

**PETITION  
to the  
2021 MOUNTAIN SKY CONFERENCE**

**TITLE: Requesting the Conference Board of Trustees Review and Amend Property and Liability Insurance Standards of Coverage for All Conference Churches, Parsonages and other Buildings**

**ACTION TO BE VOTED ON:**

1       Whereas, churches in the Mountain Sky Annual Conference (the “Conference”) find the cost of property  
2       and multi-peril liability insurance (“Insurance Coverage”) increasingly prohibitive for churches struggling  
3       financially; and

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5       Whereas, many local churches find a large portion of their annual budgets consumed by the cost of  
6       insurance leaving little or nothing for mission and outreach; and

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8       Whereas, many churches are questioning the need to replace the Buildings they currently maintain in the  
9       event of catastrophic loss (“Buildings” is defined as including church, educational facilities, parsonage,  
10      garage, and other structures); and

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12      Whereas, the Conference has an interest in the maintenance and preservation of the local church properties  
13      and Buildings; and

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15      Whereas, the Conference has imposed additional criteria for insuring the Buildings (above and beyond the  
16      General Conference on Finance and Administration [GCFA] minimum insurance requirements) with the  
17      result that the interest of the local churches and the interest of the Conference do not always align, creating  
18      a feeling and a perception in the churches that the relationship between church and Conference is  
19      adversarial; and

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21      Whereas, as the cost of insurance increases, the tension in the relationship between churches and  
22      Conference also increases; and

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24      Whereas, the replacement cost valuations of each church property are set by Church Mutual Insurance by  
25      means not always including a visual, physical inspection of the Buildings;

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27      Therefore, be it resolved that we the members of the Mountain Sky Annual Conference direct the Trustees  
28      to perform the following tasks beginning January 1, 2022, to prepare for these changes to be effective  
29      beginning January 1, 2023, and continuing annually thereafter:

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- 31      1.       The Trustees shall create and establish a fourth “tier” of coverage requirements to be known as the  
32              “GCFA Tier” which follows the GCFA United Methodist Church Minimum Insurance  
33              Requirements (currently revised November, 2019, and as may be revised thereafter) (“the GCFA  
34              Requirements”). A copy of the GCFA Requirements is attached to this Petition as Exhibit 1.  
35              Annually, local churches may select to be placed in the GCFA Tier, choosing the insurance

- 36 requirements as set forth in the GCFA Requirements, regardless of their prior tier designation.  
37
- 38 2. The Trustees shall also review and amend the minimum standards and criteria for Insurance  
39 Coverage of the Buildings in the Mountain Sky Conference to allow each church to select levels of  
40 Insurance Coverage, with the minimum coverage to be not less than the appraised value of that  
41 church's Buildings;  
42
- 43 3. The Trustees shall obtain, at the request of the Trustees of a local church, current and accurate  
44 appraisals, valuations that church's buildings, sharing the cost of such appraisal, valuation equally  
45 between the Conference Trustees and the local church, with the Conference Trustees' portion  
46 drawn from Reserve Funds. *A local church, at its own expense, may obtain a general contractor's*  
47 *estimate of replacement cost which may be submitted to the Trustees and insurance carrier to*  
48 *request adjustment of replacement cost and premium cost.*  
49
- 50 4. The Trustees shall negotiate with Church Mutual to re-set valuations, replacement cost estimates  
51 and premiums to be in line with actual current valuations, replacement cost estimates, and  
52 premiums when compared to those items in each local area, district, and the Annual Conference.  
53
- 54 5. The Trustees shall annually provide to all churches a listing of insurance requirements that provide  
55 for broader coverage than that required by Church Mutual (or other carrier selected by Conference  
56 to offer coverage to Conference churches). Local churches will have the option to purchase the  
57 broader coverage if desired.  
58
- 59 6. *The Trustees shall create an Insurance Task Force having as its members one representative from*  
60 *the Trustees, and 1-2 members (lay or clergy) from each District in the Conference to ensure*  
61 *representation of urban and rural churches, with an emphasis on church trustees. The Task Force*  
62 *shall examine all aspects of the Conference insurance program, including but not limited to:*  
63 *options for insurance carriers, risk assessment in each church context and/or other methods of*  
64 *coverage alternatives, ways of educating churches about insurance options (including but not*  
65 *limited to functional replacement value), obtaining quotes for insurance from a variety of carriers*  
66 *at the local level, and other questions as they are raised. The Task Force shall make its written*  
67 *report with recommendations to the Conference Trustees no later than March 15, 2022, for its*  
68 *recommendations to be addressed by the Trustees for 2023 insurance year. The Task Force shall*  
69 *conduct an examination each year following 2022, continually seeking revisions and*  
70 *improvements to the Conference insurance program.*

**RATIONALE (Not debatable):**

- 1 Local churches may be questioning the need to replace Buildings they currently maintain if a  
2 catastrophic event were to occur. Premiums currently impact local church budgets because they limit  
3 what is "left over" for mission and outreach – the purpose of the church. From a local church  
4 perspective, the valuations and premiums may be seen as being pushed on the church from above, and  
5 not reasonably based on local context. The differing interests of church and Conference create a  
6 perception of an adversarial relationship, with the tension in that relationship increasing over time.

- 7 Addressing the differing interests to align the churches and the Conference must begin with the  
8 Conference Trustees, with input from the churches.

**EVALUATION (Not debatable):**

- 1 The Conference Board of Trustees will report to local churches each year after review and amendment  
2 of minimum coverage requirements and standards, and on all the other items required of the Board.

**ATTACHMENTS (Additional Information / Not Debatable)**

SEE ATTACHED EXHIBIT

**PETITION DETAILS**

This petition is a

- Binding Action  
 Non-Binding Resolution

Effective Date: January 1, 2022 for insurance year 2023

NOTE: Unless otherwise stated, petitions will be effective November 1, 2021.

Termination Date:

NOTE: Unless otherwise stated, petitions will terminate on June 30, 2025.

**PETITION ADVOCATE**

*This person will be the contact person for the Petition before and during the annual conference session and will be responsible for overseeing the presentation of the Petition in Hearing Groups and Plenary.*

Name: Janeen Hill, Clergy, Fowler, Manzanola and Olney Springs Community UMCs

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**PETITION SUPPORTERS:**

*Names of additional persons who wish to be identified in support of the Petition.*

Cindy Snodgrass, Laity, Trinity District Co Lay Leader, Fowler, CO

Ken Hazlitt, Laity, Trinity District Co-Lay Leader, Sterling, CO

Jerry Clare, Laity, Trinity District Co-Lay Leader, Monte Vista, CO

Dr. Michelle Aldrich, Laity, Wyoming District Lay Leader, Cheyenne, WY

Sandy Brown, Laity, Montana East Interim Co-Lay Leader, Havre, MT

Mark Cumming, Laity, Montana West Interim Co-Lay Leader, Clinton, MT

**FINANCIAL IMPACT:**

Will there be any identifiable financial impact to the Conference?

Yes

No

If "Yes," please complete the information below.

To Be Completed by the Originator of the Petition

Cost: Unknown

Over what span of time (check one):

One Time

One Year

Multiple Years

To Be Completed by Conference Council on Finance and Administration (CFA)

Review by CFA on: 9/17/2021

Included in proposed 2021 budget?

Yes

No

Amount if included \$

May be considered for budgets in future years?

Yes

No

Projected Total Amount \$\$400,000 -\$750,000 per year

Recommendation by CFA concerning funding

Reason for recommendation: Appraisal costs range from \$2,500 to more than \$20,000. If every participating church and extension ministry in the program requests an appraisal in a single year, the cost to the Conference will exceed \$1 million in a single year. If half of churches and extension ministries subject to property and liability insurance requirements request an appraisal, then, at an average appraisal cost of \$5,000, the Conference financial commitment will exceed \$875 thousand per year. In two years, Conference Trustees funds will be depleted.

Further, all current financial assistance provided by Conference Trustees will cease, as no funds are available to support the ministry. In 2020, Trustees provided more than \$50,000 in financial assistance.