



Checklist for My Church Insurance Coverage

Property	Note/Recommendation
<input checked="" type="checkbox"/> Replacement Cost Coverage	Be sure your policy includes replacement cost coverage so that you might have sufficient coverage to rebuild. Ask your agent for an updated Replacement Cost Estimate to evaluate your current insured values.
<input checked="" type="checkbox"/> Blanket Limit of Insurance	An ideal coverage to have if you have multiple buildings since it combines the insured values to one sum.
<input checked="" type="checkbox"/> Agreed Value	Eliminates questions and penalties of undervalued buildings. Highly recommended.
<input checked="" type="checkbox"/> Coinsurance	Check to see if your policy contains a coinsurance clause. If so and unless you have the Agreed Value endorsement noted above, you are required to insure your property for a specific percentage of its replacement value. If you do not, your policy will pay less than the stated amount in the policy (a coinsurance penalty could be assessed).
<input checked="" type="checkbox"/> Protective Device Endorsement	If included, coverage could be dependent on an active fire alarm or building sprinkler system so be sure you understand if this is on your policy.
<input checked="" type="checkbox"/> Outdoor Property (<i>playground, sign, storage, light poles, fences</i>)	Some carriers provide an automatic limit; others require listing these specifically on your policy – know which applies to your policy.
<input checked="" type="checkbox"/> Flood (<i>i.e. rising water</i>)	Most policies exclude flood or rising water so a separate flood policy may be needed for this coverage.
<input checked="" type="checkbox"/> Wind Driven Rain or Water Leaks	Most policies exclude wind driven rain or building leaks unless (typically) wind or hail first created an opening which then allowed water to enter. Understand how your policy coverage would apply.
<input checked="" type="checkbox"/> Ordinance and Law	A type of insurance that reimburses property owners for a loss incurred by the enforcement of local building codes that regulate the reconstruction of damaged buildings. This coverage is often provided by default limits in most policies, but you want to review for adequacy.
<input checked="" type="checkbox"/> Highly Valued Items, Antique or Rare	Unique items like stained glass, pipe organs, expensive murals or other highly valued items may need to be specifically scheduled in your policy to provide adequate coverage.
<input checked="" type="checkbox"/> Exclusions	Lastly and perhaps most importantly, know what exclusions your policy may have such as for mold, sewer or drain backup, earthquake, etc.

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Liability

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<input checked="" type="checkbox"/>	General Liability	Covers personal injury on your premises or at an organized church event for which you are alleged to be negligent. A common example would include slips and falls. We recommended a minimum coverage limit of \$1,000,000 per occurrence.
<input checked="" type="checkbox"/>	Sexual Misconduct/Molestation Liability	This coverage is excluded in most liability policies and must be specifically endorsed. With sexual misconduct often being the number one reason churches go to court, this coverage is imperative. A minimum coverage limit of \$1,000,000 is recommended in most cases. Approved screening policies may be required by the insurance carrier for higher coverage limits.
<input checked="" type="checkbox"/>	Hired & Non-Owned Liability	Covers injuries and damages caused by members who use their own vehicle while performing services for their church. The driver's personal car insurance is primary, but if inadequate, the church will likely be sued. Essential for churches that allow members or employees to drive personal vehicles on church business. We recommend a minimum coverage limit of \$1,000,000.
<input checked="" type="checkbox"/>	Directors & Officers Liability	An important coverage that protects church leaders and their spouses from legal consequences and financial damages that may arise from wrongful decisions or lawsuits. Minimum recommended limits are \$1,000,000.
<input checked="" type="checkbox"/>	Employment Practices Liability	This coverage protects churches against claims related to harassment, discrimination, wrongful termination, and unfair hiring practices. The suggested coverage limit could vary depending on your church's staffing but in most cases, we recommend limits of \$1,000,000 per occurrence.
<input checked="" type="checkbox"/>	Employee Benefits Liability	This provides coverage on negligent acts, errors or omissions arising out of the administration of an employee benefits program. If your church provides such benefits, we recommend minimum limits of \$1,000,000.
<input checked="" type="checkbox"/>	Pastor's & Religious Counseling Liability	With most pastors offering limited counseling, this coverage is not as critical as in years past but it is still important. In most cases, the coverage can extend to lay leaders as well. The coverage limit should follow the minimum limits as your general liability of \$1,000,000
<input checked="" type="checkbox"/>	Medical Expense (Athletic Activities)	Just as a matter of knowing, does your Medical Payments coverage apply to athletic activities and if so, what are those coverage limits?
<input checked="" type="checkbox"/>	Medical Expense (Daycare, School, PreK, MDO)	If you have a mid-week childcare program or School, the Medical Payments coverage is typically excluded (if so, you may want to consider a separate Accident Policy)

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Auto

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<input checked="" type="checkbox"/>	Limits of Liability	Protection against liabilities and damages that may occur in an accident. Minimum limits of \$1,000,000 per occurrence are recommended.
<input checked="" type="checkbox"/>	Comprehensive & Collision	Verify and know applicable deductibles
<input checked="" type="checkbox"/>	Rental Car Physical Damage	If you rent a van or bus, we highly recommend accepting this coverage offered by the rental agency. Depending on your policy, this coverage may not be included but even if it is, there are numerous advantages to purchasing this coverage from the rental agency.
<input checked="" type="checkbox"/>	15-Passenger Vans	While improvements have been made on these vehicles, the tag they received some years ago from the National Highway Traffic Safety Administration as “dangerous vehicles” still stands and for this reason alone, we generally do not recommend their use. Other safety considerations of lack of side impact protection and rollover risks also apply.

Crime/Monies

Note/Recommendations

<input checked="" type="checkbox"/>	Money & Security (Theft of Offering)	Protects against the theft, disappearance, or destruction of tithes and offerings.
<input checked="" type="checkbox"/>	Employee Dishonesty	Covers embezzlement and other misappropriations of church funds by employees or others having access to money. This form of insurance is also referred to as bonding. The amount of coverage is dependent on individual exposure. Remember, the opportunity to steal, rather than a need for money, is often the primary reason for employee theft so institute procedures to minimize unsupervised access to funds.
<input checked="" type="checkbox"/>	Forgery	Protects the church against someone forging checks.

Umbrella Liability

Note/Recommendations

<input checked="" type="checkbox"/>	Umbrella Liability	<p>Provides additional layers (in one million increments) of liability protection above the limits provided by your general liability or auto liability insurance. Other coverages might also be included but you need to check with your insurance carrier.</p> <p>Generally speaking, you want sufficient Umbrella Liability insurance to cover the annual budget until the annual budget exceeds \$10 million. Once you exceed \$10 million, look at the activities to determine if there are hazardous activities that could create a large liability.</p>
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Checklist for My Church Insurance Coverage

Other

Note/Recommendations

	Other Organizations Using Your Facility	Require a Certificate of Liability and very importantly; be sure the church is named as Additional Insured.
<input checked="" type="checkbox"/>	Business Income	Helps cover the loss of income if you cannot operate because of a covered peril such as fire, wind, etc. The insurance carrier will typically look at your average receipts for the preceding number of months and then subsequent months to determine if there is a loss of income before payment is made. If this coverage is included, some companies have a default amount of coverage (which can be increased) or it could be actual loss sustained.
<input checked="" type="checkbox"/>	Extra Expense	Pays for actual, reasonable, and necessary operating expenses incurred during a period of restoration after a covered cause of loss. For example, if you are not able to meet in your facility due to a covered cause of loss, you may have to temporarily rent another meeting place and this would be a typical extra expense incurred. This coverage is typically paired with the above noted Business Income coverage.
<input checked="" type="checkbox"/>	Workers Compensation	Covers medical expenses for work-related injuries and makes up for any lost wages. While this coverage is not mandatory in Texas, you lose any defense and in the event of an employee injury, the State can and will direct you to make payments and for how long. Recommend minimum liability limits of \$1,000,000 on this coverage.
<input checked="" type="checkbox"/>	Cyber Liability	Social Media exposures are not covered under general liability. Some policies may include minimal amounts of cyber coverage, but a true Cyber event or ransomware will likely exceed those limits.
<input checked="" type="checkbox"/>	Accident Coverage	Since “trips and falls” are typically excluded under your main policy if you have a daycare, school, PreK, or MDO, you may want to consider a separate Accident policy.
<input checked="" type="checkbox"/>	Foreign or International Travel Coverage	If your church is going on an overseas mission trip, know that your liability stops at the border – this separate policy provides that liability protection plus more.
<input checked="" type="checkbox"/>	Active Shooter	Church liability policies may exclude security related individuals, or it may only defend the church, so if your church has a “security” team, consult with your agent on how liability coverage does or does not apply. You may want to consider a separate “Shooter Policy” to provide this additional layer of protection.