

Mountain Sky Conference of The United Methodist Church
Conference-wide Property and Liability Insurance Plan
Effective January 1, 2020

The Mountain Sky Conference Guiding Policies and Procedures (Section H.) authorize the Board of Trustees to implement a conference-wide property and liability insurance plan with certain coverages tiered by property value, to be effective January 1, 2020. The Trustees have established this plan. Coverage will be provided by Church Mutual Insurance Company and its brokerage, CM Solutions.

The plan is designed, first and foremost, to protect our people. Our priority is to manage and mitigate the risks that Conference members - churches and their valuable volunteers and staff - are exposed to as they work to achieve the mission and ministries of the Mountain Sky Conference.

Plan coverage details for individual policies and master policies are shown on the following pages. Coverage standards were established after considering the requirements from the General Council on Finance and Administration of The United Methodist Church, industry standards, and our geographic considerations.

This document summarizes the following:

- Highlights of the conference-wide plan (individual church policies and master policies)
- Process to request exemption from the conference-wide plan.
- Conference assistance with wind and hail deductible payments

Highlights of the Conference-wide Plan

1. Property coverage is tiered to reflect the level of coverage needed by a church. Each church is placed in a tier based on its estimated building replacement value. Legacy Yellowstone Conference churches currently insured with Church Mutual through Big Sky Underwriters may retain their current agent, and the policies will be rewritten to reflect the new arrangements.
2. Each church is encouraged to confirm that it is in the appropriate tier by working with Church Mutual or obtaining a replacement cost appraisal from a professional appraiser. Churches may customize their property coverage as appropriate, based on an assessment of their risks and needs. For example, churches in certain flood zones are encouraged to purchase flood coverage.
3. Property coverage is at 90% of building replacement value. Churches with a replacement value of \$500,000 or less may lower this coverage to 80% of building replacement value.
4. Certain liability coverages (e.g., sexual misconduct, general liability, incidental counseling, and catastrophic violence) are the same across all tiers, because the risk factors are the same regardless of size of church.
5. In addition to meeting applicable state regulations, the Conference requires workers' compensation coverage for all clergy. Churches in Montana that do not currently have workers' compensation coverage are encouraged to obtain it through the Montana State Fund, as a cost-effective option. All churches that obtain workers' compensation insurance

through a provider other than Church Mutual must provide the Conference with proof of insurance.

6. Churches in the 12 Colorado Front Range counties (Adams, Arapahoe, Boulder, Broomfield, Denver, Douglas, El Paso, Jefferson, Larimer, Pueblo, Teller and Weld) have a flat wind and hail deductible based on building value. They have the option of selecting a deductible that is 1% of building value. All other churches have a \$2,500 wind and hail deductible.
7. The Conference purchases a Master Policy for Directors/Officers/Trustees and Employment Practices Liability, and for Cyber Liability. All churches on the conference-wide plan are enrolled in the master policies. This is a cost-effective way to ensure that all churches are adequately protected against these risks.
8. Note that the Cyber Liability policy covers church data and records in any form, regardless where it is stored. This includes data on paper as well as on electronic equipment that belongs to the church or to individuals doing work on behalf of the church.

Process to Request Exemption from the Conference-wide Plan

Effective January 1, 2020 all churches in the Mountain Sky Conference will be enrolled automatically in the conference-wide insurance plan. The main advantages of a conference-wide plan are cost-effective coverage based on negotiated rates, higher liability coverage limits shared by all churches, and coverage designed to address our unique circumstances. It is a priority for Conference Trustees that all churches adequately manage their risks to continue to do effective ministry. This includes liabilities that may be incurred by individual members, volunteers and staff, as well as damage to physical property.

Churches may request to opt out of the conference-wide insurance plan by obtaining equivalent coverage that meets the following criteria:

- Meet minimum coverage standards for their respective tier
- Carry \$1,000,000 coverage for Directors/Officers/Trustees and \$1,000,000 for Employment Practices Liability
- Carry \$500,000 coverage for Cyber Liability/Data Breach
- Carry a \$5,000,000 umbrella policy
- Provide evidence of workers' compensation insurance
- List the Mountain Sky Conference as an additional named insured on all policies, and provide a copy of said policies to the Conference Board of Trustees.

If they want to compare pricing, churches can obtain a premium indication from Church Mutual by September 1 for the following calendar year. To be considered for exemption from the conference-wide plan for the following year, the Conference Trustees must receive a written request from the church by October 1. The request should include evidence that the alternative coverage meets the above criteria. Provided that all information is complete, the Trustees will notify the church whether the exemption is approved by November 1. Exemption requests will be reviewed and approval must be granted by the Conference Board of Trustees on an annual basis.

Conference Assistance with Wind and Hail Deductible Payments

Wind and hail damage can be prevalent in parts of Colorado. The Mountain Sky Conference Trustees have investigated several options to identify a cost effective way to make payment of the deductible more affordable for churches in the 12 Colorado Front Range counties that file a claim for wind or hail damage.

To be eligible for assistance from the Conference Trustees, a church must be on the conference-wide insurance plan, and be current on property, pension and health payments owed to the Conference. The Conference will reimburse a church up to \$12,500 of the out-of-pocket amount it pays to repair the wind or hail damage.

Church Mutual can assist churches to purchase a policy to cover a portion of their deductible. Conference Trustees encourage each church to consider purchasing such a policy to make the deductible more affordable in the event of a wind or hail loss.

Questions?

If you have questions on this process, please contact Noreen Keleshian, Treasurer and Director of Administrative Services, at nkeleshian@mtnskyumc.org or 303-325-7051.

For clarification on Church Mutual processes and policy details that pertain to your church, please contact Pamela Keeser, pkeeser@churchmutual.com or 303-805-3749.

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