

2015 UNYAC INSURANCE PROGRAM

We are pleased to inform you that there are many changes available for local churches affecting your 2015 Property and Liability Insurance coverage – many of which offer potential cost savings.

Below is a summary of the important changes to your 2015 Church Property/Umbrella insurance, as well as a glossary of insurance terms is also available for your reference.

For further clarification and detail on any potential changes, PLEASE CONTACT YOUR CHURCH MUTUAL SERVICE REPRESENTATIVE, whose name is on your 2014 insurance policy.

NOTE: BEFORE ENACTING ANY OPTIONAL CHANGES TO YOUR POLICY, CHURCH REPRESENTATIVES SHOULD FULLY UNDERSTAND THE IMPACT THAT EACH OF THESE CHANGES IS MAKING TO YOUR CHURCH'S INSURANCE COVERAGE IN THE EVENT OF A LOSS.

PROPERTY AND CONTENTS COVERAGES

1. For 2014, your church property and contents coverage was based on 90 percent BLANKET COVERAGE of Full Replacement Value. Please note that for 2015, Church Mutual will MAINTAIN THE 90 percent BLANKET COVERAGE that was used in 2014 unless the CHURCH makes an optional change, as outlined in number 2 below.

2. For property coverage, churches HAVE THE **OPTION TO:**

- a. **Initiate a change to 80 percent SPECIFIC coverage.** Opting for this coverage could save your church between 3 percent and 9 percent of your current property premium.

OR

- b. **Initiate a change in coverage to MODIFIED REPLACEMENT VALUE.** This could provide even further savings to property insurance.

WARNING: This option should be carefully evaluated by church representatives before making this change. For relatively small premium savings, the church may be taking a significant cut to its insurance coverage in the event of a large claim.

ALSO, your District Superintendent MUST SIGN OFF on the Modified Replacement Value option before it can be processed by Church Mutual.

3. Churches have the **OPTION** to drop Inland Marine Coverage. Dropping this coverage can save churches approximately \$70 per church. Inland Marine covers fine arts, antiques, collectibles, irreplaceable pieces of equipment, and equipment that is moved and used off-site. **CHURCHES MUST INITIATE THIS CHANGE WITH CHURCH MUTUAL.**

Churches that decide to continue this coverage will be advised that they should work with Church Mutual to develop a schedule of covered items.

4. DISAGREEMENTS OVER PROPERTY VALUATIONS: If the church leadership disagrees with the valuation for your church, you may discuss this with Church Mutual. After all attempts have been exhausted and an agreement is still not reached, the church may employ an independent PROFESSIONAL INSURANCE VALUATION APPRAISER for a second opinion. If the value arrived at is significantly lower than that of

Church Mutual, you may contact the Conference Trustees who will review the information and negotiate with Church Mutual on your behalf.

LIABILITY COVERAGE

1. **GENERAL LIABILITY** – Your policy will AUTOMATICALLY HAVE AN INCREASE IN THE GENERAL LIABILITY LIMITS TO \$2 MILLION PER OCCURRENCE AND \$5 MILLION IN THE AGGREGATE. (Formerly \$1 million/occurrence, \$3 million aggregate). This will result in a small increase in cost, but provide much greater liability protection for the church.
2. **MEDICAL EXPENSE PAYMENTS** – Your 2015 policy will AUTOMATICALLY raise the coverage for medical-expense payments to a maximum of \$15,000 per person (previously \$10,000). This provides a 50 percent increase in benefits while resulting in an increase in premium of only \$3-\$8 per church.
3. **EMPLOYER BENEFITS LIABILITY (EBL)**
CHURCHES WILL HAVE THE **OPTION TO DROP THIS COVERAGE COMPLETELY**.
This coverage provides liability insurance in the event that an employer commits an error in the management of employee benefit programs. IF ALL OF THE CHURCH'S EMPLOYEE BENEFITS ARE MANAGED THROUGH THE CONFERENCE (and no employee benefits are provided directly by the church), your church may OPT TO ELIMINATE THIS COVERAGE.

This option can save approximately \$65-\$90 per church.

UMBRELLA LIABILITY COVERAGE

YOUR CHURCH WILL AUTOMATICALLY BE REMOVED from the shared Umbrella policy. The additional General Liability Coverage, which is discussed above, will provide additional liability protection.

This automatic change results in a savings to each church of approximately \$150.

However, any church that operates a day care or has significant assets, is strongly encouraged to purchase its own umbrella insurance. This can be purchased through Church Mutual.

AUTO INSURANCE COVERAGE

Trustees are continuing to review the Conference auto insurance coverage. Developments will be communicated as they occur.

DIRECTORS & OFFICERS LIABILITY

There have been no changes to the insurance policy concerning Directors and Officers Liability Insurance. There is \$1 million of shared liability coverage among the churches of the Conference. Please consult your policy for further information.

WORKERS' COMPENSATION INSURANCE

The UNYAC policy has been, and continues to be, that ALL church employees, INCLUDING PASTORS, are covered under the church's Workers' Compensation Insurance policy as provided by Church Mutual.

If any employees or pastors are NOT covered under your current premium, please call Church Mutual to amend your policy.

Church Mutual will be conducting an audit on your 2014 salaries in early 2015. Church representatives who attend to payroll issues (usually the Treasurer) are asked to fully cooperate with any audit requests made by Church Mutual. THESE AUDITS ARE MANDATED BY NEW YORK STATE LAW.

TO LEARN MORE ABOUT THE CONFERENCE'S FINANCIAL ASSISTANCE PROGRAM FOR INSURANCES FOR 2015, VISIT THE TRUSTEES AREA OF THE CONFERENCE WEBSITE.