

INSURANCE MATTERS



Presented by
Rhonda Harper



NAD WORKING POLICY

- Sets the policies / limits for all church operations against risk of accidents, property and liability losses, and medical claims.
- Policies are found in NAD Working Policy S 60 Risk Management Policies.



NAD POLICIES

- The officers and managers of denominational organizations shall initiate measures to prevent losses, and shall be responsible for maintaining adequate insurance coverage or self insurance funds. Losses and accidents must be reported on a timely basis. It is the duty of the auditor to check and report as to whether insurance coverages are in harmony with NAD policy.



Florida Conference

- Spends approximately \$6,000,000 per year for insurance premiums, NOT INCLUDING health care and employee benefits.
- Some insurance costs are passed along to the various entities within the Conference, including the churches, schools, child centers, camp, conference office, and community service centers.



Annual Property and GL Billing

- Sent out in mid May for the 3/1/2020 – 3/1/2021 policy period.
- Every entity received a Special Pandemic Insurance Credit of \$1,200.
- Signed/ dated copy of invoice was to be returned by June 15, 2020, selecting the payment option.



Three Payment Options....

- Full payment by 6/30/20 – 2% credit
- 3 monthly payments due by 9/30/20 – no discount given
- 8 monthly payments due by 12/31/20 – 2% processing fee added



Property Insurance

- Sent the current Evidence of Property Insurance with the billing. Ask that you review the information. Notify if anything needs to be corrected.
- If your entity rents a facility, you can purchase content insurance.
- The insurance is for replacement value vs. market value.



Property....

- Church Signs that are not attached to the building are not covered unless scheduled on the policy.
- Fences are not covered unless scheduled.
- Each building must be scheduled, including sheds, pavilions, etc. if you want them insured.



EXCLUSIONS...

- land, growing crops, standing timber and animal mortality
- aircraft and motor vehicles
- waterborne shipments
- fraudulent or dishonest acts of employees
- defective design, faulty workmanship or materials
- mechanical breakdown, wear and tear, deterioration, pollution, moths, vermin or insect, temperature extremes
- explosion, ruptured or bursting of steam fired or pressure vessels
- normal settling, cracking of pavements, foundations, walls, ceilings, or floors
- loss of market
- hostile or warlike action
- nuclear reaction, radiation or radioactive contamination
- mold



Property Deductible

- To keep our property insurance premiums steady this year, the deductible has increased to \$10,000 per eligible claim. The Conference will continue to subsidize an amount and now it will be the difference between the previous deductible of \$5,000 and the current deductible of \$10,000 for any eligible, non-hurricane claim. For named storm property claims, the deductible remains at 3% of the damaged building value, or a minimum of \$25,000.



CLAIMS

- Notify FL Conference Risk Management Dept if you have a property claim.
- If there is damage to the building, our insurance will send out an adjustor at NO COST to the insured. Protect/ secure the damaged area.
- DO NOT hire a public adjustor
- Select one person to work with the claim and the adjustor



ANNUAL PACKAGE INCLUDES:

- General Liability
- Executive Risk – Boards, Directors Coverage, Crime Coverage
- Volunteer Labor
- Premises Medical for members/ guests on and off property
- Excess Liability
- EPL (Sexual Harassment/ Wrongful Term)
- Verified Volunteer Screening Program



General Liability Allocation

- In the past, the conference allocated the liability insurance package to the churches solely based on church membership. Last year the Conference Executive Committee voted to adopt a new method of allocating the liability insurance package premium to churches. This new method is composed of a formula that contemplates exposure and risks based on the last ten years' liability claims history report along with church membership.



Billed Separately for Liability

- Community Service Centers / Thrift Stores
- Dwellings / Apartments
- Child Care Centers
- Radio Stations
- Schools
- Camp, Academies, Conference Office



Deductible for GL

- Our Churches are not exempt from liability claims. Due to our increase in claims over recent years, our policy now has a deductible IF the claim exceeds \$200,000. The deductible is 15% of the amount over \$200,000. This includes settlement monies, claim expense, and legal fees. The entity the claim is against would be responsible for 13% of this, and the Conference will assist with 2%.



Certificates of Liability Ins.

- Often when renting or using locations to hold activities, the owner requires a COI. This shows the owner we have liability insurance. There is no charge for a COI. Contact the Risk Mgmt. Department for an application and once it is submitted, allow up to a week for the certificate to be produced by our insurance. **PLAN AHEAD**



Contact Information:

Rhonda.harper@floridaconference.com