

# United Methodist Church Minimum Insurance Requirements

Rev. November, 2019

*The Book of Discipline* requires local church trustees to annually review and report on the adequacy of local church property and liability insurance coverage “to ensure that the church, its properties, and its personnel are properly protected against risks.” Since 1797, the *Book of Discipline* has provided that the property and assets of local churches are held in trust for the benefit of the denomination. Inadequate insurance puts local church property and assets at risk, including the denomination’s trust interest therein. Therefore, in representing the denomination’s trust interest, the following minimum insurance requirements are adopted for local churches:

**COMMERCIAL PROPERTY & LIABILITY PACKAGE POLICY**, to include the following minimum limits:

## **Property**

- ✓ Buildings, Pipe Organs & Contents - Insured to Replacement Value, “Special Risk” Coverage
- ✓ All Church buildings should have an updated replacement cost valuation every five (5) years.
- ✓ The replacement cost valuation must be updated within 180 days if additional square footage is added.
- ✓ A Church building may be insured on an actual cash value basis where replacement cost valuation is not an option available to the Church. The Church should understand that it is being insured on an actual cash value basis and use its best efforts to complete the necessary upgrades and renovations required to qualify for replacement cost valuation coverage.
- ✓ A church building may be insured on a functional replacement valuation basis where it is a desired option on the part of the church or conference. **The church should understand it may only do so with the written approval of the conference.**

## **Liability**

- |   |            |             |           |
|---|------------|-------------|-----------|
| • Commercial General Liability<br>\$3,000,000       | Occurrence | \$1,000,000 | Aggregate |
| • Pastoral Counseling Liability<br>\$3,000,000      | Occurrence | \$1,000,000 | Aggregate |
| • Hired and Non-Owned Auto Liability<br>\$3,000,000 | Occurrence | \$1,000,000 | Aggregate |
| • Employee Benefits Liability (EBL)<br>\$1,000,000  | Occurrence | \$1,000,000 | Aggregate |
| • Medical Payments                                  |            | \$10,000    |           |

