

The Art of Allocations: Finding Common Ground in our Collective Experience

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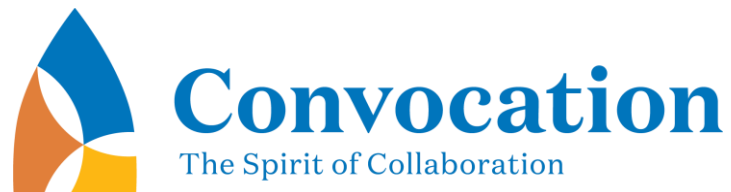
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Allocation Survey: Introduction and Goals

Online survey of Diocese and Archdiocese regarding current allocation models and processes

Discover

- What we have in common
- Where we vary
- What we can learn from each other
- How we can improve

Wellness Activity

Allocation Survey: Structure

What did we ask about?

- Program costs
- Allocation factors and process
- Invoicing and collections
- Effectiveness
- User feedback
- Questions and comments

Allocation Survey: General Stats

Respondent data and most common answer regarding allocation models

175 surveyed
÷
49 responded
=
28% return

Method used to
allocate premiums
is proration based
on multiple factors

48%
Respondents

Have considered
changing
allocation model

54%
Respondents

Would like to
include risk
management
compliance in
allocation model

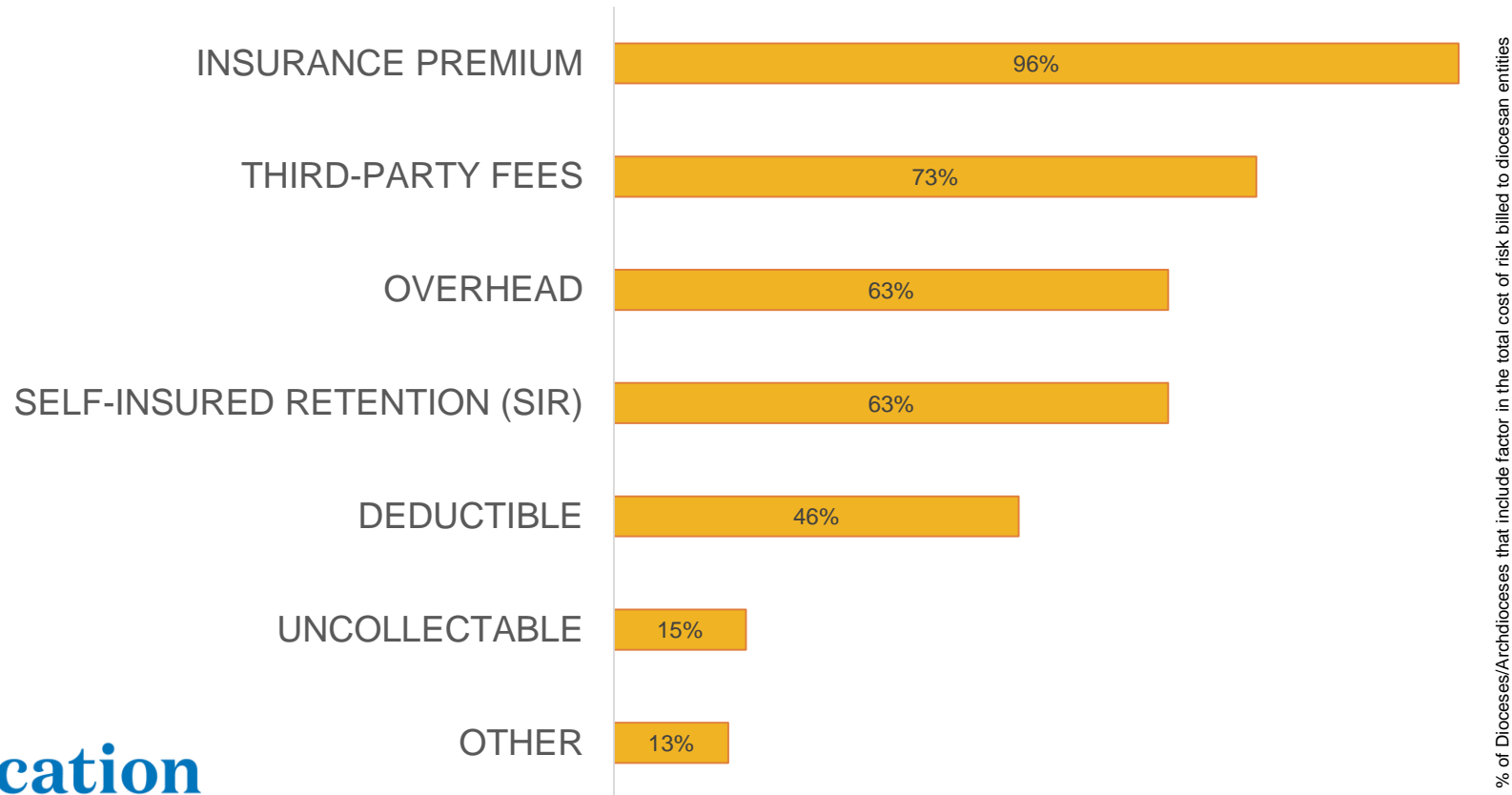
66%
Respondents

Program Costs

What's included in program cost?

Percent of Dioceses/Archdioceses that include each factor in the total cost of risk billed to diocesan entities

*Respondents could select more than one answer

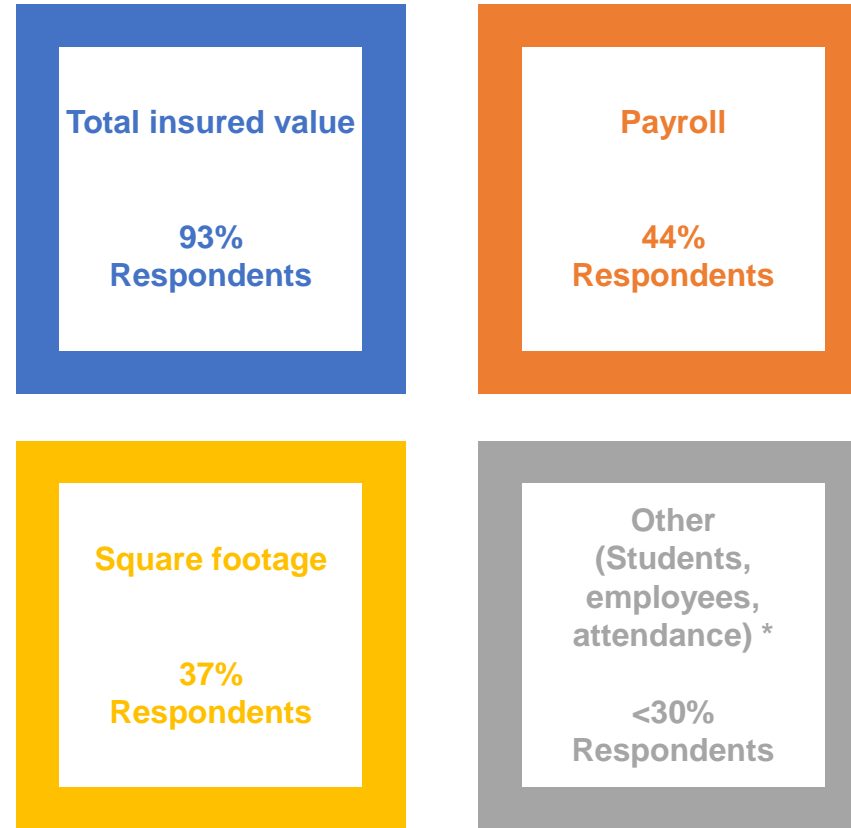


% of Dioceses/Archdioceses that include factor in the total cost of risk billed to diocesan entities

Allocation Factors and Process

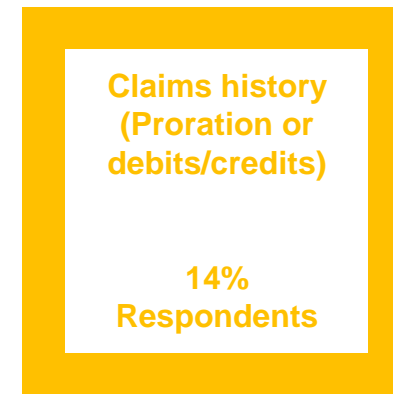
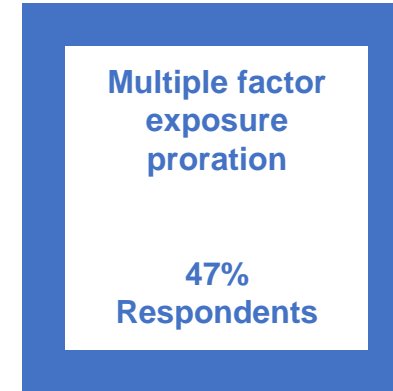
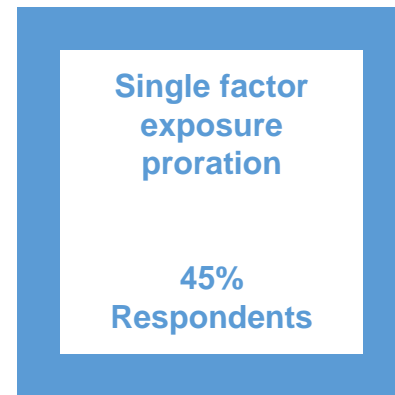
Allocation Survey: Factor Stats

Percent that use each exposure basis



Allocation Survey: Process Stats

Percent that use each allocation method



Allocation Factors and Process

Objective: Correlate program costs with coverages and exposures

- Top-down proration
 - One factor for all costs
 - One factor per coverage group (*i.e. Prop, Liab, WC*)
- OR: Bottom-up rating
 - Base rates per operational exposure type and coverage
 - Proration to program costs
- AND: Discretionary credits/debits to influence behavior
 - Risk management, Claims history, Financial resources
- AND: Phase-in to new methodology
 - Multi-year amortization of historical under/over billing

Have considered
changing
allocation model

54%
Respondents

More
simplistic

23%
Respondents

Include
risk management
compliance

66%
Respondents

Include
claims history

44%
Respondents

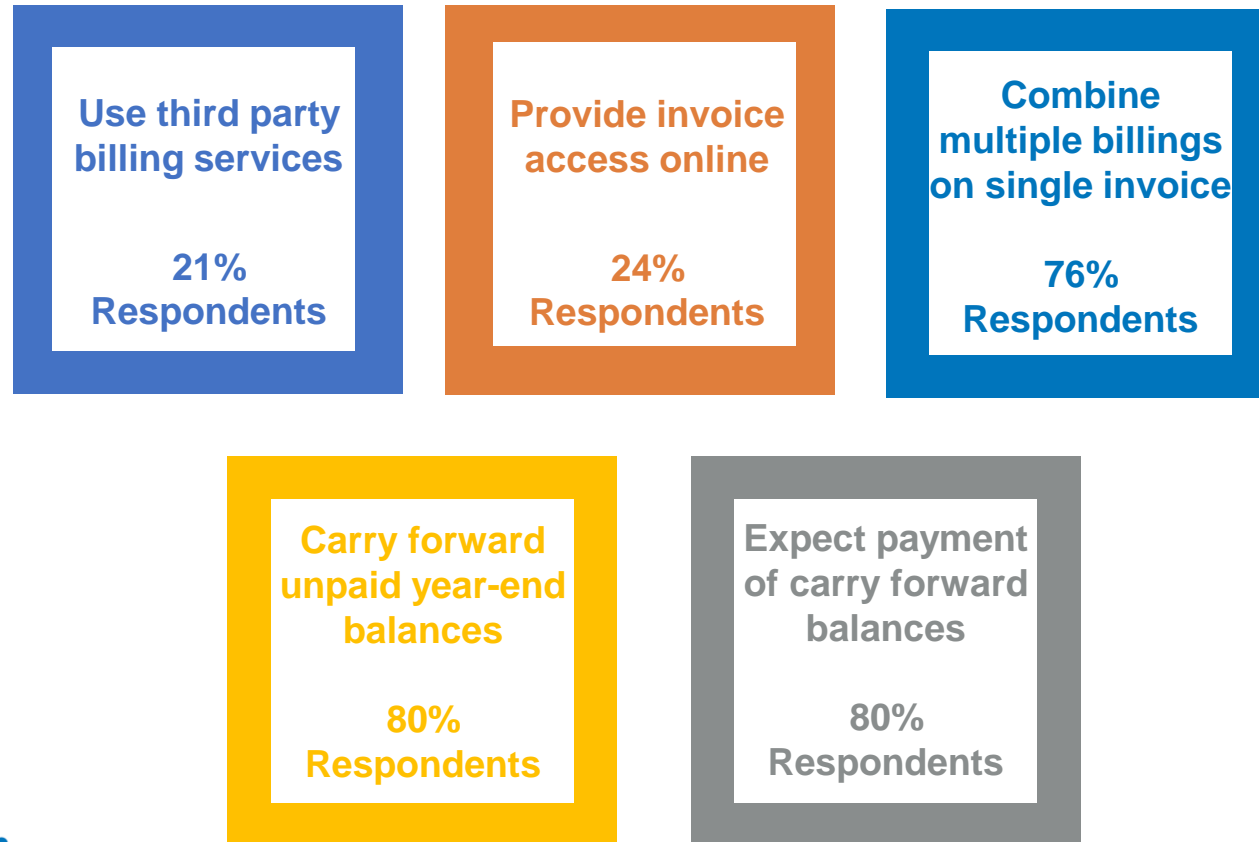
Invoicing and Collections



Convocation
The Spirit of Collaboration

Allocation Survey: Invoicing and Collection Stats

Percent that perform each invoicing and collection activity



Allocation Survey: Billing Frequency Stats

Percent of respondents who bill in each cycle



Invoicing and Collections

Efficiency opportunities

BILLING

- Amortize large amounts
- Combine billings
- Be on time
- Archive invoices online



COLLECTIONS

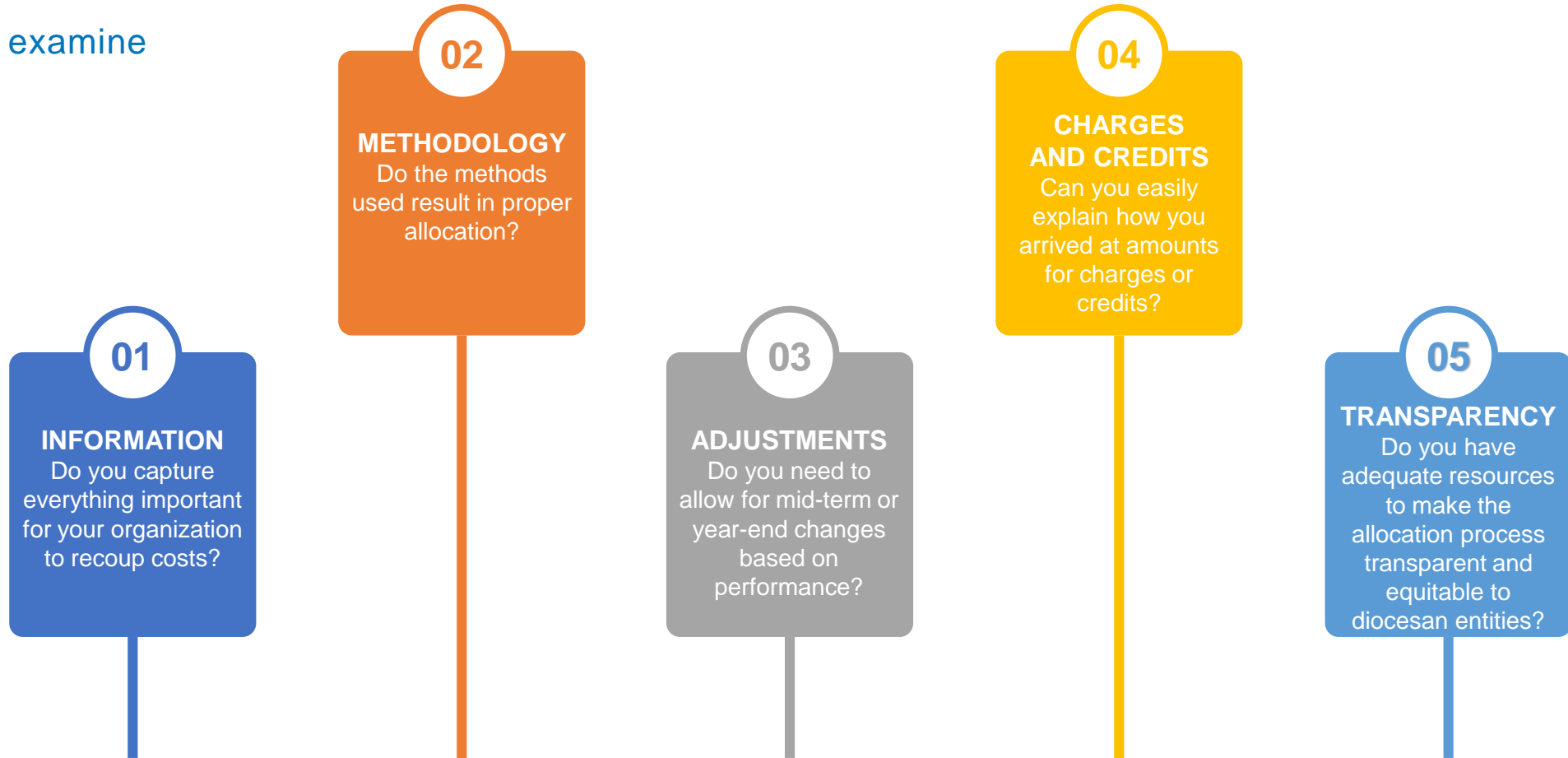
- Third-party billing services
- ACH
- Remove/bucket old balances
- Develop standard long-term payment plan
- Provide billing details



Effectiveness

Effectiveness of current procedures

What to examine

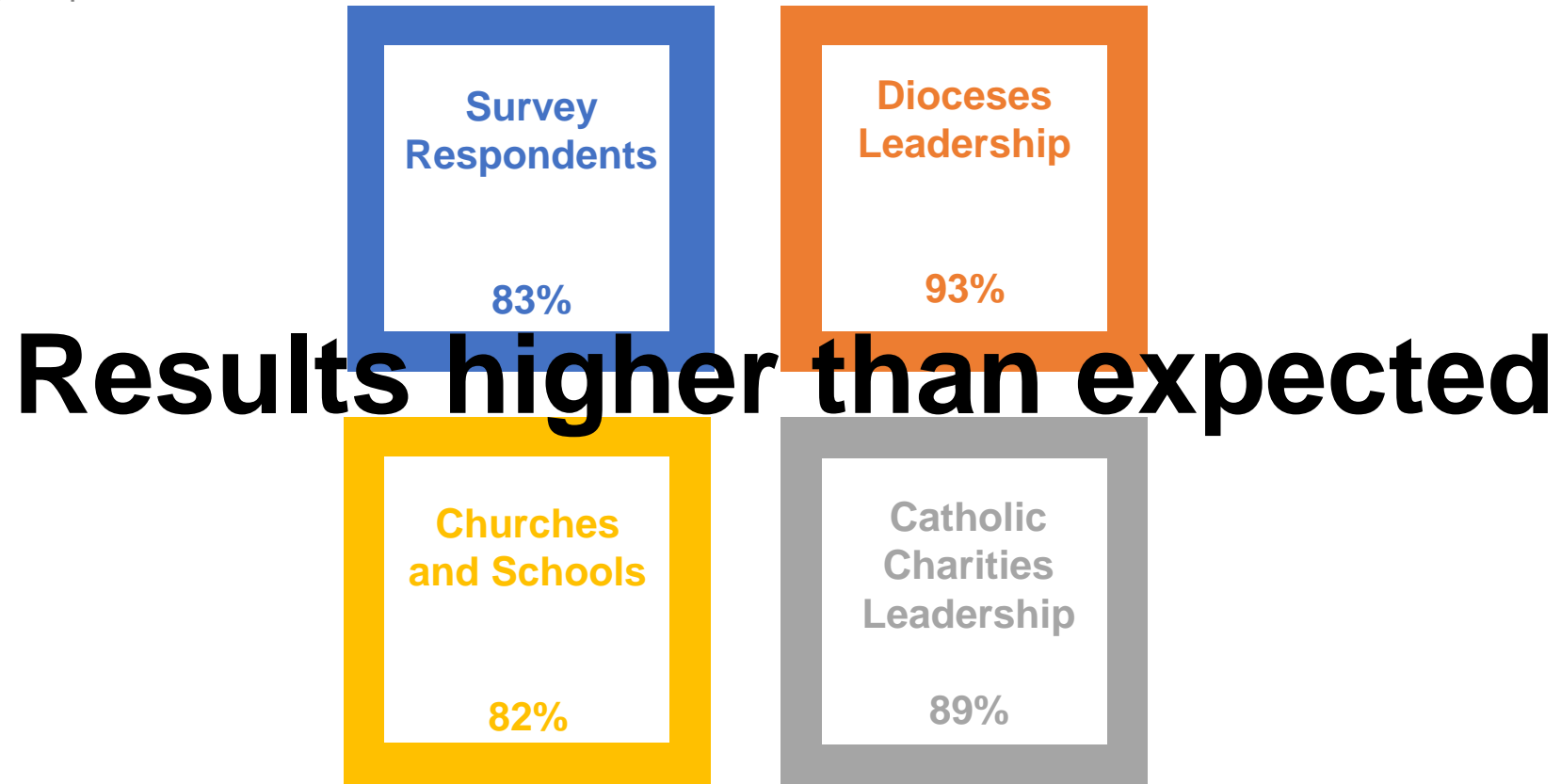


User Feedback

Allocation Survey: Is Your Model Practical and Equitable?

Percent of cohort that believes the allocation model their Diocese/Archdiocese uses is practical and equitable

*According to survey respondents

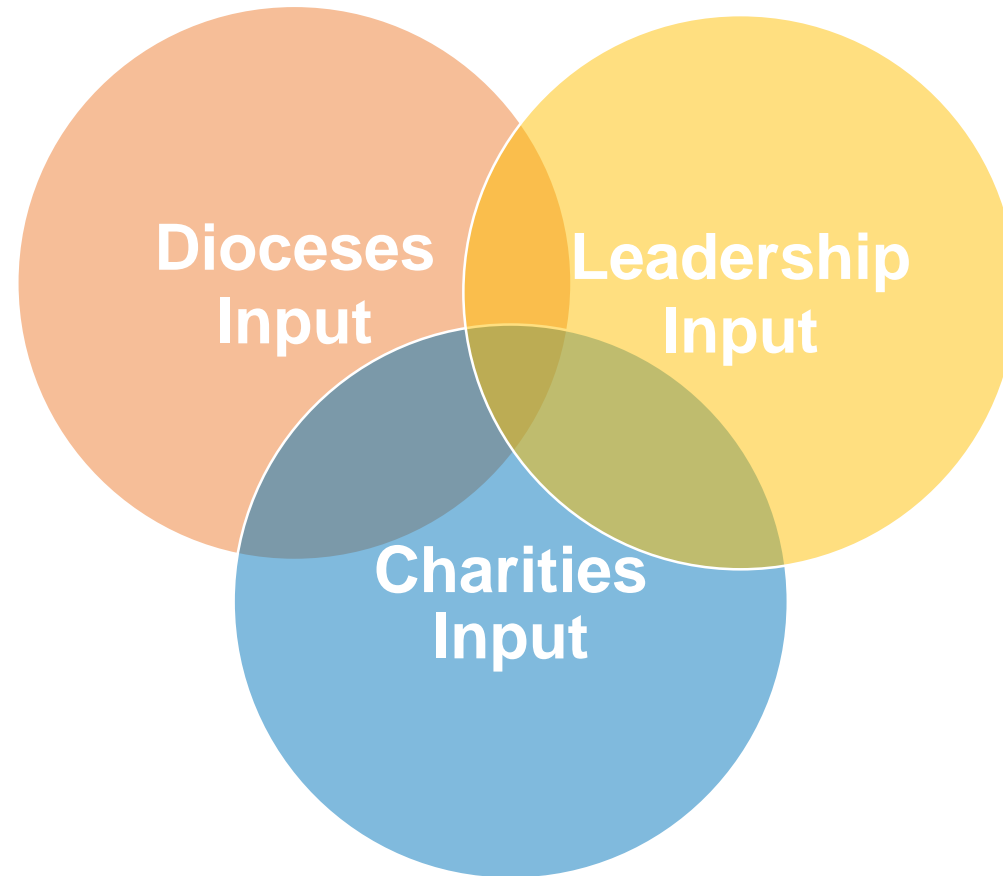


Allocation Survey: Room for Improvement

- Program value
- Cost transparency
- Capacity for implementing change

General comments

Notable commonalities and differences between groups





Discussion

Thank you.

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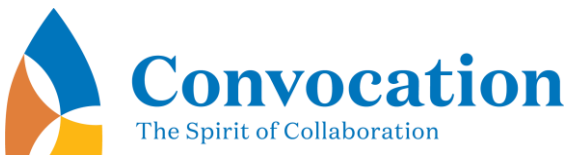
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