

Presbytery de Cristo Policy P4 Insurance Standards for Presbytery de Cristo

- References:** (a) Book of Order Section G-3.0112
(b) PCUSA Recommended Minimum Standards of Property & Liability Insurance

Background: In 2014 Grand Canyon Presbytery researched and evaluated insurance coverage and insurance carriers. They learned that they were more comfortable with the Insurance Board (IB) than they had been with Church Mutual. They switched entirely effective January 1, 2015.

During 2015, Presbytery de Cristo's (PdC) Ministry for Administration (MFA) continued to evaluate insurance coverage provided by the Insurance Board (IB) and Church Mutual (CM) insurance carriers. During this process it became apparent to MFA members that the coverage offered by IB was far superior, especially in coverage provided for dishonest employees, sexual misconduct and umbrella liability and that the increased limits were offered for the same cost or with minimal increases. The MFA directed presbytery member churches to seek bids from IB as the Presbytery was shifting its own coverage to IB. The joint umbrella liability coverage that had been provided PdC by Church Mutual would be cancelled for individual member churches. Churches desiring to stay with a company other than IB would lose their umbrella liability coverage and would need to purchase said coverage individually.

Most churches in the presbytery shifted coverage to IB, while some decided to remain with their current carrier, either Church Mutual or Brotherhood Mutual. Some others are using this opportunity to completely inventory their property and will then entertain quotes.

During this process it became evident that minimum standards for property and liability coverage had never been established by the presbytery and some churches appeared to be underinsured. The PdC is an additional named insured as property owner and shares exposure to losses. Therefore, the need to establish minimum standards throughout the presbytery became apparent. Some means of financial assistance to those smaller churches needing help with premiums also became a concern. Smaller churches were defined as those with fewer than 100 members. To accomplish these objectives, the following minimum standards for property and liability coverage are established and a process to elicit financial assistance from the presbytery for premium cost is defined.

Minimum Insurance Standards for Presbytery de Cristo Churches with 100 members or more:

1. Property/Casualty broad form coverage for buildings and contents must be for replacement cost as opposed to stated value (depreciated).
2. General Liability at least \$1,000,000 per claim/occurrence, \$2,000,000 aggregate.
3. Pastoral professional liability and sexual misconduct coverage at \$1,000,000.
4. Directors and Officers: \$1,000,000 per claim/occurrence or aggregate.
5. Workers Compensation as required by Arizona State Law.
6. Employee Dishonesty Coverage: \$1,000,000 per claim or aggregate.
7. Umbrella Liability Coverage: \$10,000,000 per occurrence or aggregate.

Minimum Insurance Standards for Presbytery de Cristo Churches with 100 or less members:

1. Property/Casualty broad form coverage for buildings and contents should be for replacement cost as opposed to stated value (depreciated). For properties with multiple buildings, property/casualty needs may be evaluated to accept coverage at least equal to 80% of full value.
2. General Liability at least \$1,000,000 per claim/occurrence, \$2,000,000 aggregate.
3. Pastoral professional liability and sexual misconduct coverage at \$1,000,000.
4. Directors and Officers: \$1,000,000 per claim/occurrence or aggregate.
5. Workers Compensation as required by Arizona State Law.
6. Employee Dishonesty Coverage: \$50,000 per claim or aggregate.
7. Umbrella Liability Coverage: \$5,000,000 per occurrence or aggregate.

Procedures for MFA Risk Assessment Oversight for Member Churches:

1. Initially when approved, member churches are required to submit to MFA a copy of their most recent insurance declaration page for property/liability coverages and workers compensation (if applicable).
2. Annually upon renewal of coverage, member churches will forward an updated copy of the declaration pages.
3. MFA will maintain a record file of each member church's insurance declaration page as part of their Risk Assessment responsibility.

Certified Approved and Effective
Stated Clerk
Presbytery Meeting October 21, 2017
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