



“Church Insurance 101”

Insight regarding Coverage, Insurability, and Managing Insurance Costs



Presented By:
Tom Bender and Morgan Thomas
Brown & Brown Insurance, Inc.



Webinar Presenters



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Presentation Agenda



Introduction



Better Understanding of Insurance Program



Insurability Strategies



Managing Costs



Closing/Q&A

National and International



Top 1% of insurance brokerage firms in the U.S. as ranked by Business Insurance



Revenues are greater than \$4B and premiums placed exceed \$32B



Employs more than 17,000 teammates in over 350 locations



Providing superior service to our customers for more than 80 years

Local and Specialized



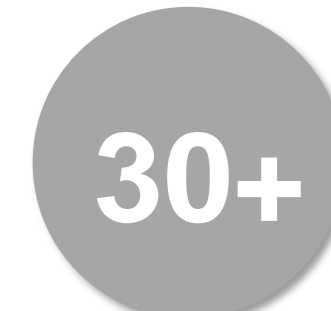
Our office works with over 2,000 religious and nonprofit organizations. We are Brown & Brown's national practice leader for religious organizations



Premiums placed and written out of our office exceed \$500M



There are 115 teammates working on your behalf to provide superior service



We have been program administrator for the NJ Presbyterian Insurance Program for over 30 years

Common Policy Declarations

- General summary of insurance program
- Policy and Declaration “design” are insurer (carrier) specific; each formatted different
- Important items found on Common Policy Declarations Page:
 - Effective Date⁽¹⁾
 - Lines of Coverage⁽²⁾
 - Premium Breakdown⁽³⁾
 - Agent Information⁽⁴⁾
 - Policy Number⁽⁵⁾

GUIDEONE INSURANCE GuideOne Insurance Company
 1111 Ashworth Road, West Des Moines, IA 50265
 www.guideone.com 877-448-4331

COMMON POLICY DECLARATIONS

5: Policy Number: 01-0039-171

Named Insured and Mailing Address: [REDACTED]

4: Agent Information:
 BROWN & BROWN OF LEHIGH VALLEY INC
 3001 Emrick Blvd Ste 120
 Bethlehem, PA 18020-8036
 610-974-9490
 Agent Number: 29182

1: Policy Period:
 06/05/2024 to 06/05/2025
At 12:01 A.M. Standard Time at your mailing address shown above.

DESCRIPTION OF BUSINESS
 Business Description: Church with School (K-12)
 Form of Business: Religious organization

IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL TERMS OF THIS POLICY, WE AGREE WITH YOU TO PROVIDE THE INSURANCE STATED IN THIS POLICY.
 THIS POLICY CONSISTS OF THE FOLLOWING COVERAGE PARTS FOR WHICH A PREMIUM IS INDICATED. THIS PREMIUM MAY BE SUBJECT TO ADJUSTMENT.

2: COVERAGE PARTS	3: PREMIUM
Commercial Property Coverage Part	\$ 54,489.09
Commercial Crime Coverage Part	\$ 226.38
Commercial Inland Marine Coverage Part	\$ 1,025.10
Commercial General Liability Coverage Part	\$ 20,057.79
Total Policy Premium:	\$ 75,798.36

THIS COMMON POLICY DECLARATIONS, TOGETHER WITH THE COMMON POLICY CONDITIONS, COVERAGE PART(S), COVERAGE FORM(S) AND ENDORSEMENT(S) COMPLETE THE ABOVE NUMBERED POLICY.

Countersigned by: _____ Authorized Representative _____ Date _____

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PHILADELPHIA INSURANCE COMPANIES
 One Bala Plaza, Suite 100
 Bala Cynwyd, Pennsylvania 19004
 610.617.7900 Fax 610.617.7940
 PHLY.com
 A Member of the Tokio Marine Group

Philadelphia Indemnity Insurance Company
 A Stock Company (Nonparticipating)
COMMON POLICY DECLARATIONS

5: Policy Number: PHPK2640707

Named Insured and Mailing Address: [REDACTED]

4: Producer: 1024
 Brown & Brown of Lehigh Valley, LP
 3001 Emrick Blvd Ste 120
 Bethlehem, PA 18020
 (610)974-9490
at 12:01 A.M. Standard Time at your mailing address shown above.

1: Policy Period From: 01/01/2024 **To:** 01/01/2025

Business Description: Religious Organization

IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS POLICY, WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY.
 THIS POLICY CONSISTS OF THE FOLLOWING COVERAGE PARTS FOR WHICH A PREMIUM IS INDICATED. THIS PREMIUM MAY BE SUBJECT TO ADJUSTMENT.

2: Commercial Property Coverage Part	3: PREMIUM
Commercial General Liability Coverage Part	67,134.00
Commercial Crime Coverage Part	
Commercial Inland Marine Coverage Part	
Commercial Auto Coverage Part	359.00
Businessowners	
UltimateCover Property Coverage Part	184,745.00
Professional Liability	2,500.00
Total	\$ 254,738.00

Total Includes Federal Terrorism Risk Insurance Act Coverage **9,461.00**



1: Policy Period:
 06/05/2024 to 06/05/2025

2: COVERAGE PARTS

- Commercial Property Coverage Part
- Commercial Crime Coverage Part
- Commercial Inland Marine Coverage Part
- Commercial General Liability Coverage Part

3: PREMIUM
\$ 54,489.09
\$ 226.38
\$ 1,025.10
\$ 20,057.79
\$ 75,798.36

4: Agent Information:
 BROWN & BROWN OF LEHIGH VALLEY INC
 3001 Emrick Blvd Ste 120
 Bethlehem, PA 18020-8036
 610-974-9490
 Agent Number: 29182

5: Policy Number: 01-0039-171

General Liability



- Protects the church from claims related to bodily injury, property damage, and personal/advertising injuries suffered by a third party
- Can act as financial safeguard if church is found liable for damages
- Will provide coverage for settlement and other fees related to claim(s)
- One example of a common and frequent claim type is “slip and falls”

LOCATION OF PREMISES

Location Number	Address
0001	[REDACTED]
0002	[REDACTED]
0003	[REDACTED]
0004	[REDACTED]
0005	[REDACTED]
0006	[REDACTED]
0007	[REDACTED]

LIMITS OF INSURANCE

General Aggregate Limit - Other Than Products - Completed Operations	\$	3,000,000
Products - Completed Operations Aggregate Limit	\$	3,000,000
Personal And Advertising Injury Limit - Any One Person Or Organization	\$	1,000,000
Each Occurrence Limit	\$	1,000,000
Damage To Premises Rented To You Limit - Any One Premises	\$	1,000,000
Medical Expense Limit - Any One Person	\$	15,000

General Liability (rating)

- Rated based off the insurance exposures of the church's operations
- Location specific; exposures can and usually do vary per location
- Common exposures include:
 - House of Worship, sq ft
 - Daycare/Preschool, enrollment
 - Lessor's Risk Only, tenant sq ft
 - LRO Dwelling, units
 - Camps, enrollment



SCHEDULE OF LIABILITY CLASSIFICATIONS AND EXPOSURES					
Location Number	Classification	Class Code	Premium Basis	Annual Exposure	Premium
0001	Camps - Not-For-Profit	41422	Number of Camper Days	160	\$60.00
0001	Churches or Other Houses of Worship	41650	Area	97,625	\$4,340.00
0001	Dwellings - one-family (lessor's risk only)	63010	Number of Dwellings	2	\$591.00
0001	Schools-private-elementary, kindergarten or junior high-Not-For-Profit only	47476	Per Student	490	\$3,411.00
0001	Swimming Pools	48925	Number of Swimming Pools	2	\$1,515.00



Property

DESCRIPTION OF LOCATIONS		
		Location Number 0001
Building Number: 001	Church/House of Worship - Average	Limit Of Insurance
Coverage	Building	\$11,034,319
Additional Interest Applies	No	
Construction	Frame	
Coverage Form	Building And Personal Property (CP 00 10)	
Cause Of Loss	Special Including Theft	
Valuation	Replacement Cost	
Agreed Value	Yes	
Coinsurance	100%	
Inflation Guard	2%	
Deductible	\$10,000	

Occupancy Number: 001	Church/House of Worship - Average	Limit Of Insurance
Coverage	All Personal Property	\$1,393,329
Additional Interest Applies	No	
Coverage Form	Building And Personal Property (CP 00 10)	
Cause Of Loss	Special Including Theft	
Valuation	Replacement Cost	
Agreed Value	Yes	
Coinsurance	100%	
Inflation Guard	2%	
Deductible	\$10,000	

- Provides coverage for elected building(s) if covered cause of loss triggers a claim
- “Business Personal Property” is covered if elected (limitations and exclusions) and a covered cause of loss triggers a claim
- Terminology to be aware of: *cause of loss, coinsurance, agreed value, valuation, inflation guard*



Property

COMMERCIAL ARTICLES COVERAGE

B. Musical Instruments And Related Equipment:

Item Number	Description Of Property	Limit Of Insurance
	See schedule on file	\$ 25,000

updated inventory:

1. New/2024 Roland Drumset Sanctuary \$5000
2. Carillon System Gallery East 12,000
3. Handbells, 5 octave w cases Vorhees/Closet 15,500
4. Conventional Drumset Choir Room 400
5. Everett Upright Piano Vorhees/East Hall 50
6. Everett Upright Piano Choir Room 50
7. 6 guitars, non-electric Choir Room 450
8. Zildjan Cymbal Choir Room 145
9. Choir Robes, 35 Choir Rm closet 3500
10. Knabe Grand Piano Sanctuary 450
11. Rogers Pipe+Digital Organ Sanctuary 12,500
12. Digital Drum Set Choir Rm 345
13. Electric Guitar Choir Rm 175
14. Roland RD 700W4 Keyboard Sanctuary 300
15. 10 metal music stands Choir Rm 470
16. Chime Set Sanctuary 155
17. Choir Music Anthems/699 Choir Rm 4275
18. Large Marimba drums Choir Rm 145
19. Bongo drum set Choir Rm 110
20. Spare, used electronics Choir Rm 325
For sound system use

Inland Marine

- Limitations or exclusions can create the need to “schedule” certain items on the property insurance policy (Religious artifacts, musical instruments, audio visual equipment, art, and more)



Other Liability Coverages



- **Pastoral Professional Liability**

- Claims arising from spiritual guidance and or advice from pastors, church leaders, and other personnel



- **Directors & Officers Liability**

- Protection for wrongful allegations or decision-making from church leadership including session, board, and committee(s)

Directors And Officers Liability Coverage		
Directors And Officers Liability Each Claim Limit	\$	1,000,000
Directors And Officers Liability Aggregate Limit	\$	3,000,000

Other Liability Coverages

Sexual Misconduct Liability Coverage

Sexual Misconduct Liability Each Claim Limit	\$	1,000,000
Sexual Misconduct Liability Aggregate Limit	\$	3,000,000



is a victim of
child sexual abuse.

*Data sourced from the National Center for Victims of Crime
and the U.S. Department of Justice.*

- **Sexual Misconduct Liability**

- Provides defense, settlement, and expenses for incidents, claims, negligence and or liabilities related to sexual misconduct, molestation, or abuse

Employment Practices Liability Coverage

Employment Practices Liability Per Person Limit	\$	1,000,000
Employment Practices Liability Aggregate Limit	\$	1,000,000

- **Employment Practices Liability**

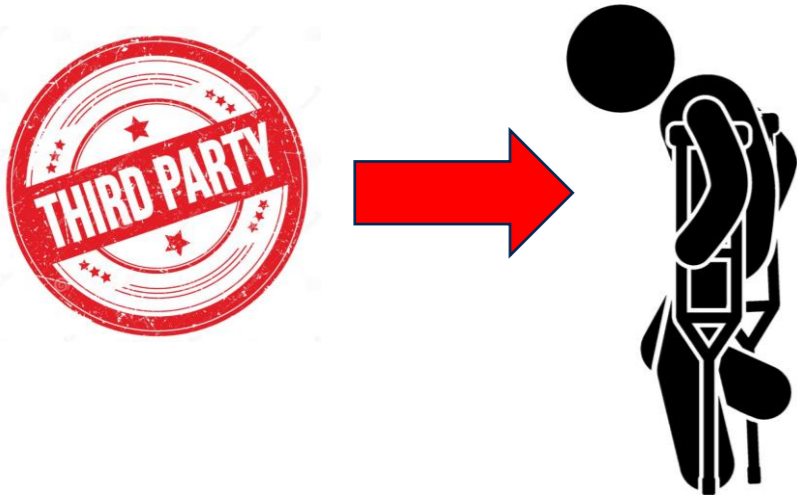
- Protects the church from claims arising out of workplace torts like wrongful termination, discrimination, harassment, breach of contract, and more



Business Auto Coverages

- **Auto Liability and Physical Damage**
 - Bodily injury or property damage suffered by a third party caused by vehicle owned and registered by the church

COVERAGES	COVERED AUTOS	LIMIT
Covered Autos Liability	1	\$ 1,000,000
Personal Injury Protection (Or Equivalent No-Fault Coverage)	2	Separately Stated In Each Personal Injury Protection Endorsement Minus The Applicable Deductible Shown In Item Three For Each Covered Auto
Uninsured Motorists	2,8,9	\$ 1,000,000
Physical Damage Comprehensive Coverage	7	Actual Cash Value Or Cost Of Repair, Whichever Is Less, Minus The Applicable Deductible Shown In Item Three For Each Covered Auto, But No Deductible Applies To Loss Caused By Fire Or Lightning *



- **Hired & Non-Owned Auto Coverage**
 - Provides liability coverage for vehicles are hired (rented) or non-owned but being used for church operations.

COVERAGES	COVERED AUTOS	LIMIT
Covered Autos Liability	8,9	\$ 1,000,000

LIMITS OF INSURANCE AND RETENTION AMOUNT		
Each Occurrence Limit	\$	5,000,000
Personal And Advertising Injury Limit	\$	5,000,000
Aggregate Limit	\$	5,000,000
Self-Insured Retention	\$	2,500

- Underlying coverage needs to be “scheduled” for excess coverage to trigger and respond

SCHEDULE OF UNDERLYING INSURANCE		
TYPE OF COVERAGE	LIMITS OF INSURANCE	
COMMERCIAL GENERAL LIABILITY:		
Insurer:	GuideOne Mutual Insurance Company	
Policy Number:		
Policy Period:	06/01/2024 To 06/01/2025	
General Aggregate Limit (Other Than Products – Completed Operations)	\$	3,000,000
Products – Completed Operations Aggregate Limit	\$	3,000,000
Personal And Advertising Injury Limit	\$	1,000,000
Each Occurrence Limit	\$	1,000,000

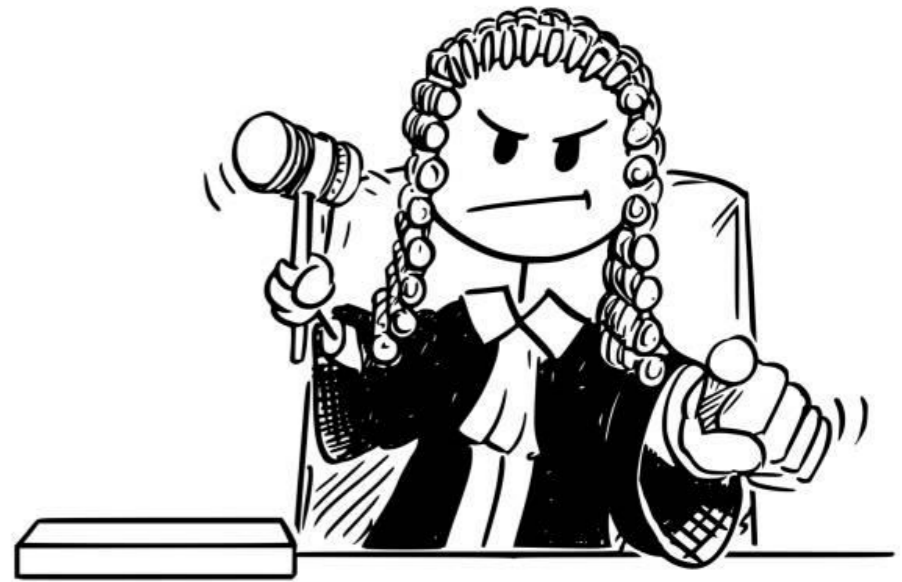
Directors And Officers Liability		
Directors And Officers Liability		
Directors And Officers Liability		
Employee Benefits Liability		
Employee Benefits Liability		
Employee Benefits Liability		
Sexual Misconduct Liability		
Sexual Misconduct Liability Each Claim Limit	\$	1,000,000
Sexual Misconduct Liability Aggregate Limit	\$	3,000,000

COMMERCIAL AUTOMOBILE LIABILITY:		
Insurer:	GuideOne Mutual Insurance Company	
Policy Number:		
Policy Period:	06/01/2024 To 06/01/2025	
Bodily Injury and Property Damage Liability – Each Accident Limit	\$	1,000,000
Coverages Applicable:		
() Owned Autos		
(X) Hired Autos		
(X) Non-owned Autos		

Umbrella Excess Liability

- These are designed to cover catastrophic claims that surpass the limits of the church’s underlying primary liability policies
- Coverage afforded can include any settlement rendered as well as other expenses associated with the claim

NEGLIGENCE



Insurability/Managing Cost



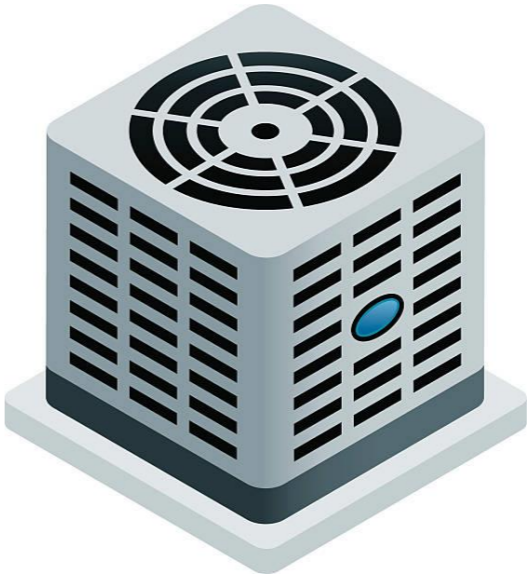
- Still a hard market for religious organizations
 - Increased weather volatility and unpredictability
 - Care and condition of facilities
- Frequent insurer/carrier “corrective actions”
 - Significant Rate Increases
 - Coverage Restrictions
 - Notice of Non-Renewal

Insurability Strategies

Property Maintenance

- Carrier required inspections are becoming frequent
 - Physical Onsite
 - Drone
 - Satellite Imagery

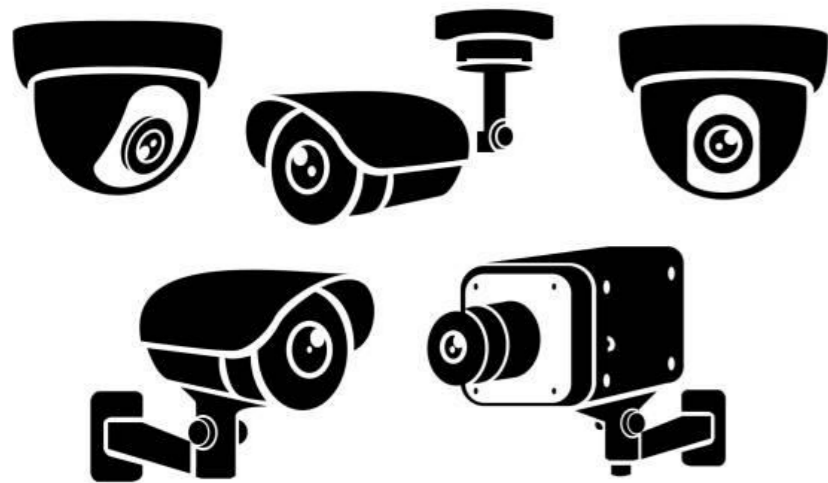
- A multi year plan and schedule for maintenance, upgrades, or replacement
 - Roofing
 - Plumbing
 - Electrical
 - Heating/Cooling



Insurability Strategies

Stay Proactive

- Carriers expect risk management practices, it's the new normal
 - Employee handbooks
 - Sexual misconduct prevention plan
 - Financial controls
 - Incident reporting and crisis management plans
 - Facility and grounds safety/security
 - Safety Plans



THE RULE OF TWO



There must always be two volunteers present when supervising one or more children.



Insurability Strategies

“Self Insure” Small Claims

- In the current market, insurers are systematically evaluating claims history; generally, they evaluate the last five years
- Gauge your financial position and determine what size property loss your organization can absorb
- Less losses = better chance at premium relief



Insurability Strategies

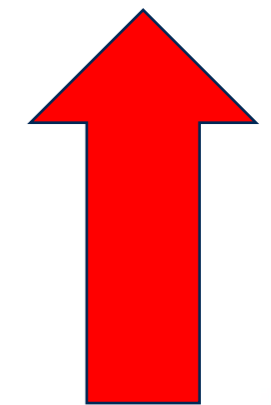
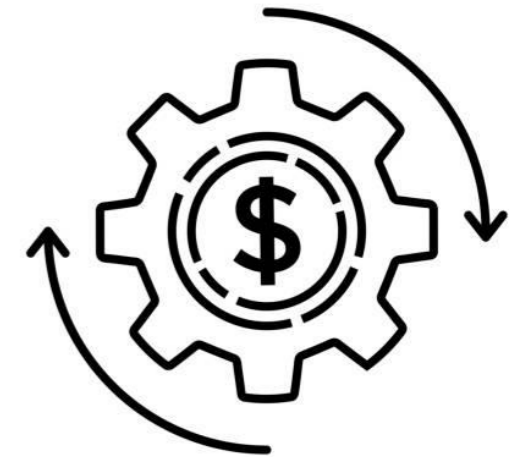
Prompt Response to Recommendations

- Often after a carrier will perform an inspection after inception of the policy
- Carriers will then provide a written list of recommendations
 - These can vary, some being suggestions and others mandatory to maintain insurance coverage
 - Failure to respond to recommendations can result in unfavorable renewal terms and or cancellation of the policy altogether



Managing Costs

- It is becoming more difficult to manage insurance costs
- Some strategies that can be implemented to manage costs include:
 - Increasing deductibles, higher deductibles traditionally result in lower premiums
 - Insurance values, if you feel your church is over insured, we advise a qualified reconstruction appraisal be conducted
 - Ask your agent or carrier about potential credits. Often carriers offer risk management credits base on eligibility
 - Review current exposures for accuracy



DEDUCTIBLE

Summary

- ✔ Increased understanding of coverage
- ✔ Strategies to be more insurable
- ✔ Right agent partner is critical
- ✔ Ways to help manage costs



Questions?





THANK YOU!



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