

Case Study: Small Church

ClaimsComp was contacted by a small rural church in Alabama to analyze their financial statements to see if the church was eligible for a settlement from the Deepwater Horizon Settlement fund. The church was founded in 2008 and had very little operating history to work from but they knew total contributions had gone up in 2010 so they thought they may not qualify or at best might qualify for a few thousand dollars – hardly worth the effort and the cost to have their accountant and attorney review their potential claim.

**REVENUE
INCREASED
IN 2010>>>**

REVENUES	Annual
2007	-
2008	285,290
2009	263,821
2010	286,020
2011	315,293

The church had visited the official court-mandated website but found the 1,032-page settlement document and the 230+ types of potential claims **overwhelming**. They also did not have the resident financial expertise to be certain they were analyzing their situation correctly or availing themselves of the best possible settlement. And they didn't want to take funds away from others who suffered more from the disaster.

The pastor was contacted by a ClaimsComp Claims Manager who offered to analyze the church's financial statements to see if the church met one of the definitions of "causation" required in the settlement document and if so, to also calculate the amount of the potential claim. The church was relieved because they thought they would have to pay \$100 to run each possible scenario on the official settlement website just to find out if they might be eligible.

**The "C"
word:
Causation**

Loss Summary	
Step 1 Compensation	\$5,454.00
Step 2 Compensation	\$12,506.00
Risk Transfer Premium	\$22,450.00
Claim Payable Including Prior Payment	\$40,410.00

ClaimsComp confirmed the church's initial thought: the Step 1 compensation was only about \$5,500. But because revenue spiked up in 2011, the calculations showed that the church's revenue growth rate was impacted which qualifies the church for a much larger settlement – a completely unexpected but very welcome finding.

The news gets even better in the final step. Because ClaimsComp is experienced in analyzing potential settlement claims, we know to look for hidden opportunities. One such hidden opportunity in the Deepwater Horizon settlement is the ability to elevate a claim from one economic loss zone to a higher one with a better risk transfer premium – a multiplier that adds to the amount of the claim. Our church is located on a divisional highway which allows the claim to be elevated to the higher zone. This resulted in a four-fold increase in the RTP from \$4,490 to \$22,450. **Experience matters.**

**Risk Transfer
Premium?**

ClaimsComp showed the church that they qualify for a settlement **8 times larger** than they thought. We also showed the church that every qualified claimant will be paid by the fund so they are not taking even a penny from anyone else who qualifies to be compensated. The church will receive their settlement payment within 90 days. This settlement more than doubles their mission budget for the year. **Experience matters.**