

SAINT TIMOTHY'S EPISCOPAL CHURCH VESTRY MEETING MINUTES – FINAL

Saturday, February 12, 2022 – 9:44 am

Update Date: 03/01/2022

SUMMARY:

MOTIONS:

- **MOTION:** The vestry approves the nomination of John Hager as a 2022 delegate to the Contra Costa Deanery and Diocesan Convention. Approved unanimously.
- **MOTION:** Approve the submittal of the final version of the 2021 Parochial Report which is currently in the final stages of drafting. Approved unanimously.
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ACTION ITEMS:

Attendees: Ade Adekunle, Karen Anderson, Rev. Todd Bryant, Jacque Chiavini, Gabel Chong-Horsley, Dick Firth (NV), Susan Geissler-O'Neil (NV), Liz Knape, Kris Manning, Cecilia Oduwole, Steve Oki, Sally Shea Potts(NV), Scott MacDougall, Charlie Wills

Absent: Rayne Devlin

1. Opening Prayer – Pastor Todd

2. Review and Confirm Agenda

For most vestry meetings, there will be a series of reports and the minutes of the previous meeting for the vestry to review prior to the meeting and approve at the meeting. There will also be an agenda item about welcoming guests and naming who they are.

3. Non-Recurring Action Items

a. Deanery/Convention Delegate

Background: Following the annual meeting, John Hager volunteered to be a Delegate.

MOTION: The vestry approves the nomination of John Hager as a 2022 delegate to the Contra Costa Deanery and Diocesan Convention. Approved unanimously.

b. Church Insurance

Background:

Text from email from Neal Matsunaga (former treasurer) to the vestry regarding church insurance:

“Following up on Dick’s request that I send you the background for the property & liability insurance proposal you will be considering at your next meeting, attached are the following documents:

- 12/11/2018 Diocesan letter regarding insurance carrier options and minimum coverage requirements
- 1/26/22 property & liability insurance proposal from Church West/Brotherhood Mutual Ins Co

The above documents were posted to the Google Drive and reviewed by the Vestry members prior to the meeting. They are appended to these minutes.

The Church West proposal recommends that St. Timothy’s also continue Workmen’s Compensation insurance coverage with Church Insurance Co, our current carrier. St. Timothy’s 2022 insurance cost with Church Insurance Co (including Workmen’s Comp) is \$32,592 while Church West/Brotherhood

Mutual's proposal is for \$27,397 plus Workmen's Comp ins."

MOTION: Resolved that we move St. Timothy's liability insurance coverage (except Workman's Compensation) to Brotherhood Mutual Insurance Company, in accordance with the January 26, 2022, recommendation sent by Neal Matsunaga "Outline of Insurance" from ChurchWest Insurance Services. Caveat: Answer(s) to questions about coverage must be received before March 1. Passed unanimously.

Question: What will it cost for the Worker's Compensation insurance from Church Insurance if we move the rest of our insurance to Brothers.

Dick: About \$1000 for Worker's Compensation

FYI: This option was brought to our attention by our bookkeeper, Steve Zimmerman, who does the books for other churches in the Diocese.

New policy has a retroactive fee of \$800.

Pastor Susan: Will this change still give us coverage in the matter of the Boy Scout sexual abuse suit. St Timothy's has one complaint against the troop – but not the church from what happened in the 1970's. There is a possibility of a 2nd suit. Complaints can be filed through the end of 2022.

Mormon Church gave their complainant's \$1.5 million.

Dick: Insurance payment (quarterly) to Church Insurance is due on March 1.

c. **2022 Parochial Report**

Every year each church in the Diocese of California files the Parochial Report with the Diocese and the national Episcopal Church. The preparation of the 2021 report is in progress. The hope is that it will be complete by Saturday and we can approve it. The following is the link to the 2020 Parochial Report.

<https://drive.google.com/file/d/1qd0B-WTxH8bCs-MNdQK-MWojWlxWaOY3/view?usp=sharing>

The following is the link to the folder on the Google Drive where all the Parochial Report that I have been able to find are stored:

<https://drive.google.com/drive/folders/0B9wVJW0xOzd9cXIUZIVZY1BxTk0?resourcekey=0-ve8DoGMRCn3gZk9PhB64rQ&usp=sharing>

MOTION: Approve the submittal of the final version of the 2021 Parochial Report which is currently in the final stages of drafting. Approved unanimously.

4. FYI

- a. **Vestry Training with Sally and Dick** for new vestry members will be scheduled based on feedback from the new members to the training day and times proposed by Sally S Potts

5. Closing Prayer

St Timothy's Calendar for Vestry as of 02/12/2022

Date	Event
Wednesday, March 2	Ash Wednesday
Wednesday, March 16 – 6:30 pm – location?	Vestry Meeting
Sunday April 10 – Saturday April 16	Holy Week
Sunday, April 17	Easter Sunday
Wednesday, April 20 – 6:30 pm – Location?	Vestry Meeting
Sunday, May 1 – Bishop Marc visits St. Timothy's	Vestry meeting with the Bishop – 11:00 am?

Submitted by Sally Shea Potts, Vestry Clerk

Next Tidings Deadline – 25 February 2022
Next Regular Vestry Meeting – 16 March 2022

RESOLUTION ADOPTING SCHEDULE OF MINIMUM ACCEPTABLE INSURANCE LIMITS AND APPROVING INSURANCE CARRIERS

At a meeting of the Finance Committee of The Episcopal Church in the Diocese of California, a nonprofit religious corporation organized and existing under the laws of the State of California, held by telephone on the 11th day of December 2018, a quorum being present, the following resolution was adopted pursuant to Episcopal Church Canon 1.7.1(h) and Diocese of California Canon 19.07.

RESOLVED, that every parish and mission congregation in the Episcopal Diocese of California shall maintain property liability, property, workers compensation, and other customary and appropriate insurance issued by one or more of the following insurance carriers:

- The Church Insurance Company, The Church Insurance Company of Vermont, The Church Insurance Company of New York, or any other insurer affiliated with the Church Pension Group;
- Church Mutual Insurance Company, CM Regent Insurance Company, CM Regent Solutions, or any other insurer affiliated with CM Group; or
- Brotherhood Mutual Insurance Company or any other insurer affiliated with it.

FURTHER RESOLVED, that as part of a master policy issued by or on behalf of any of the above carriers, individual lines of coverage (such as auto liability, employers liability, directors and officers liability, workers compensation, or umbrella) may be issued by another carrier.

FURTHER RESOLVED, that separate policies for Umbrella/Excess Liability, Workers Compensation, Employers' Liability, and Commercial Auto Liability may be purchased from any admitted insurer.

FURTHER RESOLVED, that every parish and mission congregation shall maintain insurance meeting the following schedules of minimum acceptable limits and coverages:

Commercial Property	Scope	Minimum Limits
Property (for church premises)	Buildings, Pipe Organs & Contents	Must be insured to Replacement Value, "Special Risk" Coverage. Replacement cost valuation must be updated within 180 days if additional square footage is added. Congregations are advised to obtain a Blanket Limit whenever available, but Specific Limits reflecting per-location building and contents values are permissible.

Liability Coverages	Minimum Limit Per Occurrence	Minimum Limit Aggregate
Commercial General Liability	\$1,000,000	\$3,000,000
Pastoral Counseling Liability	\$1,000,000	\$3,000,000
Hired and Non-Owned Auto Liability	\$1,000,000	\$3,000,000

Employee Benefits Liability	\$1,000,000	\$1,000,000
Medical Payments	\$10,000	<i>Not applicable</i>
Sexual Misconduct Liability	\$1,000,000	\$2,000,000
Crime/Employee Dishonesty	\$25,000	<i>Not applicable</i>
Cemetery Liability (if applicable)	\$1,000,000	\$3,000,000

Professional Liability Coverages	Minimum Limits
Directors' and Officers' Liability	\$1,000,000
Employment Practices Liability	\$1,000,000

Umbrella/Excess Liability	Scope	Minimum Limits
Umbrella/Excess Liability	This excess policy must extend over the following coverages <ul style="list-style-type: none"> • Commercial General Liability • Directors' & Officers' Liability • Hired & Non-Owned Auto Liability • Commercial Auto Liability (if applicable) 	\$3,000,000 <i>(Congregations are strongly encouraged to obtain higher umbrella limits)</i>
Umbrella/Excess Liability	• Sexual Misconduct Liability	\$1,000,000

Workers' Compensation/Employers' Liability	Description	Minimum Limits
Workers Compensation		As required by California law
Employers' Liability: Bodily Injury by Accident	Each Accident	\$1,000,000
Employers' Liability: Bodily Injury by Disease	Each Employee	\$1,000,000
Employers' Liability: Bodily Injury by Disease	Aggregate	\$1,000,000

Commercial Automobile Liability	Scope	Minimum Limits
<i>This policy is required only if the congregation owns an automobile.</i>	Bodily Injury Liability	\$1,000,000
	Property Damage Liability	\$50,000
	Uninsured Motorist Bodily Injury	\$1,000,000
	Underinsured Motorist	\$1,000,000
	Medical Payments	\$10,000

FURTHER RESOLVED, that with respect to any line of liability coverage for which both a

primary policy and an umbrella or excess liability policy are purchased, any combination of primary and umbrella/excess coverage providing the same total limits of liability is acceptable.

FURTHER RESOLVED, that the above schedules are retroactive to November 9, 2018.

FURTHER RESOLVED, that the above schedules do not apply to The Episcopal Church in the Diocese of California (the Diocesan Corporation), The Episcopal Bishop of California (the Corporation Sole), Grace Cathedral (including the Cathedral School for Boys), to any school that is separately incorporated from a sponsoring parish, or to any Diocesan Institution, whose governing bodies are hereby reminded of their responsibility under Episcopal Church Canon I.7.1(h) and Diocese of California Canon 19.07 to maintain adequate property insurance coverage on all buildings and their contents as well as adequate liability coverage.

FURTHER RESOLVED, that this resolution supersedes any and all prior resolutions on this subject.

FURTHER RESOLVED, that the Finance Committee shall transmit a copy of this resolution to the Bishop, the Chief Financial Officer, the Treasurer, and the other officers of the Executive Council.

FURTHER RESOLVED, that the Chief Financial Officer or his or her designee shall promptly transmit a copy of this resolution to every parish and mission congregation, to Grace Cathedral, to every school that is separate incorporated from a sponsoring parish, and to every Diocesan Institution.

CERTIFICATION

I, Thomas F. Ferguson the undersigned Secretary of the Finance Committee of The Episcopal Church in the Diocese of California, a nonprofit religious corporation organized and existing under the laws of the State of California, hereby certify that I am the Secretary of the Finance Committee of the Corporation, that the foregoing is a full, true, and correct copy of a resolution duly passed by the Finance Committee of the Corporation at a meeting held on the day and at the place therein specified, and that the resolution has never been revoked, rescinded or set aside, and is now in full force and effect.

In witness whereof, I have hereunto set my hand and the seal of the Corporation this 11th day of December 2018.


Thomas F. Ferguson

Outline of Insurance for the Ministries of: St. Timothy's Episcopal Church



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As You Serve Others, We Serve You

ChurchWest is an independent agency that works exclusively with churches and religious organization in business for nearly 50 years, the supportive staff average more than 12 years in insurance experience. We work with over 4,000 ministries in California, Arizona and Nevada... the largest truly independent church specialist in the region.

We feel our company is an extension of your ministry in helping to give back to your employees and their families. This is why we offer valuable plans with affordable pricing. We have a commitment to customer service and managing your insurance needs protecting your ministry.

Our Service Pledge

Certificates of Insurance: The Quickest in the industry. *In most cases, you'll receive your certificate within hours of your request. Just let us know when you'll need it and we'll get it to you.*

Claims: Our claims reporting is available 24/7 – 365 Days a Year. But that's only the start. We have relationships with the adjusters, attorneys, companies and contractors so that we can work to facilitate getting your ministry back on track. As an independent agent, we don't simply report the claim to a parent company and let them handle it, we work to advise you when turning the claim in, guide you on what you can expect, and then we track it all the way through to ensure that your ministry is treated fairly and restored as quickly as possible.

Competitiveness: We represent multiple insurance companies that have specialty programs for ministry. We negotiate the terms on your behalf to make sure that we are getting the best value. Regularly, our team will send the insurance out to bid with multiple companies to see if there might be something that is a better fit for you. We never forget that insurance premiums are paid with a sacrificial tithe or gift that should always be used to support & protect ministry.

Accessibility: Our relationship with your church goes beyond the agent. We have a staff of 35 insurance professionals that work exclusively with ministries. This ensures that you'll find a committed, experienced person ready to serve your church. No telephone tag, no undue delays.

Risk Management Resources

- **Legal Assistance:** Free legal access to attorneys experienced with ministries.
- **Your Protection Program:** Free Training, guidebooks, response programs and legal assistance in the event of an incident.
- **Employee Handbooks:** Free Employee Handbook template specifically designed for ministry that you can tailor to your ministry operation. Once you are complete, our attorneys will review it for you at no cost to make sure.
- **Countless other resources:** Transportation programs, free online training programs, Healthcare Reform Guidance, contract review, security programs & training, quarterly seminars, online webinar training, and much more.

This insurance report summarizes the various policies by ChurchWest Insurance Services. It does not amend, alter, waive or extend any of the terms and conditions of the policies themselves. Any reference to current policies is based on information provided, and every attempt to be accurate was made. Please refer to policy for specific terms and conditions

Carrier	Effective Date
Brotherhood Mutual Insurance Company	2/1/2022

Blanket Covered Property

Description	Address	Subject of Insurance	Amount	Value	Co. Insurance	Cause of Loss
1-1 Church - 1550 Diablo Rd						
		Building	\$2,655,000	RC	Waived	Special
		Business Personal Property	\$561,000	RC	Waived	Special
1-2 Admin - 1550 Diablo Rd						
		Building	\$3,315,000	RC	Waived	Special
		Business Personal Property	\$663,000	RC	Waived	Special
1-3 Fellowship Hall - 1550 Diablo Rd						
		Building	\$1,656,000	RC	Waived	Special
		Business Personal Property	\$332,000	RC	Waived	Special
1-4 Day Care - 1550 Diablo Rd						
		Building	\$1,480,000	RC	Waived	Special
		Business Personal Property	\$296,000	RC	Waived	Special
2-1 Parsonage - 819 Ackerman Dr.						
		Building	\$1,052,000	RC	Waived	Special
		Business Personal Property	\$211,000	RC	Waived	Special
100% Blanket Building & Contents Coverage: \$12,191,000						

Scheduled Property

Description	Address	Subject of Insurance	Amount	Value	Co. Insurance	Cause of Loss
1-1 Church - 1550 Diablo Rd						
		Fine Arts	\$150,000	RC	Waived	Special

Additional Property Coverage

Description	Limit	Deductible
Glass - Unlimited including Stain Glass	Up to Building Limit	\$250
Rented Personal Property of Others	\$10,000	\$1,000
Sewer/Drain Backup	Up to Building Limit	\$2,500
Terrorism	\$12,211,000	\$2,500
Earthquake Sprinkler Leakage	\$50,000	\$2,500
Theft by Electronic Commerce	\$10,000	\$250

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Property and Crime Protection

Property Deductible and Glass Coverage

Your property deductible is \$2,500.

Glass (including Stained Glass) is covered up to the building limit with a deductible of \$250.

Covered Causes of Loss: Special

Covered causes of loss include: fire; lightning; explosion; windstorm; hail; sinkhole collapse; damage by falling object; smoke; aircraft; vehicles; riot; civil commotion; vandalism; weight of snow, ice, or sleet; accidental water damage due to leakage or discharge; breakage of glass including stained glass; theft; attempted theft of part of building or contents; any other causes of loss that are not specifically excluded.

Additional Cause of Loss that is covered: Seepage with a limit of \$100,000.

The cost for necessary clean-up and remediation of mold, mold spores, mildew, rot, fungi, or other biological by-products or contaminants is limited to \$10,000, which includes the cost of testing, repairing, or replacing portions of a building as part of remediation efforts.

Flood coverage is included with a limit of \$10,000.

Systems and Equipment Breakdown Coverage – Up to the Building Limit

Typical property policies—while covering perils like fire, wind, hail, and vandalism—specifically exclude most equipment breakdown accidents, including electrical arcing, mechanical breakdown, and explosions from steam pressure and centrifugal force. These kinds of losses can result in costly equipment repairs, interruption of operations, and spoilage losses. To protect your ministry's equipment investment we have included this protection.

Crime (other than theft of property)

Theft of money and securities: \$10,000 (\$250 deductible); This limit is tripled for 48 hours before and after the following days: New Year's Day, Good Friday, Easter, Thanksgiving, Christmas Eve, Christmas, and New Year's Eve

Theft by Coercion: \$10,000/\$30,000 (\$250 deductible)

Blanket Bond: \$100,000 (No deductible)

Forgery and Alteration: \$10,000 (\$250 deductible)

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Property Coverage Enhancements

1. \$2,000,000 for newly constructed buildings or personal property for up to 180 days
2. \$2,000,000 for newly acquired buildings or personal property for up to 180 days
3. \$25,000 for personal property of others (non-clergy) on your premises at replacement cost with a \$2,500 limit per person (no deductible)*
4. \$30,000 for personal property of clergy on your premises at replacement cost (no deductible)*
5. Personal tools and equipment of volunteers, members, guests, clergy, and board members is included in the coverage for personal property of others and personal property of clergy*
6. \$50,000 for valuable papers and records, including electronic data (no deductible)
7. \$50,000 for property taken off-premises anywhere in the world**
8. \$20,000 for outdoor trees, plants, shrubs, and lawns, damaged by fire, lightning, explosion, riot, civil commotion, aircraft, theft, vandalism, and vehicles, \$2,000 per tree/plant or \$5,000 each if caused by wind
9. \$30,000 for on-premises outside objects and structures subject to \$20,000 for any one category including: antennas, art/decorative object, canopies/tents, fences, light-bearing standards or poles, grave markers/headstones, signs, recreational equipment, retaining walls. Other structures such as maintenance buildings and their contents are covered at \$15,000 per occurrence regardless of the number of structures and \$15,000 per occurrence for contents
10. Building glass is included with no per pane or plate sublimit
11. \$25,000 Debris Removal Expense, in addition to building limits (no deductible)
12. Emergency removal of covered property is included and provides protection up to 30 days after property is first moved (no deductible)
13. \$50,000 for fire department service charges (no deductible)
14. \$50,000 for fire extinguisher recharge if recharged within 30 days after use (no deductible)
15. \$500,000 for earnings, donations, and extra expense
16. \$10,000 for lock recalibration if recalibrated within 10 days after theft or vandalism (no deductible)
17. \$10,000 for refrigerated food spoilage if caused by interruption of power, damage to generating or transmission equipment, or mechanical/electrical breakdown of the refrigeration system
18. \$20,000 for an arson reward
19. \$10,000 annual aggregate for pollutant clean-up and removal on your premises (no deductible)**
20. \$1,000,000 for loss of undamaged portion of building which must be demolished, \$500,000 for demolition costs, and \$500,000 for increased cost of construction due to enforcement of building ordinances*

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21. \$50,000 for clean-up when your ministry is used as a temporary emergency coordination shelter
22. \$5,000 for theft or vandalism reward (no deductible)
23. \$10,000 for personal property at owned parsonage
24. \$15,000 for other unscheduled structures
25. \$15,000 for other unscheduled personal property
26. 5% of dwelling value for unscheduled personal property
27. \$10,000 for trailers and unattached vehicle equipment
28. \$2,500 for damage caused by an animal

- * This coverage is excess over other policies that apply to the specified loss
- ** If the loss resulted from a covered peril and was reported within 180 days
- + This coverage applies to buildings with Replacement Cost valuation

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The ABCs of Ordinance & Law Coverage

Coverage A: Value of Undamaged Portion of the Building

All communities have a building ordinance(s) requiring that a building that has been damaged to a specified extent (typically in California, it is 50 percent) must be demolished and rebuilt in accordance with current building codes rather than simply repaired.

Coverage B: Cost to Demolish an Undamaged Portion of a Building

The standard replacement cost policy will pay to clear away the debris from the original fire. It will *not* pay to demolish the undamaged portion of the building and clear the site. To be insured for that, the ministry's insurance policy must include ordinance or law coverage B.

Coverage C: Code Upgrades Following a Loss

Because ordinance or law can increase construction costs following a covered cause of loss, this pays for the extra expense of rebuilding to comply with ordinance or laws (typically building codes) that did not exist when the building was constructed. When an Ordinance or Law requires modifications in how a building must be repaired or reconstructed, this coverage provides protection for the increased costs of construction associated with repairing or rebuilding the structure to the code existing at the time of the loss. Coverage applies to both the damaged and undamaged portions of the building. Typical upgrades include ADA Access, 'Green' upgrades, Electrical Codes, Energy Efficiencies, etc.

A Recent Claim in California:



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Liability Coverages

General Liability

Coverage for your organization, leaders, employees, and volunteers to respond to claims of bodily injury or property damage; includes coverage for typical church sponsored activities occurring on or off premises.

\$1,000,000 Each Occurrence
 \$10,000,000 General Aggregate
 \$1,000,000 Products and Completed Work (\$10,000,000 Aggregate)
 \$1,000,000 Fire Legal Liability
 \$10,000,000 Excess Liability
 †Coverage limits indicated show a combined Occurrence and Excess Limit

Medical Payments Coverage - \$10,000 per Person

Coverage applies to individuals other than employees who are injured resulting from your operations or activities including church sponsored athletic activities anywhere in the world.

Worldwide Liability - \$1,000,000

Extends primary liability and medical coverages of the MinistryFirst policy to your church anywhere in the world.

- Brotherhood will identify and work with foreign-based attorneys, foreign translation services, international investigation firms, and other international service providers as necessary to defend against covered claims or lawsuits originating in foreign countries!
- \$25,000 for costs that your ministry incurs as a result of a kidnap/extortion incident
- Coverage extends to your ministry's social media activities...worldwide.

*****Key Point - As your ministry extends worldwide, both physically and digitally, it's important that your insurance policy responds. Only Brotherhood includes this automatically.*****

Religious Freedom Protection Coverage - \$11,000,000†

Responds to allegations resulting from religious communication, religious activity, or alleged discrimination. This endorsement also reimburses expenses incurred in defending the **MINISTRY'S TAX-EXEMPT STATUS AND BELIEF-BASED DECISIONS**.

Sexual Acts Liability Coverage - \$1,000,000 per Occurrence

Protects your church in the event there is a claim of sexual misconduct or sexual harassment against your organization. Also included is protection if your church is negligent in their supervision of a registered sex offender.

Non-owned Vehicle Liability Coverage - \$11,000,000†

Protects your organization for claims that result from the use of a non-owned/rented vehicle. Includes \$60,000 for damage to rented vehicles and \$1,000 deductible reimbursement for those using their own vehicles on behalf of your ministry.

Traumatic Incident Response - \$1,000,000 per Occurrence

Pays for expenses that you incur as a result of a traumatic incident that happens on your property or during a scheduled activity. Coverage applies to additional medical expenses, wage loss reimbursement, individual counseling, and additional organizational expenses like renting alternate facilities, legal counseling, hiring security personnel, and more.

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Disaster Relief Activity Coverages - \$1,000,000

Brotherhood Mutual encourages your church to respond to emergencies and provides additional coverage for disaster response activity or volunteering your facility as a 'command center'.

- Additional medical expense coverage, up to \$50,000/ person, including funeral or burial costs
- Broadened wage loss reimbursement, up to \$10,000/ person for a covered injury
- Coverage for damage to or loss of a relief worker's tools and equipment, up to \$2,500/relief worker
- Disaster response emotional injury and financial damage liability coverage

Security Operations Liability Coverage - \$1,000,000 per Occurrence/\$1,000,000 Aggregate + \$10,000,000 Excess

Covers your volunteer emergency response personnel and volunteer security team members on a primary basis:

- Removes the effect of the 'Intentional Acts' exclusion
- \$50,000/person in medical payments coverage
- \$10,500/person in additional wage loss reimbursement coverage if wage loss reimbursement coverage is part of the policy
- \$10,000/person for individual and family counseling
- \$2,500/person for damage to or loss of security-related equipment

Media Liability Coverage - \$11,000,000†

Protects against claims resulting from your media activities including broadcast, telecast, publishing, Webcast/Podcast, social media ministries, and personal injury.

Cyber Liability Coverage - \$100,000 per Occurrence

Provides protection resulting from the use of the ministry organization's computers from e-commerce errors, data breach errors, computer supervision, or errors committed by outsourced technology contractors. There is also coverage provided to respond to a data breach.

*****Key Point - Churches inevitably retain personal information from donation records, copies of checks, background information, employee files, etc. Additionally, your church may be held liable from breaches related to acts by third party providers. This is the largest form of theft globally and churches are not immune.*****

Data Breach and Electronic Discovery

Provides reimbursement coverage (up to 25% of Cyber Liability Limit) toward the cost of responding to a data breach error and reimbursement coverage (up to 10% of Cyber Liability Limit) toward the cost of responding to an electronic discovery request.

*****Key Point - Churches inevitably retain personal information from donation records, copies of checks, background information, employee files, etc. Additionally, your church may be held liable from breaches related to acts by third party providers. This is the largest form of theft globally and churches are not immune.*****

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Why Cyber Liability Coverage Matters

Many ministries tell us they're protected against cybercrime, but hackers are smart and hungry – they don't take days or evenings off. That's why no matter how secure and sure your ministry is that they're protected, it's still important to protect against loss and reputation damage should the unthinkable happen.

Why Do I Need Cyber Liability Coverage?

The secretary at First Community Church emails a weekly prayer request list to members of the congregation. The word processor file containing the list becomes infected with a virus before it is sent to dozens of members, infecting some of their home computers. The members sue the ministry to cover repairs and replacements for their computers. Cyber liability coverage would cover property and financial damage claims like this one.

Here's another example ... employees at a ministry-operated college use the school's unsecured wireless network to log onto the Internet. It is later discovered that hackers logged into the network and stole students' personal information, then used the information to obtain credit cards, running up high balances while claiming to be the students. Cyber liability coverage would cover the students' emotional injury and financial damages up to the limit stated on the policy declaration page.

Cyber liability coverage protects your ministry against property damage, financial damage, or emotional injury claims resulting from the ministry's activities related to computers and electronic data. Coverage includes protection against claims of computer use, electronic commerce, and data breach errors, as well as covered errors made by IT contractors working on your behalf.

Cyber liability coverage applies to various property damage, financial damage, or emotional injury claims, including:

- Unintended transmission of computer viruses or other harmful files, unauthorized use of your computer equipment that damages someone else's computer-related property, and computer-related activity that inadvertently damages someone else.
- Financial losses of others that result from errors in your e-commerce activities.
- Improperly using, failing to properly protect, or losing electronic personal information that is in your ministry's care.

What's Covered?

Financial protection from damages that your ministry may be obligated to pay due to:

- Computer use errors.
- Electronic commerce errors.
- Data breach errors.
- Covered errors made by IT contractors working on your behalf.
- Reimbursement for expenses to rectify a data breach for which you are responsible.
- Reimbursement for covered legal fees.

How Does It Help?

- Provides financial resources to pay damages if you are legally obligated to pay as the result of the ministry's computer-related activities.
- Provides coverage on a reimbursement basis to cover the expense of rectifying data breaches for which your ministry is responsible.

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Professional Liability Highlights

Directors & Officers Liability Coverage - \$11,000,000

Provides protection for claims of financial damage that result from decisions made by your organization's leaders.

*****Key Point - Most Directors & Officers policies protect your board only during the time that they are in force. We have included 'permanent' protection for those who volunteer to serve on your board.*****

Left Tab

Pastoral & Religious Counseling Acts Liability Coverage - \$11,000,000†

Protects your church against claims of bodily, emotional, financial, or personal injury related to counseling provided by your pastor or lay counselors. Fee based counseling coverage is also available.

Employment Practices Liability Coverage - \$1,000,000 per Occurrence

Protects your ministry against employee or job applicant claims that are related to your hiring process or the individual's employment relationship with your organization. Coverage includes: sexual harassment, wrongful termination, failure to hire or promote, creation of a hostile work environment, and discrimination based on your hiring practices due to religious beliefs.

Employee Benefits Liability Coverage - \$1,000,000 per Occurrence

Provides protection for claims of financial damages resulting from your ministry's administration of employee health insurance, disability insurance, and other benefit programs.

This insurance report summarizes the various policies by ChurchWest Insurance Services. It does not amend, alter, waive or extend any of the terms and conditions of the policies themselves. Any reference to current policies is based on information provided, and every attempt to be accurate was made. Please refer to policy for specific terms and conditions

Claims Made vs. Occurrence Coverage

Claims Made Coverage starts out less expensive, increases in cost over time, and is only good as long as you have the policy in place. For the years that you are with them, you are fine (although the cost goes up), but if there is ever a change in coverage then you have a gap in protection.

Occurrence Coverage is a bit more expensive at first, but provides protection for any allegation for something that comes up years down the road. Brotherhood writes all coverage on an occurrence basis and, when switching to BH, we include retro defense to the inception of the ministry's incorporation.

Top 5 Reasons Churches End Up in Court

	2014	2015	2016	2017	2018
Reason #1	Sexual Abuse of a Minor	Sexual Abuse of a Minor	Property Disputes	Sexual Abuse of a Minor	Sexual Abuse of a Minor
Reason #2	Personal Injury	Property Disputes	Sexual Abuse of a Minor	Property Disputes	Zoning
Reason #3	Property Disputes	Personal Injury	Personal Injury	Personal Injury	Personal Injury
Reason #4	Insurance Coverage Disputes	Zoning	Insurance Coverage Disputes	Zoning	Property Disputes
Reason #5	Affordable Care Act	Insurance Coverage Disputes	Zoning	Insurance Coverage Disputes	Clergy Removal

ChurchLaw&Tax
LEAD YOUR MINISTRY WITH CONFIDENCE

This infographic also includes cases involving religious organizations.

Note that a regular reason why is because of 'insurance coverage disputes'. Many of these are because religious organizations are unaware that they paid for coverage, something develops, and when it comes time to mount a defense, the insurance company is off the hook because the protection ended when the 'claims made' policy ended. As society pulls ministries into the era of #metoo, allegations can take years to develop. Occurrence coverage was never more important than it is now.

Claims-Made Policy — A coverage form for insurance that pays for claims presented to the insurer during the term of the policy or within a specific time period after its expiration.

Occurrence Policy — Pays claims arising out of covered incidents that occur during the policy term, even if they are filed many years later.

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Retroactive Liability Coverages

Retroactive Liability - \$1,000,000

Provides 10 years retroactive coverage for Directors & Officers liability & defense.

Provides 3 years retroactive coverage for Employee Benefits and Employment Practices liability & defense.

*** Key Point - Your current Directors & Officers , Employee Benefits and Employment Practices Policies are written on a 'claims made' basis. Coverage is only available for policies in force at the time of the loss. If previous decision makers have moved insurance between insurance companies, gaps can develop. We have included 'retroactive liability coverage' to help fill those potential gaps.***

Retroactive Defense Reimbursement for Prior Acts for Professional Liability - \$500,000

Defense coverage applies to newly filed litigation based on prior acts, regardless of how long ago they occurred, back to the inception date of your ministry for Directors & Officers, Employment Practices Liability, and Employee Benefits Liability coverages.

Key Point - Even if the allegation is later found to be false, your church will need to defend itself against any allegations made.

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Excess Liability Coverage

It is important to protect your ministry from a seven-figure settlement which is why we recommend having an umbrella/excess policy to provide a second layer of coverage beyond your primary insurance.

Through Brotherhood this excess policy provides greater limits of protection for: Bodily Injury/Property Damage, Broadcasting/Publishing, Religious Freedom, Directors & Officers, Emotional Injury and Financial Damage, Food Preparation, Ministry Counseling, Non-owned Vehicles, Personal Injury, Security Operations.

Excess Occurrence: \$10,000,000
Excess Aggregate: \$10,000,000

The following shows the enhanced coverages[†]:

Directors & Officers Liability:	\$11,000,000
Pastoral/Religious Counseling Acts Liability:	\$11,000,000
Media Liability:	\$11,000,000
Religious Freedom Protection:	\$11,000,000
Security Operations Liability:	\$11,000,000
Non-owned Vehicle Liability:	\$11,000,000

[†]Coverage limits indicated show a combined Occurrence and Excess Limit

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Premium Summary

Policy Type	Proposed Premium
Property & Liability (including below coverages)	\$26,597
Excess Liability	
Directors & Officers	
Employment Practices	
Cyber Liability	
Total Annual Premium	\$26,597
Retro-Professional Liability (one time charge)	\$800

Payment Options:

Monthly

Quarterly

Semi-Annually

Annually

Except for the annual payment plan, a processing charge of \$6 applies to each installment.

Fee is reduced for EFT payments: \$3 for monthly installments and \$0 for all other installments.

ChurchWest represents various carriers and is compensated for its sales activities. This compensation is primarily in the form of commissions paid on the sale of each insurance product, but may also include annual bonuses based upon the volume of production of the agency and the profitability of its business.

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