

Diocese beset

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For most parishes, this year's increase has caused belt-tightening rather than panic. "No parish has refused to pay the increase," said John Trickey, diocesan director of financial services. "But there's a lot more interest in what they are covered for."

Meanwhile, coverage is also becoming harder to find at any price. "We were without liability insurance for a good part of the summer," said Trickey. The diocesan policy was up for renewal in July, but Gallagher & Basset, the Illinois-based company that contracts for coverage, was unable to locate carriers until September.

"Fortunately the coverage we got was retroactive to July," Trickey said. "But there were some uneasy moments when we didn't know what we had or would have."

When the diocese contracted for insurance coverage from Gallagher and Basset in 1977, the policy carried virtually no restrictions. Before that time, each parish purchased its own insurance policy. The diocesan-wide package was developed by Gallagher and Basset in part to save parishes money. But it also provided more uniform protection, particularly for the bishop and the diocese, in suits involving parishes.

When the diocesan insurance package was opened for bids in 1984, premiums had already begun to rise. But Trickey said Gallagher & Basset still clearly provided the broadest coverage at the lowest available price.

The situation worsened the following year, but diocesan administrators were told to "stay where you are." Asking for bids again would only serve as a signal to companies that the diocese was having trouble finding insurance.

What the diocese has this year is certainly not what it had before. From losses incurred in the event of nuclear war to coverage for errors and omissions on the part of parish board or committee members, the scope of coverage has been reduced. The latter is one of the more dramatic decreases. As of July 1, 1985, the most the diocese could claim in case of a judgment against a parish board or committee member would be \$200,000 over a 12-month period.

The good news is that an errors and omissions claim has never been brought

against the Diocese of Rochester or against any other diocese served by Gallagher and Basset.

The bad news is that the incidence of such claims is beginning to rise and will almost certainly continue, given current trends.

Testifying before Governor Mario Cuomo's Commission on Liability Insurance, Father Kenneth Doyle, director of government relations for the New York State Catholic Conference said: "It is becoming more difficult to encourage qualified volunteers to serve — both on diocesan boards and committees. A Church which theologically is committed to receiving input and direction from its lay members is in real danger of being deprived of this service because liability coverage is being limited so severely."

In striking New York state's 1900 Roman Catholic churches and related agencies, the burden of liability insurance is falling upon the institution that supports more education, health and social service programs than any other private group in the state.

"If these increases continue and accelerate, we can expect serious choices between less coverage or cutbacks in programs for all of our agencies next year," Father Doyle said.

Consequently, it will be the poor, the sick and the elderly who will suffer if the insurance crisis continues.

Reduced coverage overall has raised diocesan concern over exactly what programs and activities parishes are sponsoring — from festivals at which alcohol is served to church-run health centers. "This may cause a tightening up of parish activities," Trickey said. "We can't tell parishes what not to do, but we are advising that they consider not serving alcohol at parish festivals and fund raisers."

"It's tough to discourage people from doing good works, like Corpus Christi's health center," he added. "So we're concentrating on promotional or profit-making ventures instead."

Gallagher & Basset has also published a "Loss Control" program for parishes to help prevent incidents that can result in lawsuits.

As yet, no comprehensive plan for relief from skyrocketing premiums has been proposed. One temporary solution the diocese is considering is to form a "captive" insurance company in cooperation with some 40 other

Higher claims, lower interest rates blamed

People who would "sue at the drop of a hat" used to crop up in movies as comic relief, but they're not all that funny any more.

In fact, one cause experts cite for rising insurance premiums is the trend toward suing — and collecting — for an almost endless variety of reasons.

Numbers and amounts of claims have risen dramatically in recent years. More and more people are seeking justice through financial redress in situations in which child abuse or exposure to toxic substances has occurred.

Legal doctrines, such as the "deep-pocket" theory and "joint and several liability," have accentuated the trend to sue more people more often, resulting in higher and higher damage awards. In essence, these theories support the idea that people are entitled to financial remuneration for injury, whether or not negligence was involved. They also encourage a plaintiff to sue as many companies or organizations as possible to further the chance of collecting the largest amount possible.

Reacting to such trends, insurance companies raise their rates for high-risk organizations or individuals.

That didn't used to include churches. But the range of activities encompassed by churches started out broad and has grown ever broader and more fragmented, covering everything from fundraisers to parish-sponsored day care centers, from homeless shelters to counseling programs.

"Before, you wouldn't dream of

suing the Church, but then you didn't sue your own family either," said Ramon Wrend, chairman of the diocesan insurance committee.

"It's a lottery," he said of the current court climate. "Seventy percent (of plaintiffs) get too little and 30 percent get too much. Both sides go in even and the best presentation wins."

Rising damages combined with losses accumulated by insurance companies in the six-year period from 1978-84, when rates were cut on commercial policies because of competition. At first, companies compensated for those losses with investments, such as money market funds. But particularly last year, interest rates lagged while claims paid by the insurance industry continued to rise.

Health care was one of the first areas to be hit with premium increases. Chemical and pharmaceutical manufacturers, municipalities, and trucking and busing companies were among the others that shortly followed.

Those areas hit hardest and longest by the insurance crunch — professionals, health-care agencies and municipalities — have already developed and passed some reform legislation.

But in at least one case, the solution has only exacerbated the problem. Section 19 of the Medical Malpractice Reform Act, passed in 1985, aimed to relieve doctors and dentists of the burden of excess liability insurance. In the process, it simply transferred the burden to hospitals.

dioceses around the country. By joining together to purchase the assets of an existing insurance company, the dioceses could provide excess coverage geared specifically to church needs.

Although the captive company would no longer need to show a profit to stockholders, premium rates would not go down dramatically, according to Trickey. Rather, it would simply guarantee that coverage would be available.

Some relief is also expected if interest rates and stock market prices continue to rise. But so far, the only possibility for long-term, comprehensive relief appears to be legislative reforms, which are opposed by some con-

sumer rights advocates and lawyers' organizations.

Specific proposals recommended by the state's Catholic conference include:

- regulations against insurance cancellations.
- disincentives against frivolous suits.
- merit liability ratings.
- speeding up arbitration and reducing caseloads.
- monitoring and reporting of insurance rate increases, claims and settlements.

"Insurance is supposed to protect the insured against an economic burden," Father Doyle said, "but the cost of insurance has itself become the burden."

Schools

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will afford to miss regular instruction during school hours. Those who arrive early or stay after school for remedial classes are also deprived of recreational time, which affects their performance and overall attitude toward school.

Communication between remedial and regular classroom teachers is minimal or sometimes even non-existent under the present system, principals say.

And whether the children are walking or bused to a neutral site, few parents like the idea of their children being shuffled between buildings.

Annual Shults Lecture

Dr. Keith J. Egan, adjunct professor of theology at the University of Notre Dame, will deliver the 12th annual Otto Shults Lectures on Spirituality, Thursday, April 3, at the Divinity School auditorium. The program will consist of two lectures: "The Peacemaker: A Contemplative in Action," at 3 p.m., and "Intimacy with God: Shall We Call God Friend or Lover?" at 8 p.m. There is no charge for these talks, and all interested persons are cordially invited to attend one or both lectures. The Lectures on Spirituality honor the memory of Shults, who supported St. Bernard's Seminary and theological education for many years.

Sacred Heart Chrism Mass

The annual diocesan Chrism Mass will be celebrated at 7:30 p.m. at Sacred Heart Cathedral, 296 Flower City Park, Rochester, on Tuesday, March 25. This annual blessing of the sacred oils of the Church gathers people from the diocese together. Bishop Matthew H. Clark will preside over the Mass and will be joined by other priests, deacons and lay people of the diocese. All are invited to join in this annual celebration. Those who wish to pick up the sacred oil for their parishes may do so immediately after the Chrism Mass in the Rectory Hall. A reception for all participants will be held in the school hall after the Mass.

"The ultimate decision should rest with the parents," McAuliffe said. "Many parents want their kids in Catholic school. Busing them to a public school and home or to the public school and back is just not acceptable to them."

In most districts, public and private school officials have already begun meeting to discuss improving Chapter 1 services next year. Possibilities range from centrally designated remedial sites to mobile units, which have been used extensively downstate.

But nationally, private school participation in Chapter 1 programs had already dropped one-third from previous years, according to an informal survey conducted in December, 1985, by the U.S. Department of Education.

In the Diocese of Rochester, 25-30 percent

of the Catholic schools' Chapter 1 students dropped out of the remedial program this year, McAuliffe estimated.

Two schools have abandoned the program altogether in favor of hiring remedial teachers at their own expense. At several other schools, parents who are certified public school remedial teachers are volunteering their time to work with remedial students.

Neither of those options is being proposed as a broad or long-term solution to the problems created by the Felton decision. Although many principals agree that hiring their own remedial teachers would be ideal, Chapter 1 students are entitled to benefit from the federally funded program rather than being served at the expense of Catholic schools or parent volunteers.

Vouchers are being discussed as a possible

solution. Parents of students eligible for Chapter 1 would receive a voucher which they could use to pay for remedial service at any private or public school.

By funneling Chapter 1 funds through the parents, vouchers would restore to Catholic and private school parents their constitutional right to choose a school for their children without suffering a disadvantage — a choice which they say the Felton decision has denied them.

Catholic or private schools could then use the funds from vouchers allocated to their students to develop or arrange their own remedial programs.

"There seems to be a thrust at the state level toward the voucher system," McAuliffe said. "In my opinion, vouchers are the wave of the future for Catholic schools."

Administration's voucher proposal faces uphill battle in Congress

From local and wire service reports
U.S. Education Secretary William J. Bennett met with a hostile reception last month when he took the Reagan administration's voucher proposal for disadvantaged public and non-public-school students before House subcommittee members.

Testifying before the House Subcommittee on Elementary, Secondary and Vocational Education of the Committee on Education and Labor, Bennett said The Equity and Choice Act of 1985, or TEACH, would increase educational opportunities for disadvantaged children, encourage parental involvement in education and foster competition.

TEACH would require Chapter 1 funds for remedial education in both public and non-public schools to be deposited in local education agencies. Eligible parents would then receive a voucher good for remedial classes:

- in an assigned public school, as under regular Chapter 1.
- in a public school outside the regular attendance area.
- in a public school outside the regular school district.

• in a private or parochial school.
While some critics claim the proposal creates no real opportunities, Bennett testified that it would be enough money to make a difference for many poor parents.

"Remarkably," he said, "some of the same critics who assert that these vouchers would not be enough to make a difference also claim that the competition created by vouchers would 'destroy' the public schools."

"Another myth about this proposal is that it would siphon good students away from the public schools," he said, "but this charge ignores the obvious fact that the children eligible for these vouchers are, by definition, those who are educationally disadvantaged."

Besides the hostile reception at the national level, TEACH is opposed by local public school officials.

"I don't support vouchers and I never have supported vouchers," said Woodrow Hammond, Rochester City School District's Chapter 1 director. "I think it would certainly dilute the money for such programs," he said. Also, the voucher system makes no provision for

overall administration of Chapter 1, he added.

"Untrue," countered William P. Gallagher, executive director of the New York State Federation of Catholic School Parents and a long-time advocate of choice in education. Regardless of where the remediation takes place, Gallagher said, the amount allocated per pupil would remain consistent with the cost. He also believes that if parents were allowed to choose between remedial programs, the resulting competition would stimulate better programs.

Members of the federation, along with diocesan officials and state and national Catholic conferences, have already begun lobbying legislators for their support.

Gallagher urged Catholic school parents, teachers and administrators to write their legislators, asking them to support TEACH or at least to hold hearings on the issue.

"It's an uphill battle, but we're going to keep fighting," Gallagher said. "It's a justice issue. Poor kids and slow learners are losing out on services in our schools."