                     | $4,076,481      | 3,551,029       |
| **Total Net Assets - Unrestricted**         | **$4,076,481**  | **3,551,029**   |
| **Total Liabilities and Net Assets - Unrestricted** | **$14,089,314** | **$12,603,170** |
Looking Ahead

BPIC’s Strategic Planning process, led by Board Chair, Tom Schadle, has been instrumental in helping the Board and partners navigate a relatively new company. We are all so fortunate to have Tom Schadle at the helm, having shepherded the company through Phase II and III of the Strategic Plan. Tom would always want to have us review the Strategic Plan at each board meeting, assessing the progress on goals and determining adjustments, thus reinforcing the dynamic nature of strategic planning.

We can look ahead with great confidence, thanks to Tom’s leadership over these past six years – years of growth, maturing as a young company, adding new types of coverages and vibrant committee work….and many, many hours of Tom’s time. I know he offers his talent and expertise as a gift, for that’s how Tom operates. His selflessness is contagious and we are all so fortunate to have him leading BPIC as we mark the 10th anniversary.

Yes, we recognize that BPIC benefited from years of experience and insight from the Bishop’s Plan of Arthur J. Gallagher & Co., yet we also have to acknowledge that the Company was launched without any confirmations of which dioceses would join and create the company called Bishops’ Plan Insurance Company. We will always be grateful for those founding member dioceses who helped us get started. We believe they saw something on the horizon that would be good for the Church and we can say, ten years later, that what they saw or hoped for is being actualized as we celebrate our tenth anniversary—financial resources being reclaimed for ministry.

In the early years, the strategic planning process was focused on putting in place sound management principles for the Company, including firm underwriting guidelines and living out a fairly conservative mindset of maintaining a stop-loss product for the captive and accumulating surplus to help the Company live out its vision of flexibility. There was a careful, deliberative, conservative mindset focused on the core program of an all-lines buffer layer structure customized to the members’ experience and appetite for risk-taking. The boards of the past were careful to recognize IBNR and future liabilities, as well as to control overhead expenses as a percentage of premium and maximize net underwriting income. Each year rate setting was focused on making sure there was a balance between the need to properly fund the captive/company and the members’ individual interests in reducing the total cost of risk. Who would ever think that a captive over ten years would actually reduce its cumulative rate more than 30%?

Yet, the yearly financials were painting a picture that this was feasible to do as the company was achieving positive net income and beginning to benefit from investment income coming from the members’ capital contributions and funds set aside to pay future claims. The Company has a firm foundation, buttressed by excellent data to employ predictive analytics in planning, strong financial performance, an accumulated surplus to anticipate market swings and continue smoothing in pricing, and a committed group of members.

BPIC is still not fully understood in the diocesan world and perhaps this is our biggest challenge. We know BPIC is not a total solution in its own right as it only provides the foundational framework for an all-lines protected self-insurance program. BPIC will always need partners to serve in excess positions on all lines and thus collaboration will remain an important strategy, preferably with other group insurance companies owned by the Catholic dioceses. BPIC desires to work in partnership with other group carriers such as Catholic Mutual Group, The National Catholic Risk Retention Group, Western Catholic Insurance Company and Church Mutual Insurance Company in an effort to bring further diversification to the dioceses’ risk financing structure and to maximize ownership and potential for reducing the total cost of risk.

We see BPIC as a strategy, as a fundamental paradigm shift from the purchasing of insurance on a fully insured basis and by line (Package, Auto, Workers Compensation) or from one carrier. These “vertical approaches” do not leverage the important horizontal view of insurance and recognition that the diocese is best serviced by assuming an expected level of risk across all lines as one way to gain control—of the claims’ outcomes, of the data and vital information - and of redirecting the fixed costs of insurance dollars to much-need ministry programs.

BPIC will help the diocese move from a fixed cost mindset for insurance to a profit and ministry center where variable costs outpace the fixed costs over time and program improvement such as training, appraisals and background check expenses are viewed as investments in reducing the overall total cost of risk. Only then will we see the insurance program as another ministry and center of excellence for the Church.
BPIC – The Logo as a Gift

May 2003

A gift from the Gallagher Religious Practice

On behalf of the Gallagher team I want to present this logo as a gift from Gallagher’s creative team. Brand is very important to a program and we hope you find this image captures the spirit of BPIC, an all-lines property & casualty captive for dioceses.

There is a great deal of symbolism in this art—although ultimately art is in the eyes of the beholder. The number three holds great symbolism in the Church and is reflected in this artwork in several ways. Also the lines can be seen as classical columns or fluting of columns or “lines of coverage towers” reflecting the all-lines nature of BPIC. The column’s base is traditional Doric, symbolizing the more than 40 years history of the Bishops’ Plan, the proprietary Gallagher program with a proven track record. Yet the top columns are more futuristic, towering, pointing upward and emphasizing the potential to go higher in limits. The triangles are somewhat Frank Lloyd Wright-like, again symbolizing the Gallagher-Chicago heritage and partnership.

You can also see a crucifix with outstretched arms, perhaps the resurrected Christ, as well reflecting the mission of this captive, to enable the dioceses to fulfill their ministry, safeguard their assets and people, with sound risk management and insurance.

Respectfully submitted,

Peter A. Persuitti
Executive Director
Gallagher Religious Practice
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Email: info@bpicmembers.org
Website: www.bpicmembers.org
2386 Airport Road
Barre, VT 05641