

2021

UMIP

Insurance Buying Guide



United Methodist Insurance Program
Plan. Protect. Restore.

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INTRODUCTION

No one went to divinity school or decided to become a volunteer at their church because of a burning desire to purchase insurance. The reality of today's environment is that churches need proper coverage to help protect their people, property, and finances and help ensure that the ministry survives and thrives in the event of unexpected accidents and natural disasters.

Purchasing insurance is one part of an effective risk management program. We live in a society where people look to assign blame to others when things go wrong. Churches are increasingly targeted for lawsuits related to injuries and misconduct from pastors, caregivers, and counselors.

For covered losses, insurance can provide legal defense and indemnification for losses resulting from unplanned events, accidents, errors and omissions, misconduct, and other causes.

This guide will help you to understand:

1. Minimum insurance requirements
2. Your church's responsibility to carry adequate coverage
3. The best sources for church insurance
4. The process of purchasing insurance
5. Insurance coverages
6. Bonding requirements
7. Reporting claims and managing the claims process

This guide won't make you an insurance expert, but it will help you work with the experts to get proper coverage at the best terms and conditions possible.

Understanding how insurance works, knowing where and how to purchase it, and what to do in the event of loss is the first part of a sound risk management program.

NOTE: The guide is intended as a general aid to purchasing insurance. It does not constitute an offer of insurance or any detailed advice on your church's actual or potential coverage or risks. You should review all policy language, terms, and conditions with your agent to understand your coverage. Review all procedures and guidelines with your agent and an attorney (if necessary) to ensure that you comply with the terms of your policy and any applicable federal, state, and local laws.

MINIMUM INSURANCE REQUIREMENTS

Minimum Insurance Requirements

The *Book of Discipline* requires local church trustees to annually review and report on the adequacy of local church property and liability insurance coverage “to ensure that the church, its properties, and its personnel are properly protected against risks.” Since 1797, The *Book of Discipline* has provided that the property and assets of local churches are held in trust for the benefit of the denomination. Inadequate insurance puts local church property and assets at risk, including the denomination’s trust interest therein.

These standards are similar to those adopted by other denominations and represent the minimum coverage required to protect your congregation’s people, property, and finances. The requirements are revised from time to time to meet the changing needs of the Church and to respond to changes in the law, regulation, and litigation outcomes.

The most recent version of the minimum insurance requirements may be found on the website of the General Council on Finance and Administration (GCFA). Check here periodically for updates. Updates are announced in United Methodist publications, press releases, on GCFA’s website, and in the United Methodist Insurance Program’s newsletter – Church Protection Connection.

Carrying Adequate Coverage

The *Book of Discipline* (*Discipline*) requires the church’s board of trustees to purchase adequate property, liability, and crime insurance on church-owned property, buildings, and equipment. The annual review of insurance must also consider the adequacy of personnel insurance. The review of personnel insurance should include workers’ compensation coverage for pastors and employees.

The *Discipline* directs the board to include the results of the insurance review in its annual report to the charge conference, along with any recommendations deemed necessary. The board must also provide a detailed statement on the insurance carried on each parcel of real estate and an indication of whether this insurance is adequate. The GCFA Insurance Worksheet and the Report of the Trustees are used to capture and report this information.

As part of this process, it is important to have an assessment of the replacement value of the building and contents every three years. It is also important, in the event of a loss, to have a detailed inventory of the age and purchase cost of contents and building. Another key consideration is knowing the age of building systems (roof, heating, air conditioning, electrical, etc.) and a history of the repairs and updates made to them.





SOURCES OF CHURCH INSURANCE

It is convenient and often beneficial to rely on members of the congregation for insurance advice and for the placement of coverage. The members have a vested interest in protecting the church's well-being and it gives the church the opportunity to help a member's business. However, care should be used to ensure that the member understands the insurance needs of the church and can place that coverage with a company whose policies are designed to meet the specific needs of religious organizations.

1. Select an agent with experience in working with churches. An agent who regularly works with churches is more likely to have authority to place business with companies that serve the church market (e.g. GuideOne, Church Mutual, The Brotherhood, Philadelphia, etc.)
2. Ask for references from other churches. You may also want to seek recommendations from other churches in your area, your district or conference.
3. If your policy is not placed with a company that specializes in the church market, make sure that the policy has endorsements that provide coverage that meets the minimum insurance requirements.
4. Pay attention to sexual misconduct, pastoral counseling liability, and coverage for property (e.g. stained glass) and other exposures (e.g. day care, recreational sports) that may be excluded under normal business owners policies designed to meet the needs of for-profit small businesses.

The United Methodist Insurance Program is available to all churches and agencies that are or have been a part of the United Methodist connection. UMIP's exclusive agent is Suracy Faith Insurance Agency, with GuideOne as its flagship carrier. Suracy Faith also has access to several other insurers to help ensure your church's coverage is placed with an appropriate carrier.

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PURCHASING INSURANCE

KNOW YOUR OPTIONS

Now that you know what to look for in an insurance agent and an insurance company, how do you go about the process of obtaining coverage that addresses the needs of your church? This outline will help you prepare your church to collect the information you need to get proper coverage at the best terms and price possible. It cannot prepare you for everything but the more information you give your agent and insurer, the more likely they are to provide you with the right coverage at the best price.

ASSESS YOUR RISKS

This may look like a long list but not all the steps may apply to your church.

- Know the replacement value of your buildings and the latest updates to major building systems.
- Have a current inventory and value of your business personal property. List property acquired or disposed of in the past year at the time your policy renews. Pictures and video of contents are very helpful and they should be stored off-site in a secure location along with a copy of the most recent inventory.
- Have a list of the pastor's personal property and evidence of any coverage the pastor has on their possessions and liability.
- List all activities that are conducted on your premises (school, day care, recreational athletics, food service, etc.)
- List all third parties that have access to your facility and have copies of agreements and certificates of insurance available. Describe the nature of those activities.
- Have a list of all church-owned vehicles and the most recent motor vehicle reports for authorized drivers.
- List the historic frequency of the use of hired and non-owned vehicles and any policies related to the approval of use and the vetting of volunteer drivers.
- List and value all equipment that is used off-premises and how often it is used. An example would be sound equipment that travels with youth choirs.

Annual reviews and periodic appraisals are important because rising replacement costs and changing laws (e.g., sprinkler

and other safety ordinances) tend to reduce the adequacy of an organization's property insurance limits. Moreover, inflation and changing attitudes affect the size and frequency of liability claims. Also, the expanding ministries of many church organizations require an ongoing review of the adequacy of coverage.

THE APPLICATION OR RENEWAL PROCESS

- Start the process with your agent 90 to 120 days before your current policy's expiration date.
- Meet with your agent to discuss any changes to your property and operations (e.g. added a day care or began overseas mission trips)
- Request loss runs or statements of no loss through your current agent
- Complete the application as completely and accurately as possible.
- Provide any additional information from the above review that will help your agent understand your risk.
- Ask your agent which carriers they plan to ask to provide a quote for your insurance. It is not always advisable to shop your risk every year. If the pricing, terms, and service are good then you should consider shopping every three to five years.
- Consider evaluating a new agent every three to five years. If you are very satisfied with your agent, you may consider a longer period.

EVALUATING OPTIONS

- Be sure to compare apples to apples. When comparing the price of quotes from two insurance companies, make sure that the limits, deductibles, important exclusions, and other terms are the same. Your

agent should help with this – cheap coverage can be very expensive.

- Watch out for coinsurance penalties. One way of lowering property premium is to insure to limits that are below the replacement cost. Make sure that value meets the minimum replacement value of the property or you may incur a penalty on a partial loss and a recovery that is less than the replacement cost in the event of a total loss.
- Consider the service reputation of the carriers. A carrier with fast, fair, and honest claims handling services can be a great value at a time that may be critical to the ongoing life of the church. Many carriers offer a wide variety of risk management services that could help prevent loss and save the church money. Take these into consideration. They may not be the sole determining factor but if the choice is close they could be the deciding factor.
- Consider the financial position of the carriers. It is recommended that you use only carriers with an A.M. Best rating of "A-" and above.
- Three-year policies. Some carriers offer three-year terms with their coverage. Read the fine print. An offer of a three-year term does not always mean that the price and conditions will stay the same for the life of the contract. It is important to understand what events may trigger changes in your price or coverage.
- When changing deductibles, consider your loss history and potential exposure.



INSURANCE COVERAGES

KNOW WHAT IS COVERED

Church insurers today typically provide coverage on a "package" basis that may include many of the areas discussed in this section. However, directors and officers liability, employment practices liability, and fiduciary liability coverages may be provided by separate policies.

PROPERTY INSURANCE FOR CHURCH BUILDINGS, PARSONAGES, AND PERSONAL PROPERTY

In order to determine the amounts of insurance needed, church organizations should first make sure that there are up-to-date valuations of the replacement cost of all buildings, parsonages, contents, and equipment. Valuations of buildings can be obtained in several ways (competent appraiser, local builder or architect, an insurance company representative familiar with the type of construction, etc.).

Plans, specifications, appraisals, and inventories should be safely kept off the premises. A video can be a helpful record of church construction and personal property.

The organization should acquire "all risk" or "open peril" replacement cost coverage, with a blanket limit for each location. "All risk" or "open peril" covers all causes of physical loss, with the exception of those that are specifically excluded, such as wear and tear, rust or corrosion, or insect infestation. The replacement value of stained glass and pipe organs should be included in the building limit, along with any other installed items such as fixed pews or communion rails. Parsonages should be included in the blanket limit coverage.

Replacement cost insurance is the desired method of property valuation. Ensuring that your property's major systems (such as roofing, plumbing, and electrical) are in good condition is the best way to help ensure that your property qualifies with this methodology. The *Discipline* allows the use of "cash value" coverage (replacement cost less depreciation), but this should only be used in situations where you cannot qualify for replacement cost coverage. It is important that you find out what



deficiencies prevent the use of replacement cost and if repairable, fix them as soon as possible.

Functional replacement cost value is available to churches but may not be offered by all carriers. It enables a church that has architectural features that it may choose to replace with less expensive options to lower the valuation of property without being subject to a coinsurance penalty. One example would be replacing stained glass windows with regular glass. If you wish to explore this valuation method, you will need the written approval of your charge conference.

The policy should also include adequate limits for "building ordinance or law" coverage. An organization may need coverage for the increased cost of construction if it must demolish a partially damaged building or if the law now requires automatic sprinklers or additional accommodations for disabled persons. It should also provide automatic coverage for at least 90 days. This gives the organization time to report any newly acquired or constructed real property.

Coverage for personal property in transit or at an unspecified location is important. For instance, a local church may send artwork

out for re-framing and musical instruments or other items may be used off-premises. Musical instruments, historical documents, candelabras, bells, art objects, antiques, electronics items, and similar valuable church property can be insured on a separate "floater" policy or may be included as "contents." This separate treatment allows the organization to specify the insured amount and eliminates any difference of opinion with the claims adjuster. If separately covered, the items should not be included in the "contents" value.

Valuable church papers and records, including the records of members' pledges, might be destroyed in a fire. Coverage applies for the cost of research and other expenses necessarily incurred to reproduce, replace, or restore such records.

"Extra expense" insurance covers the extra costs of renting needed accommodations if there is damage to the parsonage, meeting hall, or other church property.

"Business income/interruption" coverage protects against the loss of income, such as the loss of rent that can arise if damage is sustained to property that is being rented to an outside business interest or other entity.

Fire department service charges are expensive in some localities. Coverage is available for this fee and for the cost of recharging automatic sprinkler systems.

Preparing a "proof of loss" statement can be a difficult task. For example, an organization might have a library of rare books only an expensive specialist could properly value. Again, it is strongly recommended that an inventory, including video, be made of all personal property, to be stored offsite. In the event of loss or damage, such evidence will be helpful in obtaining the prompt payment of a claim.

"Pollutant clean up and removal" coverage applies to the accidental spillage or leakage of pollutants, such as from a storage tank or vehicle located on the premises.

Computers, peripherals, and software are a special category that needs to be separately addressed, even if the organization has an all-risk policy. The growing dependence on computers for record keeping and communication make this coverage important.

"Backup of sewers and drains" coverage has been important to many churches that have washroom or cooking facilities in a basement level.

Damage to trees, shrubs, and plants are usually covered for loss caused by fire, explosion, riot, civil commotion, or aircraft. Ask the insurer to add coverage for windstorm damage.

"Fire damage legal liability" coverage is needed if a church organization rents the space that it uses. This protects the organization against any damage to the rented space that is the result of a fire negligently started by the organization's use of the premises.

"Improvements or Betterments" coverage applies if you lease space and add items

such as carpeting, wall coverings, or built-in furniture and you want to make sure these changes are covered in your policy.

EVENT CANCELLATION INSURANCE

This insurance protects against lost profits and expenses from cancelled events such as an outdoor fund-raising event that is rained out. It is essentially a specific form of "business interruption" coverage. This coverage should be purchased well in advance of the event.

BOILER, ELECTRICAL, AND MECHANICAL BREAKDOWN INSURANCE

Boilers, hot water heaters, air-conditioning and refrigeration systems, elevators, electrical panels, telephone systems, computers, sound systems, and other electrical equipment are important and can be very expensive to replace. Due to the almost ubiquitous use of computer chips in much of this equipment, electrical surges or spikes are a growing concern. Computerized devices are much more susceptible to damage from electrical glitches than were their "hard wired" predecessors.

Insurance companies will usually inspect pressure vessels at no cost to the church and will provide certification to the regulatory authorities when such is required.

EARTHQUAKE INSURANCE

Insurance against property damage resulting from an earthquake is usually available through a separate policy or may be included in the package policy. This

insurance covers damage to foundations, excavations, and other parts of buildings, but not damage to the land itself.

FLOOD INSURANCE

This insurance is afforded by the Federal Government's National Flood Insurance Program (NFIP) to churches and their parsonages in communities that have qualified by meeting certain requirements. Your insurance agent will know whether a community has qualified for this coverage. More information about the NFIP can be found [here](#).

SUBSIDENCE INSURANCE

Some states require property insurers to provide this coverage in areas with subsurface coal mines that might cause cave-ins or settling serious enough to damage surface buildings.

BUILDERS RISK INSURANCE

Organizations that are engaged in construction may obtain a special builder's risk policy to provide property and crime insurance while the construction is ongoing. The policy should provide for "all risk" coverage. It is best to buy coverage in the names of both the organization and the contractor.

Before construction starts, it is a good idea to contact your insurance agent or carrier to ensure no additional information is needed. The insurer's fire protection engineers might be able to suggest changes that could result in safer construction and a lower insurance rate. This service is typically free and available to all property owners.

CONSTRUCTION CONTRACT BONDS

Any organization that is planning any type of construction should seriously consider acquiring a construction bond. The surety checks the contractor's financial background and track record for competence and fair dealing, and then guarantees that the contractor will satisfactorily perform the project to the contracted specifications. These bonds save organizations from having to conduct independent investigations that may reach the wrong conclusion. If the surety refuses to issue a bond the organization should choose another contractor.

Performance bonds protect the church against loss, up to the bond limit, in the event the contractor fails to perform all the terms and conditions of the contract. Payment bonds decrease the possibility that mechanic's liens will be filed against the organization's property by guaranteeing that the subcontractors and suppliers receive payment. Your insurance agent can determine the type of bond that is needed.

CRIME INSURANCE

Fidelity bonds, also known as "employee dishonesty" or "crime insurance," are just as important for church organizations as they are for businesses. Most organizations should use a blanket bond or policy that applies to both employees and volunteers. An important feature is to acquire a policy that covers all eligible persons without listing names or positions and automatically covers new employees. A blanket fidelity bond or policy insures the organization against loss by larceny, theft, embezzlement, forgery, misappropriation, or other dishonest acts by employees or volunteers. They typically provide a uniform amount of coverage on all employees and volunteers and pay up to that amount for losses even if the guilty persons cannot be specifically identified.

Money and securities insurance indemnifies the church organization against losses from the theft, or attempted theft, of money, securities, and other such property. Separate limits apply to those losses from inside the organization and to those from external sources. Burglary insurance may be included in the money and securities policy or it may need to be acquired separately.

Computer fraud insurance covers the theft of property related to the use of a computer to fraudulently transfer internal organization property to an external party. This would apply to losses caused by a "hacker" (the fidelity bond applies to losses caused by employees and volunteers).

CYBER RISK INSURANCE

Separate policies are available for coverage of cyber threats. This may include coverage for business interruption, network security, media liability, errors and omissions, privacy liability, data breaches, virus attacks, ransom ware, social engineering (phishing, etc.) and other types of computer crime. Policy forms vary so working with an agent that understands this exposure is important.

COMMERCIAL GENERAL LIABILITY INSURANCE

General liability provides coverage for bodily injury, property damage, and personal injury for covered losses up to the stated limits. In addition, this coverage provides defense against suits or claims arising out of accidents occurring on the organization's property, or away from the property if such accidents are the result of the organization's normal activity.

"Bodily injury" should include mental anguish and apply to claims that allege sexual abuse. Some insurers provide only a small coverage limit for sexual abuse and

exclude coverage for the accused (even before any determination has been made as to guilt).

Corporal punishment coverage is now very difficult to obtain. The denomination opposes such punishment and therefore, extra care should be taken to see that everyone dealing with children in schools, day care, and Sunday school understands this and does not use corporal punishment under any circumstances.

"Personal injury" is usually defined to include false arrest, detention, imprisonment, malicious prosecution, wrongful eviction, libel, slander, and invasion of privacy.

Coverage for product liability may be necessary if the organization engages in certain activities, such as the sale of Christmas trees to raise money or the preparation of food that is provided to day care children or homeless people.

Church members, staff, and volunteers should be included in these policies as additional insureds. The insurance should also cover the operation of any school or summer camp or business function (e.g., a thrift shop). Liability coverage must apply both on and away from the organization's property.

Coverage for the payment of medical expenses apply on a no-fault basis to those injured on the organization's property and while participating in sponsored activities elsewhere. There should not be exclusions for athletic program participants or for children in Sunday school or the church's day care center.

PASTORAL PROFESSIONAL LIABILITY

This covers "pastoral counseling services" rendered by ordained members of the

clergy, in the form of free advice or guidance. Some insurers extend the coverage to persons in training for ordination that are acting under the supervision of an ordained member of the clergy. Some carriers provide the coverage to those who charge a fee for their counseling. Coverage for bodily injury, personal injury, or property damage is not included in pastoral professional liability coverage.

EMPLOYEE BENEFIT PLANS LIABILITY

This helps protect against claims made by past or present employees or their beneficiaries that allege negligent acts, errors, or omissions in the administration of the organization's employee benefit program (group life, accident or health insurance, profit sharing plans, pension plans, unemployment compensation [if applicable], social security, death benefits insurance, etc.). Claims for damages must have been made during the policy period for the errors or omissions which took place during that period.

DIRECTORS AND OFFICERS LIABILITY

This applies to claims for damages based on the negligent act, error, omission, or breach of duty of current or previous officers and/or board members. Coverage should apply to the individual directors and officers and to the organization, if it is obligated to indemnify those directors and officers.

EMPLOYMENT PRACTICES LIABILITY

This insurance defends and pays for claims alleging damages because of negligent acts, errors, or omissions, or violations of Federal anti-discrimination laws, in the hiring, supervising, promoting, or terminating of employees. It also covers claims of sexual harassment and permitting or promoting a "hostile workplace environment." The policy should apply to both employees and volunteers. This is an important new coverage now available because of the general increase in claims of this kind.

FIDUCIARY LIABILITY

This coverage insures against allegations of duty breaches of organizations which have taken on the responsibility of management, conservation, and/or disposition of property or investments for the benefit of others. This protection is especially important for organizations that manage their own foundations.

COMMERCIAL AUTOMOBILE

Churches purchase automobile liability insurance for owned or leased autos or buses, but they sometimes forget that non-owned and hired automobiles used by or on behalf of the church are of equal importance. The policy should include church employees and volunteers as additional insureds for owned, non-owned, and hired autos.

Non-owned Automobiles: Clergy use their own cars on behalf of the church almost daily. Parents and other volunteers use their cars to transport children to events and outings. Sometimes the church borrows a car, pickup truck, or van. The rule of thumb is that "insurance follows the automobile," meaning that the owner's insurance would apply in the event of an accident. Regardless, organizations should not rely solely on the adequacy of the owner's coverage, especially when non-ownership liability insurance is readily available and inexpensive.

Hired Automobiles: The situation with hired (rented) automobiles is similar. Pastors and other organizational employees attend conferences in other cities, often renting cars to get to the event when they arrive. The church should not rely on the minimal limits provided by the rental company but should purchase the relatively inexpensive hired car coverage.

Automobile Medical Payments: This insurance provides a "no fault" limit per person. The injured persons do not need to bring suit in order to get money to pay their personal insurance deductibles. Make sure the insurer does not restrict the number of per person limits that it will pay out in the event of an accident.

Automobile Physical Damage: This includes comprehensive and collision coverages. The deductible could be chosen in keeping with the philosophy of the church with respect to the amount of its deductible on its property insurance.

For further discussion of issues relating to transportation safety, especially as to church owned vans and buses, see Section 2 of [**GCFA's Legal Manual**](#).

Despite our best intentions, mistakes happen. The experts at Suracy Faith explain how Directors & Officers (D&O) and Errors & Omissions (E&O) coverage can help protect your ministry against costly human errors.

WORKERS' COMPENSATION AND EMPLOYER'S LIABILITY INSURANCE

The purpose of workers' compensation insurance is to give greater protection and security to the worker and the worker's dependents against injury, illness, and death occurring in the course of employment. Workers' compensation provides for, as a matter of right, the payment of benefits to employees injured on the job. The amounts paid for covered occupational injuries or disease are set by state law. The laws in most states provide for fixed awards to employees or their dependents upon a showing of employment-related injury, without requiring proof of negligence on the part of the employer. The compensation award is, in nearly all situations, the covered employee's exclusive remedy against the employer.

Workers' compensation insurance is provided through a "workers' compensation and employer's liability" policy. Two types of basic coverages are afforded by this type of policy: one provides actual workers' compensation benefits, while the other insures the employer for liability when employees sue (claiming employer negligence, unsafe working conditions, etc.). The combination of these two coverages

is intended to provide financial security to the injured employee, and to provide the employer with maximum protection against all liability that may arise out of the employee-employer relationship due to occupational injury and disease.

The district superintendent should ensure that each of the churches of his or her district has purchased a workers' compensation policy. Information concerning the existence of the policy and of coverage limits should be available from the charge conference and the board of trustees of the local church. The charge conference may also provide access to a master workers compensation policy which may help smaller churches avoid their carrier's minimum premium charge thereby lowering their premium.

UMBRELLA POLICY

"Umbrellas" provide additional liability limits above the primary coverage's liability limit.

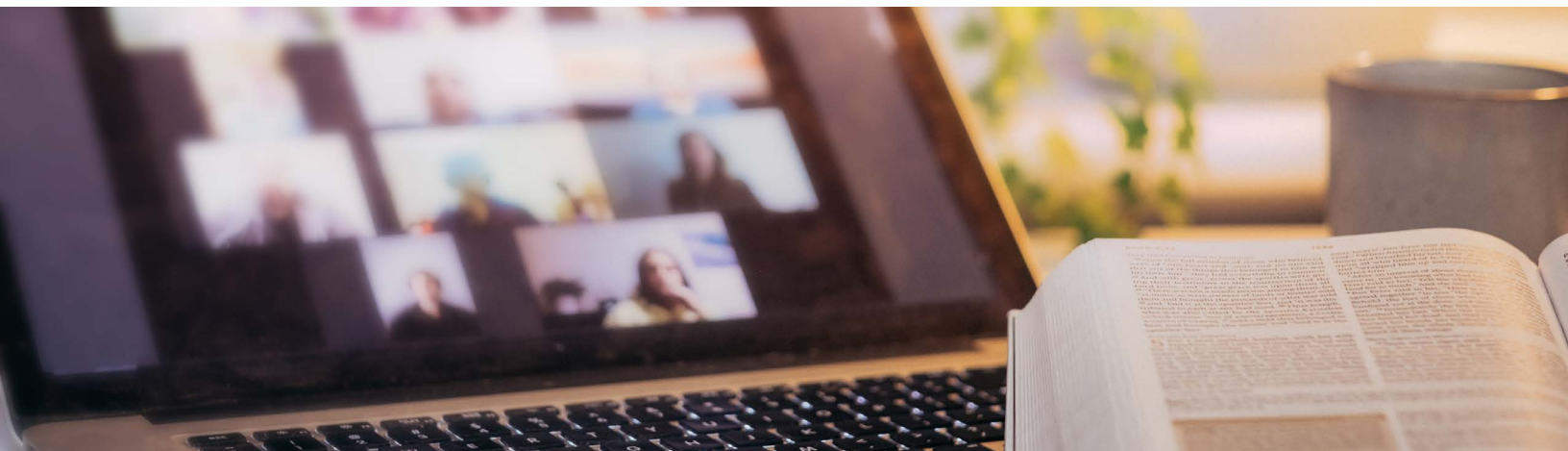
Coverage is in addition to the primary limits specifically shown in the "schedule of underlying insurance" and a self-insured retention (if any), as specified in the umbrella policy. Umbrella coverage has become an important part of an organization's insurance program. Make sure the umbrella does not specifically exclude any current, major areas, such as sexual misconduct and pastoral professional liability.

FOREIGN MISSION AND OUTREACH LIABILITY INSURANCE

Local churches are engaged in a variety of mission projects in the United States and foreign countries. The domestic coverages that are discussed in prior sections can respond to most of a church's domestic programs and projects (make sure the insurer is aware of all such activities), but coverage they provide is limited when the project is outside the United States or Canada. This limited coverage likely extends only to incidents occurring outside the United States or Canada and are adjudicated in those court systems. Therefore, if your church is engaged in activities outside of the United States and Canada this coverage may be needed to protect your church and people, property, and finances.

TRAVEL INSURANCE FOR FOREIGN AND DOMESTIC MISSION TRIPS

A travel protection plan provides coverage for travel expenses, belongings, and individuals. These plans can cover accident and sickness expenses, emergency medical evacuation, baggage delay, personal effects, missed connections, travel delay, and itinerary changes.



The BOOK of DISCIPLINE

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BONDING REQUIREMENTS

THE BOOK OF DISCIPLINE ("DISCIPLINE") ¶ 2511 STATES:

All persons holding trust funds, securities, or monies of any kind belonging to the general, jurisdictional, annual, or provisional annual conferences or to organizations under the control of the general, jurisdictional, annual, or provisional annual conferences shall be bonded by a reliable company in such good and sufficient sum as the conference may direct. The accounts of such persons shall be audited at least annually by a recognized public or certified public accountant. A report to an annual conference containing a financial statement that *The Discipline* requires to be audited shall not be approved until the audit is made and the financial statement is shown to be correct. Other parts of the report may be approved pending such audit.

Paragraph 618 outlines the bonding authorities and responsibilities of annual conference councils on finance and administration. The *Discipline* also requires the bonding of local church treasurers.



REPORTING AND MANAGING CLAIMS

IT DOESN'T HAVE TO BE DIFFICULT

The time to begin to prepare to report and manage a claim is when you begin working with an insurance carrier.



WORK WITH YOUR INSURANCE AGENT AND CARRIER(S) TO MAKE SURE THAT:

- You have the proper contact information and procedures for each of your lines of coverage and carriers.
- Contact information and procedures are shared with everyone in your church that may have to deal with the reporting of a claim.
- All staff and volunteer drivers know exactly what to do and not do in the event of an accident. Have a written set of procedures for drivers to follow and review them with drivers and give them a copy for use in hired vehicles. Keep a copy in every vehicle the church owns.
- For events requiring reporting to conferences, leadership, law enforcement, or other government entities, ensure that all parties have training and know when reporting is required, what must be reported, and who to report to and how to reach them.
- Have a plan to find alternative space to work and worship in advance. You may be able to work with other churches, schools, or businesses to have a backup plan if your sanctuary, schools, and/ or offices are temporarily closed.

WHEN A CLAIM OTHER THAN WORKERS' COMPENSATION OCCURS:

- Lives have priority. Secure areas to keep people away from danger and make sure to contact emergency services for those who may require immediate medical attention.
- For fire, falling trees, or storm damage, cover openings to prevent further water damage or freezing.
- In the event of flood, remove water and mud and move undamaged furnishings and equipment when it is safe to do so.
- Secure the premises after a theft or break-in.
- Where a theft or other event requires notification of law enforcement or another government entity, do so as soon as possible. Obtain a copy of any police reports and keep them in your file.
- Call your agent as soon as possible to report the claim.
- Make sure you have as much information about the event as possible including the names and contact information of any witnesses.
- Follow any instructions you may have received from your carrier or agent. This is especially true in the case of not accepting fault at the time of the accident.
- Use your inventory list to catalogue any missing or damaged property if applicable.
- Document the date, time, and nature of contact with your agent and the insurance company.
- Document all expenses related to the protection of property and extra expenses incurred due to a business interruption loss.

- Work with your adjuster. Provide them with access to the information they need and any access to property they may require.
- If you have questions or things are not progressing as you would like, get your agent involved on your behalf.
- For advice in dealing with a crisis situation or a lawsuit, refer to Section 5 of [GCFA's Legal Manual](#) and "Crisis Communication Planning and Dos and Don'ts When a Lawsuit is Filed" in the Legal Manual.

WHEN A WORKERS' COMPENSATION CLAIM OCCURS:

- Employees should be instructed to report workplace injuries promptly to a designated person or persons.
- When someone is injured, ensure that they get proper medical attention as soon as possible. Work with your agent to understand if state law permits you to recommend providers to your employees or specifically direct

them to providers in non-emergency situations.

- Make sure the employee has the proper paperwork and guidance.
- Report the claim to your agent as soon as possible.
- If the claim will involve lost time, keep in contact with the employee and work with the insurance company to see if the employee can return to work on light duty if possible.
- Notify the carrier when the employee returns to work.





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