

Insurance and Risk Management Presentation

For the Baltimore-Washington Conference and
Peninsula-Delaware Conference of the
United Methodist Church



Introduction to National Church Group

- Founded in 1984
- Dedicated to the church market
- Independent
- All 50 states
- Focused on risk management





Carrier Performance

- 2021 Average Combined Ratio: 99.74
- 2023 Average Combined Ratio: 124.53
- 2024 Average Combined Ratio: 111.66
- 2025 Average Combined Ratio through second quarter: 106.44



Challenges in Church Insurance

- Aging buildings
- Deferred maintenance
- Coastal concerns/natural disasters
- Nuclear verdicts



The Good News!

- Rate increases are slowing
- Underwriting restrictions are loosening
- UW community responding positively to risk management



State of the Church Insurance Industry

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UMC Minimum Insurance Requirements



General liability insurance coverage



Property insurance for churches



Mandatory workers' compensation insurance



• Commercial General Liability	Occurrence	\$1,000,000	Aggregate	\$3,000,000
• Pastoral Counseling Liability	Occurrence	\$1,000,000	Aggregate	\$3,000,000
• Hired & Non-Owned Auto Liability	Occurrence	\$1,000,000	Aggregate	\$3,000,000
• Employee Benefits Liability (EBL)	Occurrence	\$1,000,000	Aggregate	\$1,000,000
• Medical Payments	\$10,000			
• Sexual Misconduct Liability*				
Church Membership of 500+	Occurrence	\$1,000,000	Aggregate	\$2,000,000
Church Membership under 500	Occurrence	\$250,000	Aggregate	\$500,000

- Crime - \$25,000
- Directors & Officers
- Employment Practices
- Employee Benefits
- Umbrella/Excess
- Commercial Auto

Cyber Insurance 101

1st Party Coverage

- Funds Transfer Fraud
- Computer Fraud
- Business Interruption/Extra Expense
- Digital Data Recovery
- Network Extortion/Ransomware



Cyber Insurance 101

3rd Party Coverage

- Media Liability
- Privacy and Network Security
- Regulatory Fines and Penalties
- Payment Card Loss

Insurance Cost Drivers & Strategies to Lower Costs

Understanding the key factors influencing insurance premiums and effective strategies to reduce them is crucial for organizations.



Factors Driving Insurance Costs

Various elements, including claims history, risk exposure, and market conditions, significantly impact insurance premiums.



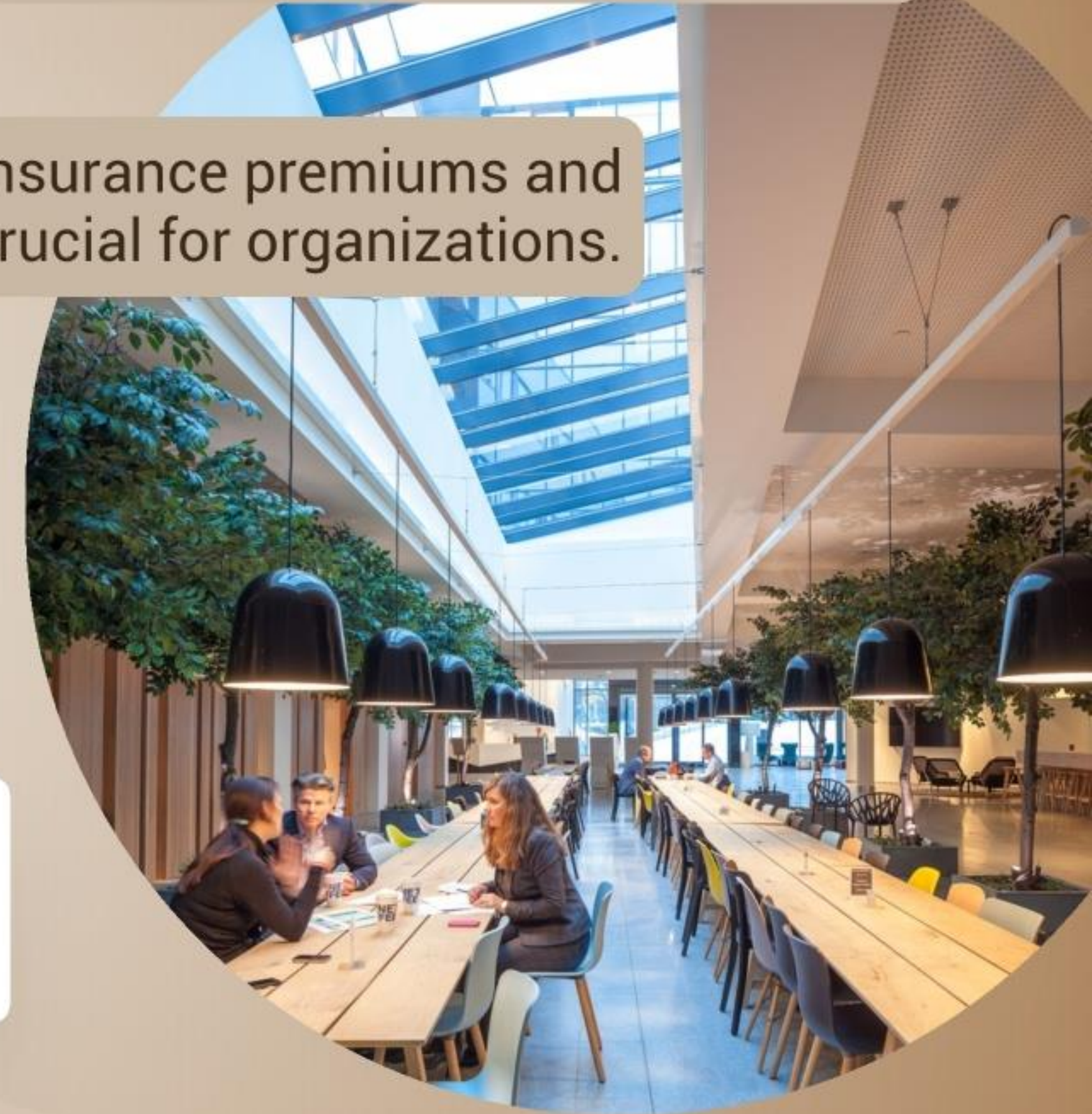
Strategies to Mitigate Costs

- Proactive building & grounds care
- Physical security measures - security system, sprinklers, fire alarms, etc.
- Robust risk management procedures surrounding:
 - abuse prevention, employment issues, money handling, etc.
- Tell your agent about all of these things!



Importance of Risk Management in Cost Reduction

Proactive risk management not only lowers premiums but also minimizes the likelihood of claims, ultimately safeguarding financial resources.





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Church Safety & Security

A structured approach to enhancing safety and security within church communities.



Identify leader(s) and team members

Appoint a security team leader who will be in charge of recruiting team members and developing protocols.



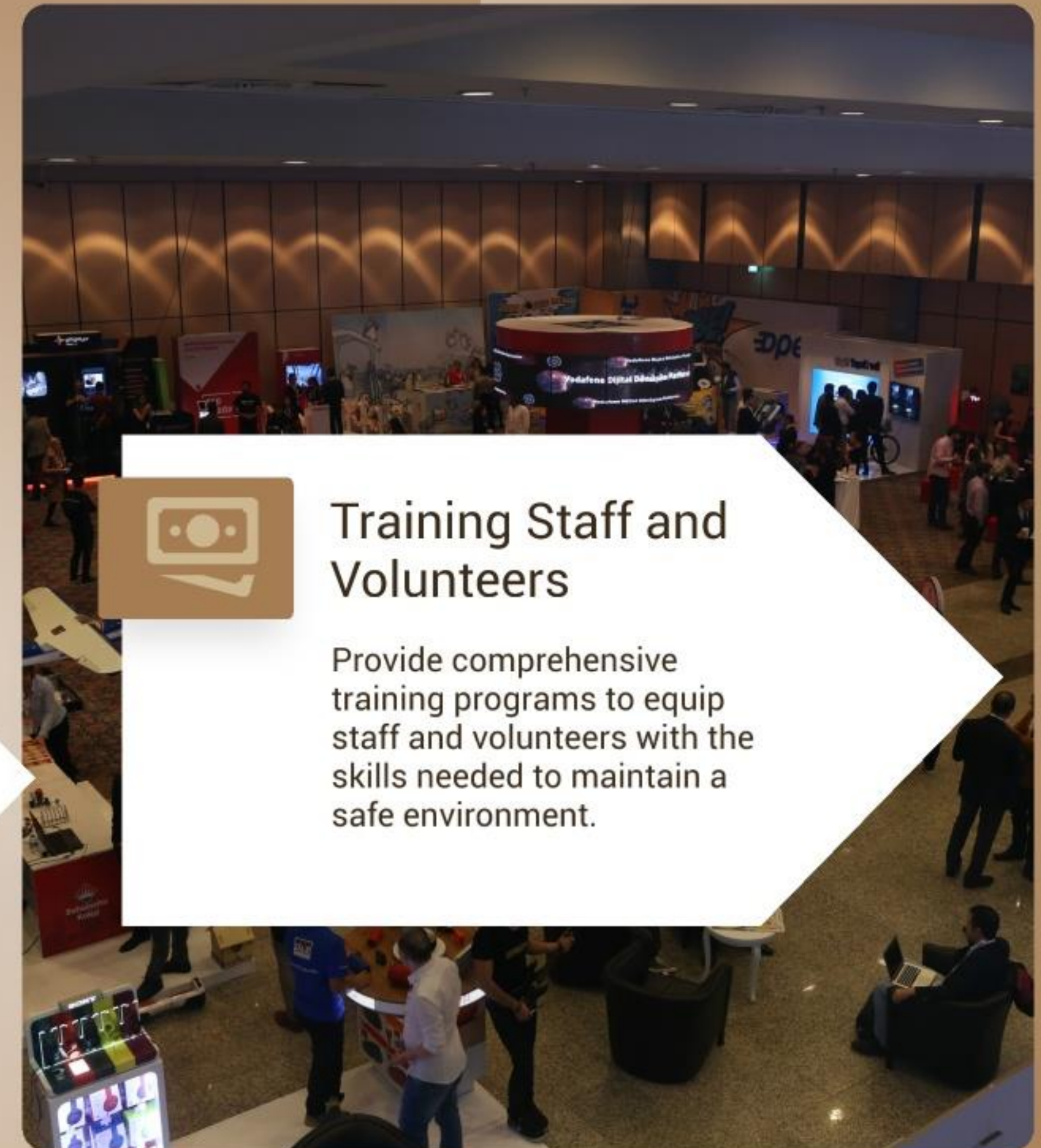
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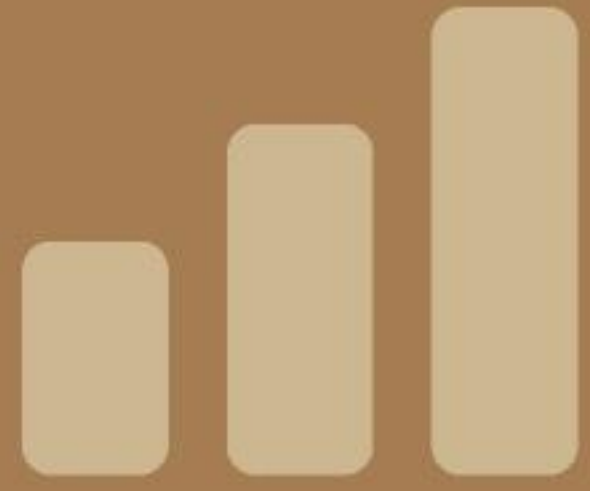
- Armed vs. Unarmed
- Insurance ramifications
- Legal ramifications
- Development of procedures and plans
- Items needed to support plans



Training Staff and Volunteers

Provide comprehensive training programs to equip staff and volunteers with the skills needed to maintain a safe environment.





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MD Statute of Limitations Changes and Impact

Understanding the recent changes in the statute of limitations and their implications for insurance claims in churches.

2022

Introduction of Child Victims Act of 2023 which removed the statute of limitations for civil lawsuits for child sexual abuse, allowing victims to sue for damages regardless of when the abuse occurred.

2023-2025

Implementation of the new statute, leading to increased insurance claims as victims become aware of their extended rights. Amendments made to statute to limit amount of damages available.

What to do if a church receives an abuse claim from 30+ years ago

- Start by exhausting all church records of insurance policies
- "Insurance Archeology" firms exist to track down old policies

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Impact of Scouting Settlement to Churches

Insurance carrier qualms about scout troops

Due to the scandal and subsequent legal settlement, many insurance carriers have backed away from insuring churches that house scout troops, whether the troop is chartered by the church or not.



New Insurance Considerations After Settlement

While certain carriers have pulled away, many will still provide insurance to churches with scout troops. For those that charter the group, having stringent risk management procedures is paramount. For those that do not, ensuring the group has adequate insurance before using your building is wise.

Sources of Information for Trustees

Trustees have various resources available to help their churches with insurance and risk management.

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- Development of RM policies and procedures
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- Discounted background checks
- Online trainings available
- Sample policies and procedures

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Churches

- Help with benchmarking
- Share best practices
- Share what has worked and what hasn't



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Our Mission is to Protect Your Mission

National Church Group

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www.ncginsurance.com

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