

SECURITAS

Honesty. Fairness. Commitment to Serve.

Storm front

Wild weather causes widespread damage
in south-east Queensland

Counting the cost

Manage the risk of theft or embezzlement



viewpoint



As 2008 draws to close, we look back on what has been a very challenging year for financial markets worldwide.

The volatility of investment markets and an unusually large number of single and unrelated losses have had an impact on Catholic Church Insurances' performance. Despite these obstacles, a positive result was achieved due to our strong financial base and prudent management.

Our well-diversified approach to investing funds ensures that the portfolio is not exposed to unnecessary risks, while still seeking to maximise returns. Our derivative hedging program allows the portfolio to maintain a higher ratio of equities to other classes of investments, enabling the portfolio to benefit from the superior returns provided by equity investments, while maintaining a level of protection for the company's overall investment invested assets.

The company achieved a modest surplus of \$4.7 million, after an allowance for distributions of \$5.5 million was made to the Church by way of dividends,

“Catholic Church Insurances has traditionally avoided market cycles”

distributions to Catholic entities (rebates) and grants. Although not as high as previous years, this is a solid result given market variables and contributes to the \$195.6 million returned to clients and shareholders over the past 30 years. The surplus after distributions will be used to strengthen the company's capital reserves.

Over the next 12 months, we anticipate insurance companies will look at new strategies for premium growth, especially in the arena of merger and acquisition opportunities as well as increasing premium rates.

Catholic Church Insurances has traditionally avoided market cycles where possible, focussing on providing cost-effective insurance protection to all our clients and aiming to guard against large fluctuations in premiums from one year to the next. This strategy has been successful for the company, our clients

and shareholders and we shall continue to operate with these goals in mind.

In the last issue of *Securitas* I announced the launch of Catholic Church Insurances four-year strategic plan. The plan includes seven corporate objectives, which have been developed to help us achieve our vision of 'Serving Church'. We have identified three objectives as our top priority and are examining each at a departmental level to see how we can all work towards successfully achieving them. They are:

- Culture: To strengthen our 'Serving Church' culture across all departments which supports a common view of the client and facilitates a seamless client experience.
- Health: To be the preferred insurance provider in the Catholic health sector.
- Best Employer: To improve our Hewitt Best Employer engagement score to 78 per cent.

There have been a number of changes within the Executive Group in recent months. Some members have left the group and the company and while the contribution of these members will be missed, it has presented us with the opportunity to bring some new blood into the group. This renewed energy was apparent when the group participated in a highly successful leadership training course facilitated by Personnel Decisions International in the latter part of the year.

I am also pleased to welcome John Apter to Catholic Church Insurances. John has taken up the role of Regional Manager NSW/ACT, replacing Edd Brannigan, who moved into an Assistant General Manager role in February 2008. John has a strong background in customer service and product development, most recently with Guild Insurance.

I hope you enjoy this issue of *Securitas*. Many thanks for your continued support over 2008 and best wishes for a safe and happy Christmas and New Year.

Best wishes

Peter Rush
General Manager

contents

2 Viewpoint

Message from Peter Rush,
General Manager

3 What's new?

Latest news and events

4 Risk management

Counting the cost

6 Health

Hole in one

8 Superannuation

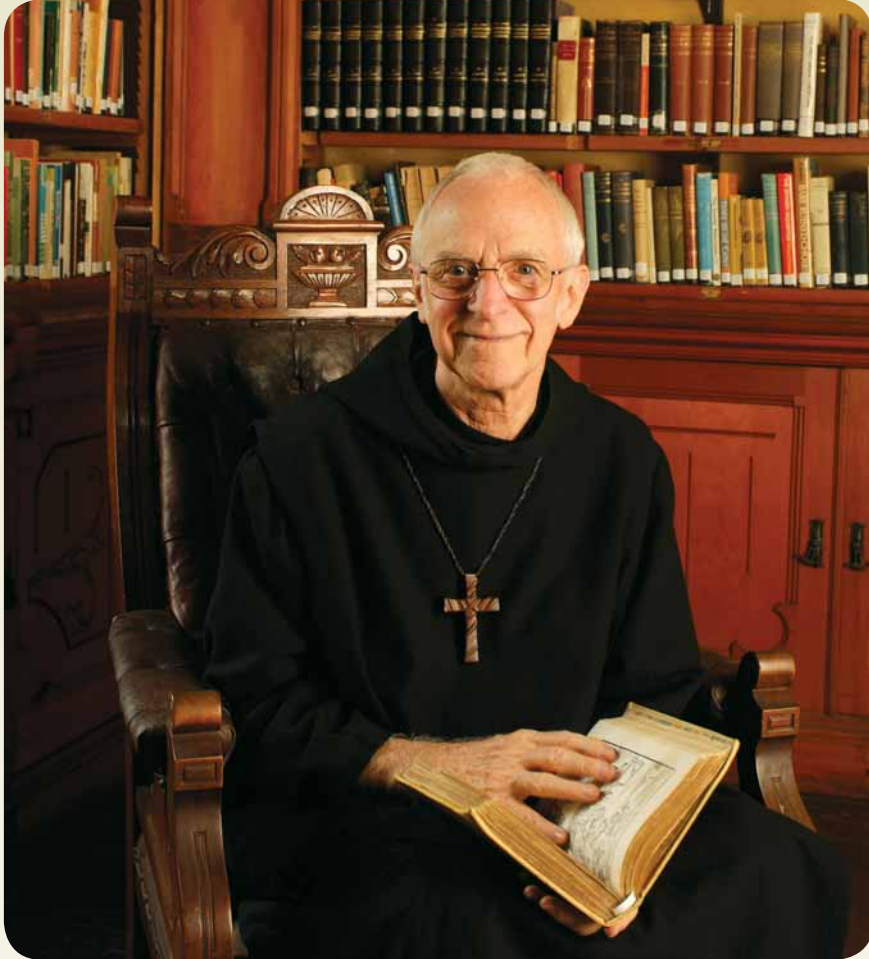
National presence,
local service

Securitas is a quarterly magazine produced by Catholic Church Insurances Limited ABN 76 000 005 210 AFSL 235415 for its Church clients. Produced by Collier & Associates and printed by Lithocraft Graphics.

**All correspondence should be directed to: The Editor Securitas, Catholic Church Insurances Limited, Reply Paid 180 Melbourne VIC 8060
securitas@ccinsurances.com.au**

Cover: Lightning strikes over the Brisbane CBD during an electrical storm.
Published: Courier Mail – October 22, 2008.

what's new?



New Norcia Abbot dies on UK retreat

The sixth Abbot of New Norcia, Abbot Placid Spearritt, died suddenly while on retreat at Ampleforth Monastery in the UK in October. Ampleforth is the British monastery the Bundaberg-born monk joined in 1959 and where he was ordained in 1967. Abbot Placid had been in Europe and the UK for about four weeks, attending Benedictine meetings and visiting friends and relatives.

Born to an Anglican family, Fr Placid became a Catholic at the age of 22, after initially considering becoming an Anglican priest. He joined the Ampleforth monastery where he was given the religious name Placid and studied for the next eight years, doing postgraduate work at the Catholic University of Fribourg in Switzerland. Returning to Ampleforth he became a teacher in the boys' boarding school before becoming Prior of Ampleforth in 1979.

Fr Placid was elected Abbot of New Norcia in 1997, around 150 years after the community was founded by Bishop Salvado.

Prior of the Benedictine Community of New Norcia, Dom Christopher Power said the community was deeply saddened by the death of Abbot Placid, "whose search for God was deeply rooted in his monastic vows of obedience, stability and conversion."

"Abbot Placid's 25 years of humble prayer, work and service have guided New Norcia into this new era, making a significant contribution to the Church and wider community of WA," Dom Christopher said.

Abbot Placid was 75 and planned to retire soon from the Abbot's role.



Storm front

The wild weather that ripped through parts of south-east Queensland in late November caused widespread damage.

Destructive winds, large hail and torrential rain lashed Brisbane, Ipswich and Toowoomba, bringing falls of more than 250mm in some areas causing flash flooding.

More than 1,200 calls for help were made to the State Emergency Service with homes inundated and roads closed. At the height of the storm, power was cut to almost 230,000 homes and businesses or 20 per cent of south-east Queensland.

Catholic Church Insurances estimates that the total cost of the 87 claims received to date will be over \$500,000. It is anticipated that these costs will increase once we start getting more detailed information from our assessors.

World Youth Day book

Receive the Power, a beautiful 200 page hard backed record of World Youth Day in Sydney has been released. The book has been published by The Catholic Weekly in conjunction with the WYD08 office.

Receive the Power is available through The Catholic Weekly at www.catholicweekly.com.au or at www.wyd08.org.au.

Counting the cost

The nature of Parish activities requires that significant trust be placed in employees and volunteers to 'do the right thing'. However, when faced with an opportunity to benefit oneself some people yield to temptation. During the last financial year, Catholic Church Insurances paid approximately \$267,000 in fraud related claims.

In cases of theft or fraud from a Parish, the loss of property and cash is often secondary to the loss of trust placed in people who have offered themselves to serve Church such as employees and volunteers. Parishes are not immune from systematic and extensive cases of fraud or theft. They require money to pay for various activities and expenses, money that must be collected, counted, stored, recorded, transported and banked. Often many people are involved in these processes. A Parish also has items of religious significance and office equipment which may be both valuable and portable.

Within the quiet sanctuary of a Church, there is significant opportunity for theft and fraud to occur during the cash management process. The perpetrator may not be a criminal, simply someone whose personal circumstances may make the temptation of available cash or valuable objects an opportunity too great to refuse.

Managing the risk

It is prudent that all Church businesses put in place policies and procedures to control cash management and to keep valuable objects safe. Policies and procedures help everyone involved to understand what the boundaries of their duties are and reduce where possible, the opportunity for a criminal act to take place.

It is a fundamental responsibility of a Parish Priest and the Parish Administrators to protect the assets of the Church. There are of course some things which cannot be effectively secured and others which cannot be insured, but in most cases there are ways to minimise losses and significantly decrease the opportunities which lead to fraud and theft.

Identifying the likelihood of fraud or theft occurring is the first step. In the last issue of Securitas (issue 49 2008) we covered in detail the implementation of cash handling procedures to reduce the risk of theft. In that article we suggested Parishes make a list of the various activities or points where cash is handled during normal daily activities and identify the potential for theft during each activity. The same type of list should be developed for Parish assets and the potential for theft examined.

Once you know your risks the next step is to decide on appropriate controls and implement appropriate policies and procedures. Management of fraud related risks can often be achieved through simple means. For example:

- Developing fraud prevention policies and procedures and providing training to parish employees and volunteers
- Protecting financial data by storing paper records in a fire-rated lockable safe in a restricted room
- Protecting financial information by installing and regularly updating firewalls and anti-virus software and ensuring passwords are used to protect financial data and programs
- Segregating payment duties and accounting to different employees or volunteers
- Periodically rotating staff financial duties
- Setting rules about keeping doors to some areas of the Church locked and who might be responsible for the keys
- Working in pairs when counting and banking cash

Claims Scenario

In a medium-sized Parish a small group of people perform a range of duties to assist the Parish Priest with the administration of the Parish and leading this group is the Business Manager.

The Parish Priest has had a long relationship with the Business Manager and trusts him implicitly. The annual report of the Parish's finances, which the Business Manager has prepared each year, is comprehensive and the Parish is in a sound financial position.

Following a review by the Diocesan Office it is announced that the Parish will amalgamate with a neighbouring Parish. As part of the amalgamation an external audit of the financial position and assets of the Parish is conducted.

The external audit finds a number of anomalies in the Parish accounts including unexplained cash cheques to non-existent contractors, discrepancies in cash collected and banked and frequent unexplained transactions between bank accounts.

The Parish Priest is shocked by the results of the audit. A police investigation is conducted and the entire Parish community is devastated to discover that the Business Manager has been systematically taking money from the Parish for many years.

Not only did the Parish suffer from financial loss, their reputation was damaged and the trust of the Parish Priest, Administrators and parishioners was broken.

In this instance if the Parish held a Fidelity Guarantee Insurance Policy, the financial losses could be recovered. But what if they could not recover the loss? In the absence of adequate risk management policies, procedures and insurance, a parish in this position could find itself under serious financial strain.

The loss of the money or object stolen
is often secondary to the loss of trust
placed in people who have offered themselves
to serve Church.

- Insisting on two signatories for cheque signing
- Employing an external accountant to conduct regular audits of financial activities.

Fidelity Guarantee

Having suitable insurances in place is also an important way to protect Church assets and ensure the impact of any loss to the Parish is minimised.

Catholic Church Insurances' Fidelity Guarantee Insurance covers money, negotiable instruments, goods or other property against theft, embezzlement or misappropriation by employees and volunteers. It is prudent that all Church operated organisations and businesses have this cover including schools, colleges, hospitals, aged care facilities and welfare organisations.

Under the policy an employee extends to include:

- Any ex-employee during a period not exceeding 30 days following the termination of service
- Any director or trustee of the employer whilst performing acts coming within the scope of the usual duties of an employee or member of any committee duly elected or appointed to examine, audit or have custody of or access to any of the employer's property
- Any person assigned to perform employee duties for the employer by any agency furnishing personnel
- Any authorised voluntary worker while engaged in the performance of honorary duties on behalf of and with the consent of the employer.

Help is at hand

One of the most important services Catholic Church Insurances provides to clients is assistance with identifying and managing risks, including those associated with theft and embezzlement.

We can provide you with practical solutions for your workplace and have a number of easy-to-use checklists and draft policies and procedures, which may assist you with managing fraud, related risks and in setting up your own risk management plan.

If you would like to know more, please contact the Risk Management Helpdesk on 1300 660 827.

Detailed information on Fidelity Guarantee Insurance can be obtained by contacting your Account Executive.



Hole in one

In principle, golf is a game that involves striking a small ball with a stick with a heavy end some distance into a little hole, then repeating the exercise 17 more times over holes of different lengths and degrees of difficulty. A little less than inspiring on paper and yet golf has enthralled, consumed and without doubt infuriated, millions for centuries.

There is some conjecture as to the exact origins of the game. A game somewhat similar to golf was mentioned in a Chinese book of the 11th Century and Dutch history records a game played with a stick and a leather ball very similar to golf, in records dating back to 1297. However the most accepted story is that golf, as practised today, originated in Scotland in the 1100s.

The first game of golf for which records survive was played at Bruntsfield Links in Edinburgh, Scotland, in 1456. The first golf club memberships were formed in Scotland. The earliest permanent golf course originated there too, as did the very first written rules. The oldest playing golf course in the world is The Musselburgh Old Links Golf Course. There is evidence that golf was played there as early as 1672, although Mary, Queen of Scots reputedly played there in 1567. While better known for being a gentleman's game, golf was actually outlawed in Scotland in 1457. James II was preparing for an English invasion and wanted his citizens to concentrate on useful hobbies like archery. The ban was eventually lifted in 1502.

The modern game of golf spread from Scotland to England and has now become a worldwide game, with golf courses in most countries. In 2005, Golf Digest calculated that there were nearly 32,000 golf courses throughout the world.

“Golf is a day spent in a round of strenuous idleness.”

–William Wordsworth

A language all of its own

Ever wandered passed a table of lunching golfers and wondered what on earth they were talking about? You are not alone. It seems there are golfing terms for just about everything – still searching for the term for “I have had enough and I am heading back to the clubhouse,” – but we are sure it exists.

There is a long-standing myth that the word “golf” is actually an acronym of Gentlemen Only, Ladies Forbidden, which is amusing, but according to history, absolute rubbish. The word actually stems from original 15th Century spellings that included “gouf”, “gouff”, “goiff” and “gouff”.

The golfing term “birdie,” meaning a score of one stroke under par for the hole, apparently originated with an American named Ab Smith. Whilst playing a round in Atlantic City with his brother and a friend in 1899, Ab played what he described as a “bird of a shot.” “Bird” being 19th Century American slang for something really good.

Ab reportedly claimed he should get double money if he won with one under par. He did and the three of them thereafter referred to such a score as a “birdie”.

And the bird theme continues. An “albatross,” a rare bird, refers to an even rarer score of three under par. Get an “eagle” and you are two under par.

One of our favourites would have to be the term “dormie,” which refers to a player decisively leading a game. “Dormie” comes from the French or Latin “dormir,” which means, “to sleep”. In other words, the player is so far in front he can afford to sleep!

“Golf is an easy game – It’s just hard to play.” – Unknown

Health focus

Golf is generally considered a gentle sport but it delivers a range of health benefits, including increased stamina and fitness: when you play an average 18-hole game, you walk about seven kilometres.

It is true that, compared with many other sports, the risk of injuring yourself playing golf is low. But there are risks.

What is your risk?

How much time do you spend playing?

The more often you play, the higher your risk of injury. Statistics show that if you spend more than six hours a week playing competitively you have an increased risk of injury – simply from overusing particular muscles.

How is your technique?

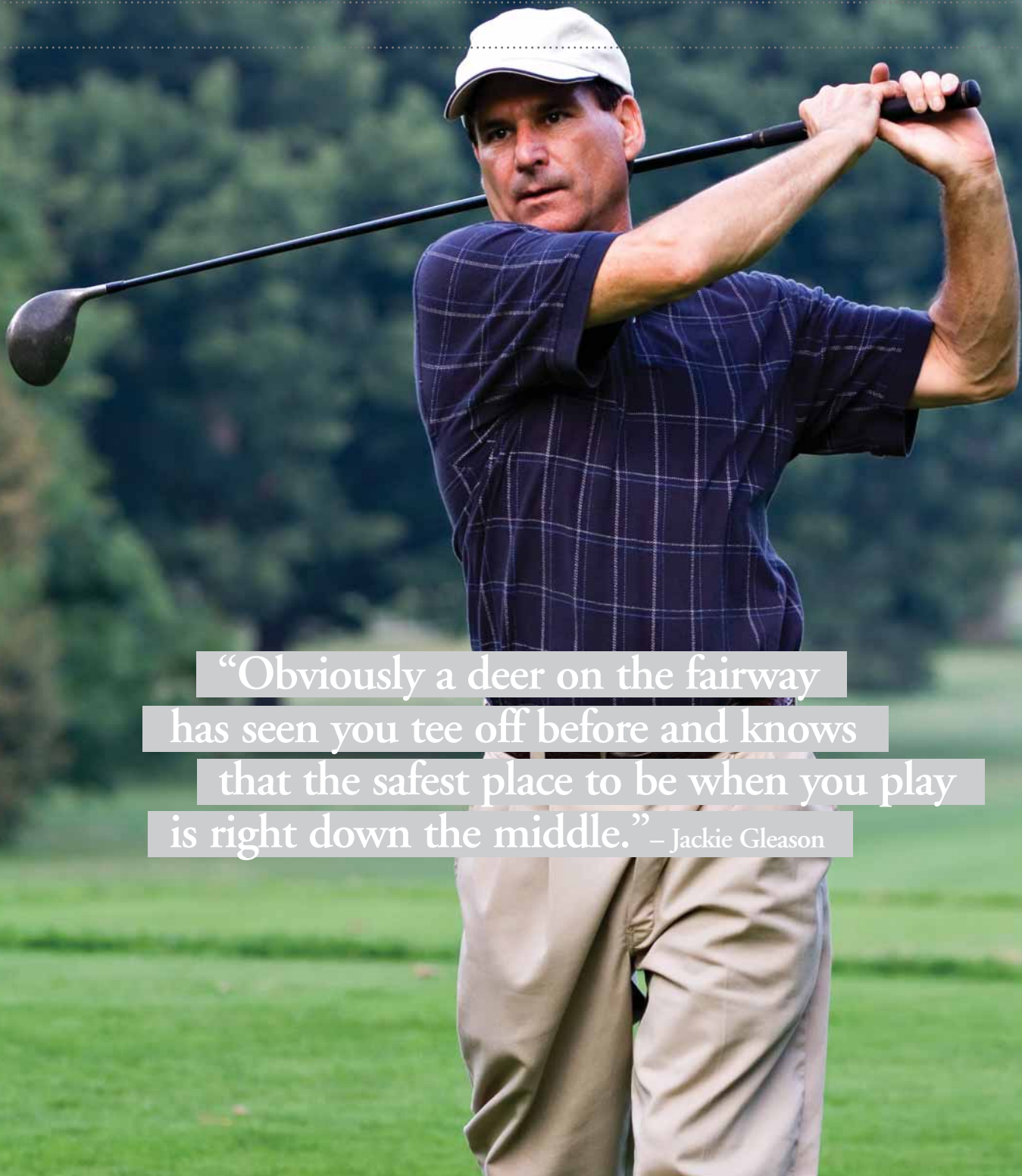
If your technique is not right, you dramatically increase the risk of injury. Your swing style may be poor, you may hit the ground instead of the ball – learn the correct technique and you are less likely to injure yourself.

Are you ready to play?

Do you always warm up and cool down properly? If you do not, you risk muscle and joint injuries.

Are you carrying an injury?

If you have an existing injury, golf can aggravate it.



“Obviously a deer on the fairway has seen you tee off before and knows that the safest place to be when you play is right down the middle.” – Jackie Gleason

The right moves

A study of over a thousand golfers and the way they warm up showed that less than three per cent warmed up adequately. Here are some suggestions for what your warm up should include:

- Walk briskly for a couple of minutes to raise your heart rate.
- Warm up your neck and upper back by dropping your chin to your chest, gently rolling your head from side to side in slow half-circles.
- Warm up your shoulders. Hold a golf club horizontal to the ground, keeping your hands about shoulder width apart. Slowly raise the club overhead, hold for a few moments, and lower. Hold the golf club in a similar way but this time behind your back. Raise as high as you can, hold for a few moments, then lower.

- Warm up your torso with side bends. Slide your hand down your leg to support the weight of your torso.
- Twist through the waist; gently and slowly turn from one side to the other.
- Go through the motions of swinging the club without actually hitting a ball. Begin with gentle half swings and work up to full swings over the course of a few minutes.
- Cool down after activity. Use the same range of stretches suggested here.

Information, statistics and figures sourced from: the Better Health Channel at betterhealth.vic.gov.au, wikipedia.org, www.scottishgolfhistory.net.

¹Warm up practices of golfers: are they adequate?, A J Fradkin, C F Finch, C A Sherman, 23 February 2006.

National presence, local service

National Catholic Super may be large enough to offer superannuation to employees across Australia, but being a national fund does not mean it is too big to care. Client representatives are available to visit workplaces at any time.

National Catholic Super is like no other superannuation fund, combining the strength of an industry fund with the benefits of operating under Catholic Church cooperative principles and family values. The Fund has always taken great pride in being responsive to the needs of members and employers, constantly working to improve services and benefits.

As a Public Offer Industry Fund, National Catholic Super serves not only the needs of those members working in Catholic vocations – traditionally in the areas of health, welfare, education and administration – but also welcomes those employed in other areas.

Simplicity for employers

Managing superannuation contributions needs to be a simple process for employers, allowing them to focus on their core business activities.

With National Catholic Super there are no establishment fees, easy contribution methods and dedicated Member Services Representatives to make the process as straightforward and easy to manage as possible.

Comfort for members

The Trustee is committed to keeping all costs associated with the management and administration of National Catholic Super to a minimum. Members can feel comfortable that they are being looked after during their working lives and in their retirement.

Our goal is to help our members achieve financial security in retirement.

Why National Catholic Super?

Administered by Catholic Church Insurances

Catholic Church Insurances has administered National Catholic Super since its establishment in 1987.

Public Offer Industry Fund – anyone can join

Open to family members and/or friends of members working outside the Catholic workforce.

Low cost

Fees are low and all profits go back to members.

With you during your retirement

Account based pension and Transition to Retirement products are specifically designed to meet your retirement needs.

Dedicated service and support

Benefit from personal assistance with all aspects of your superannuation. Representatives are available to visit the work place.

Socially Responsible Investment option

Allows you to tailor your investment to reflect your values.

Around the clock insurance cover

Death and/or Income Protection insurance cover at low cost.

Extra services at discounted rates for members

15 per cent discount on the premium of any new Building and/or Contents policy taken in the first year through Catholic Church Insurances.

Five per cent VIP discount on private health insurance retail premiums with Medibank Private. Plus, the two and six month claim waiting periods when joining Medibank VIP Hospital or VIP Extras Cover are waived.

A discounted home loan from Members Equity Bank and access to their InterestME Savings Account, Online Savings Account, Personal Loans, Term Deposits and the Members Equity MasterCard.

Financial Planning Services. Including access to external financial advisers.

For further information contact Loretta Drago, Superannuation Business Manager, on 03 9934 3164 or visit www.ncsf.com.au.

