

Archdiocesan Bankruptcy Settlement Q & A

Q: Where is the money for the \$210 million settlement coming from?

A: Approximately \$170 million is from insurance policies purchased by the Archdiocese and parishes over the past 70 years. The remaining \$40 million is a combination of proceeds and cash provided by the Archdiocese and parishes, including excess funds in the Archdiocesan Medical Benefits Plan (AMBP) and the General Insurance Fund (GIF).

Q: Will employee pensions or retirement funds be impacted? I heard something about a pension contribution.

A: No. The contributions of parish money will come from the AMBP, the General Insurance Fund and past insurance coverage. No funds will come from pension plans.

Q: Is there a chance our parish will still be sued for past abuse?

A: No. An important provision added to the agreement is what is called a channeling injunction, which protects all parishes against future sex abuse claims. Any claim or lawsuit filed against a parish as part of the bankruptcy is resolved in the agreement.

Q: When will the bankruptcy process really end?

A: Attorneys representing the Archdiocese and survivors are working together on an official plan of reorganization to file in U.S. Bankruptcy Court soon. From there, Judge Robert Kressel will direct the process and guide it to a full resolution, possibly before the end of the year.

Q: When will the survivors receive money?

A: They will receive it at the end of the bankruptcy process with the amounts determined by an independent, court-appointed representative.

Q: How did the settlement grow from \$156 million last year to \$210 million now?

A: Through mediation, insurance carriers agreed to increase their contributions, as did the Archdiocese and representatives of parishes and related Catholic entities.

Q: Is this really the largest Catholic Church bankruptcy settlement in the country's history?

A: It is largest contribution from insurance carriers in any diocesan bankruptcy settlement. The largest settlement with abuse survivors was the Archdiocese of Los Angeles at more than \$600 million, shared by more than 500 people. The Archdiocese of Los Angeles did not declare bankruptcy.

Q. Are parish assessments expected to increase?

A. Parish assessments are not expected to increase for at least the next two fiscal years