

Recommended Minimum Standards of Property and Liability Insurance for Churches, Presbyteries and Synods

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The 1999 survey of presbyteries reflected various amounts of insurance coverage purchased by presbyteries and revealed a significant number of presbyteries do not have minimum standards of coverage for their member churches.

After reviewing the information gathered in the 1999 survey, a Joint Insurance Committee established recommended minimum standards of property and liability insurance. These recommended minimum standards should be used as a general guideline only. As always, an insurance professional must be used to evaluate the insurance needs of each church and middle governing body.

PROPERTY

1. **Buildings and Contents at Appraised Replacement Cost** as an agreed value endorsement:
 - *80 percent co-insurance*: an alternative to agreed value, offered by some companies as a percentage of value, providing coverage up to fixed limits.
 - *Special Form*: the broadest coverage available, normally including fire, vandalism, sewer back-up, theft of property, etc., unless specifically excluded or deemed not necessary by an insurance professional.
2. **Supplemental Coverage**: off-premise coverage, newly acquired property, debris removal, rebuilding to code requirements, necessary demolition of building, personal property of ministers and others, stained glass, organ, other musical instruments, art work, valuable papers, loss of business income and related extra expenses.
3. **Boiler and Machinery**: as boiler and machinery types require, including all related expenses spoilage and similar costs.
4. **Earthquake**: where appropriate for geographical area, written separately unless specifically stated in policy.
5. **Flood**: where appropriate, also written separately and may be offered with state or federal assistance.

LIABILITY

1. **General Liability**: \$1,000,000 per claim/occurrence, \$2,000,000 aggregate; covers most risks, including products, bodily injury, property of others; \$10,000 no fault medical payments including volunteers and athletic activities; contractual liability; fire legal liability at \$100,000 limit; day nursery/childcare; pastoral professional liability and sexual misconduct coverage at \$1,000,000 limit.
2. **Umbrella Coverage**: \$10,000,000 per occurrence or aggregate, in excess over primary limits of general and automobile liability; review of coverage by insurance professional for additional excess limits.
3. **Automobile**: \$1,000,000 per occurrence or aggregate, including uninsured and underinsured motorist protection; \$10,000 medical coverage; Personal Injury Protection in states where applicable; hired and nonowned coverage to policy limits.
4. **Workers' Compensation**: As required in each state, including pastors and all employees.
5. **Directors and Officers**: \$1,000,000 per claim/occurrence, or aggregate, for corporate protection of session, deacons, trustees, officers in performance of regular duties.
6. **Employment Practices Liability**: \$250,000 per claim, or aggregate for claims related to employment, benefits, termination and sexual harassment.

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7. **Crime Coverages:** \$50,000 per claim or occurrence for protection from employee dishonesty, theft or loss of money or securities, depositors forgery; volunteers with access to church funds in any way should be covered.

COMPARISON OF INSURANCE COMPANIES

This is a general comparison among the three insurance companies that provide coverage to at least 10 percent of the Presbyterian Church (U.S.A.) churches. For additional information regarding the insurance companies or programs, please contact the individual representatives at the bottom of the page.

1. What is the Company's AM Best Rating?

- *Church Mutual Insurance Company:* A (Excellent)
- *GuideOne Insurance Company:* A Excellent
- *Insurance Board:* A (Excellent)

2. How many PC(USA)churches did the company insure in 2009?

- *Church Mutual Insurance Company:* 2,100
- *GuideOne Insurance Company:* 2,574 churches and Presbyterian Church (U.S.A.) entities
- *Insurance Board:* 1,292 PC(USA) churches/ministries

3. Does the company offer coverage that fulfills the [recommended minimum standards](#) of property and liability insurance for churches, presbyteries and synods of the PC(USA)?

- *Church Mutual Insurance Company:* Yes.
- *GuideOne Insurance Company:* Yes.
- *Insurance Board:* Yes.

4. Is the company licensed in all 50 states plus Puerto Rico and Washington, D.C.? If not, list jurisdictions where not licensed to do business.

- *Church Mutual Insurance Company:* Church Mutual is licensed in all 50 states and the District of Columbia. Not licensed in Puerto Rico.
- *GuideOne Insurance Company:* GuideOne is licensed to do business in all 50 states and Washington, D.C. Not licensed in Puerto Rico.
- *Insurance Board:* The Insurance Board does not require individual state licensing. It is offered in all 50 states and the District of Columbia. Does not provide coverage in Puerto Rico.

5. Does the company use independent insurance agents or company exclusive agents to market its products?

- *Church Mutual Insurance Company:* Both managing general agents and company exclusive agents.
- *GuideOne Insurance Company:* Both independent and company exclusive agents are used.
- *Insurance Board:* Uses independent agents and internal agents.

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6. Does the company offer coverage to every church, presbytery and synod?

- *Church Mutual Insurance Company:* Yes, subject to underwriting guidelines.
- *GuideOne Insurance Company:* All Presbyterian Church (U.S.A.) entities are eligible for the insurance program subject to underwriting approval.
- *Insurance Board:* Offers coverage to every PC(USA) church, presbytery and synod.

7. Does the company offer master or group policies?

- *Church Mutual Insurance Company:* Church Mutual offers both master and group policies.
- *GuideOne Insurance Company:* Yes, GuideOne offers a group affiliated policy.
- *Insurance Board:* Yes; all churches fall under a master policy.

8. Does an outside adjuster or company adjuster process claims?

- *Church Mutual Insurance Company:* Both, depending on the severity of the claim.
- *GuideOne Insurance Company:* Most claims are handled by Company adjusters. Outside adjusters are sometimes assigned to claims occurring in remote areas, but even these claims are audited by company adjusters.
- *Insurance Board:* Uses outside adjusters to process claims and internal staff to monitor claim handling.

9. Does the company offer loss control or risk management services? If yes, please list services offered and any additional charges for the services.

- *Church Mutual Insurance Company:* Loss control and risk management services are offered at no additional charge. Visit the [Church Mutual Insurance Company Web site](#) for complete offering of risk management materials.
- *GuideOne Insurance Company:* Yes. The GuideOne Center for Risk management provides free on-site inspections when requested by a policyholder or an underwriter. The center also produces manuals, checklist, brochures and news letters. Some are free and some are offered at reduced pricing to GuideOne policy holders. Arrangements have been made with other companies to provide needed church products and services such as background screening, human resource assistance, etc., at substantial savings.
- *Insurance Board:* Provides an array of loss control and risk management services and resources, mostly at no cost. [Visit their website](#) for more information.

10. Does the company offer coverage for church-owned or mid-council-owned camps, nursing homes, daycare centers, schools and conference centers? If yes, please list operations that can be covered.

- *Church Mutual Insurance Company:* Yes, all such religious-related facilities, with the exception of nursing homes, are insurable with Church Mutual for Property and Casualty coverages. In 37 states, the company also insures assisted living facilities.
- *GuideOne Insurance Company:* Yes. All Presbyterian Church (U.S.A.) entities are eligible for property and casualty coverage subject to underwriting approval.
- *Insurance Board:* Yes, can cover church-owned camps, daycare centers, schools, conference centers, and independent-living senior housing facilities (provided that they do not include a medical malpractice component).

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11. Does the Company offer coverage for special programs and activities of churches and mid councils such as parish nurse, outreach services, soup kitchen, dinners and fundraising events? If yes, please list activities that can be covered.

- **Church Mutual Insurance Company:** Yes, based on underwriting guidelines, all such programs and activities are insurable with Church Mutual for Property and Casualty coverages.
- **GuideOne Insurance Company:** Yes. All activities and programs of Presbyterian Church (U.S.A.) are eligible for property and casualty coverage subject to underwriting approval.
- **Insurance Board:** Yes, coverage is offered for special programs and activities that are customary for churches and mid councils, including liability as a result of a parish nurse, outreach services, soup kitchens, dinners and fundraising events, etc.

12. Does the Company offer earthquake and flood coverage? If yes, please list states where coverage is available.

- **Church Mutual Insurance Company:** Earthquake coverage is generally available in all states. Flood is placed through the National Flood Insurance Program.
- **GuideOne Insurance Company:** Earthquake coverage is available in all states with the exception restrictions/limitations in Arkansas, California, Illinois, Kentucky, Missouri, Mississippi, Oregon and Washington. Flood is not available in any state but is available through the National Flood Insurance Program.
- **Insurance Board:** Yes. Earthquake coverage is available in all states. Flood coverage is also available in all states, but not in NFIP Zones A or V.

CONTACT INFORMATION

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Please visit the [GuideOne Center for Risk Management Web site](#) for free information on a variety of church safety topics. Also, GuideOne Insurance customers receive free access to [SafeChurch](#), the most comprehensive safety and risk management resource available to churches, featuring sample forms, fact sheets, resources, online training modules, safety assessments, project planning tools, discussion forum, low-cost background checks and more.

[The Insurance Board](#)

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