

PACIFIC NORTHWEST ANNUAL CONFERENCE THE UNITED METHODIST CHURCH

**SUMMARY OF COVERAGE**

Group Property & Liability Insurance Program  
Underwritten by GuideOne Mutual Insurance Company,  
Great American Insurance Company of NY and RSUI Indemnity Company

As in effect January 1, 2021

**PROPERTY DAMAGE:**

**1. Fire Insurance**

- a. Provides replacement cost coverage on a church basis for direct physical loss of or damage to covered property, except as excluded. The total values reported for each church building/ property type plus 25% (twenty five) is the total limit available for damages per claim per church building or property type, subject to a maximum of \$1,000,000 applies. Coverage includes protection from (but not limited to) loss due to fire, lightning, windstorm, hail, explosion, riot, aircraft, vehicles, smoke, falling objects, vandalism, malicious mischief, collapse, water damage from overflowing appliances and breaking of pipes (premises must be heated). Coverage applies to buildings (including permanently affixed organs and pews), contents, outdoor signs, fences, boilers (if applicable) and property while in the care and custody of the church. The per-occurrence deductible is \$5,000.
- b. Coverage extends to loss from burglary or theft, including damage to the building.
- c. Coverage is provided for church contents while off church premises temporarily, while in domestic and Personal Property of Others in your care, custody or control, these are subject to sub-limits and deductibles.
- d. Coverage applies to personal property of the pastor or employees located in the church building, such as books, office equipment, etc., which is customarily used in the performance of one's duties. Personal property of employees at the church are covered up to a \$25,000 limit.
- e. Major coverage exclusions are earthquake (except as noted below), water (flood: except as noted below), loss due to wear and tear, deterioration, defects, settling or cracking, nuclear hazard, governmental action, war, mud slide, and power failure away from premises. This policy does not cover losses to valuables of volunteers when the valuables are not in the care and custody of the church. An example would be a stolen purse, vehicles in the parking lot.
- f. Damage to building or contents due to Sewer Back-Up, meaning water or sewage which backs up from a sewer or drain located within a building, and waterborne material carried or otherwise moved by such water or sewage is subject to the church building limit on file with the insurer. There is no coverage for other water damage (except as noted in Flood). Water means: flood, surface water, waves, tidal waves, overflow of any body of water, or their spray, all whether driven by wind or not; mudslide or mudflow, water under the ground surface pressing on, or flowing or seeping through foundations, walls, floors or paved surfaces, basements, or doors, windows or other openings.

**Flood Coverage** – Coverage is included at a limit of \$5,000,000 shared among the churches. A \$100,000 deductible applies. Flood coverage is intended to be a catastrophic insurance coverage, hence the higher deductible.

If flood is of concern to your church, please contact Marsh for a quote through the National Flood Insurance Program. Coverage through this program based on actual

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cash value (accounts for depreciation) and the maximum limit available is \$500,000 per building and \$500,000 contents per building.

- g. Coverage to shrubs, plants and trees is provided up to a limit of \$25,000 per occurrence for any one shrub, plant, or tree (subject to \$2,500 per item) resulting from fire, lightning, aircraft, explosion, or riot. [A \\$500 deductible applies.](#)
- h. Property is insured for replacement cost (without deduction for depreciation), but payment will not be made until 1.) the lost or damaged property is actually repaired or replaced; and 2.) unless repairs/replacement are made as soon as reasonably possible after loss or damage. Replacement cost does not apply to manuscripts, works of art, antiques or rare articles, including etchings, pictures, statuary, marbles, bronzes, porcelains and bric-a-brac these are subject to a sub-limit of \$25,000. Furthermore, valuation is "market value" at the time of loss. Losses are subject to \$5,000 per occurrence deductible.
- i. Coverage includes increased cost to repair, rebuild, or construct the property, by enforcement of building, zoning or land use law.

### 2. Miscellaneous Coverages:

- a. **Valuable Papers and Records** - \$50,000 per church limit. Cost to research, replace, or restore the lost information or lost or damaged valuable papers and records.
- b. **Newly acquired locations** - \$2,000,000 limit, report within 180 days.
- c. **Builder's Risk** - Provides coverage during construction for new or major renovations. Builders Risk provides for property damage to the church under construction. Please request for a liability certificate of insurance from the contractor/builder evidencing a minimum of \$1,000,000 per occurrence and name the church and Conference as additional insured. Individual churches are required to notify Conference Treasurer's Office of construction projects. This coverage is not automatically included and needs to be requested. A separate premium will be charged for this coverage during construction.
- d. **Lock Recalibration** - Covers expense to repair or replace exterior or interior door locks if keys are stolen in a covered theft loss, or when property is damaged and door keys are stolen by burglars, subject to a \$10,000 limitation, no deductible applies to this extension of coverage.
- e. **Fine Arts incl Stained Glass and Musical Instruments** – A sub-limit of \$25,000 applies for fine arts at a church premises unless values are declared separately to the insurer. Fine arts also includes stained glass, musical instruments, manuscripts, works of art, antiques or rare articles, including etchings, pictures, statuary, marbles, bronzes, porcelains and bric-a-brac. If this limit is not sufficient for your fine arts, please notify the Conference Treasurer's office and provide a listing and values per item. No coverage for marring, scratching, or breakage unless caused by a covered cause of loss. Valuation is the "market value" at the time of loss.

All the above subject to \$5,000 per loss deductible.

- 3. **Employees/Volunteers Theft Coverage** - \$100,000 per loss. Provides for losses of money and securities due to employee or volunteer dishonesty. \$1,000 per occurrence deductible applies.

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4. **a. Loss of Money or Securities** – \$100,000 per loss of cash, check, or other securities by actual destruction, disappearance, or wrongful extraction thereof within the premise. \$1,000 per loss deductible.

**b. Forgery or alteration** - \$100,000 coverage for forgery or alteration of any check draft, promissory note, or any similar written promise drawn upon the church's accounts. \$1,000 deductible.

5. **Earthquake Coverage** – Coverage is included at a limit of \$1,000,000 for shared limit for all churches. In the event of loss, the deductible will be 10% of the location's building - per building and contents values applied separately. Exclusions to coverage include: Property under construction, newly acquired (unless reported), or those locations not scheduled to the policy. Earthquake coverage is intended to be a catastrophic insurance coverage, hence the higher deductible.

Earthquake Sprinkler Leakage is included at the earthquake shared limit of \$1,000,000 with an additional \$10,000 per location extension. If your church has particular concerns regarding the shared limit for *all* churches in the event of an earthquake, please contact the Conference office.

6. **Vacancy Restrictions** – Vacant property needs to be reviewed by the Insurance Company. If insured property is vacant and a loss occurs, recovery may be limited. If any of your properties become vacant, please notify the Conference Treasurer's office within a reasonable timeframe.

Exclusions to coverage include but not limited to animals, wear and tear, landslide, volcanic eruption.

#### **COMMERCIAL LIABILITY:**

7. **Provides broad form commercial general liability protection, including but not limited to, the following:** Bodily injury and property damage to third parties where you are legally liable arising out of your premises or operations, products, contractual obligations and personal or advertising injury. Also included are Stop Gap Employer's liability and Employee Benefits administration liability. Liability is extended to owned watercraft and non-owned watercraft less than 58 feet long, not being used to carry person or property for a charge. Limits provided are \$1,000,000 per occurrence and \$3,000,000 Aggregate per church. . There is a \$25,000,000 excess limit shared among the conference. This commercial liability coverage applies to the church, its trustees, and clergy, and all other employees or volunteers while engaged in their capacity or scope of duties at any location within coverage territory. The coverage territory only includes the United States (including its territories and possessions), Puerto Rico, and Canada. A separate international coverage would have to be written for exposures (trips) outside the coverage territory. Liability arising out of pollution or contamination; asbestos or lead; employment related practices; fungi/bacteria; war; and abuse or molestation, drones are excluded from coverage under policy. (This is not a complete list of exclusions).

**a. Medical Payments** – A minimal sub-limit for Medical Payments applies of \$15,000 per person. Medical Payments are goodwill payments made to an injured party without establishing liability on the part of the church/Conference. This coverage extension does not apply on a primary basis to camps or day cares, however medical payments may be available in excess of what might be covered by other insurance.

8. **Day Care Liability** – Coverage is included under General Liability for church sponsored day care operations at specified churches. Excess Medical Payments for children enrolled in day care are available (pays in excess of what the daycare/child/parent may have in place outside the

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conference program). Coverage is not provided for "schools" (engagement in regular teaching curriculum, grades K-12), unless on file. Please notify the conference Treasurer's office if your church has a daycare operation currently not insured.

**9. Damage to Premises Rented To You** - Provides coverage for property damage to structures or portions thereof rented to or leased to you up to \$1,000,000 limit.

**WHENEVER YOU RENT OR LEASE OTHER BUILDINGS, OR PEOPLE/ ORGANIZATIONS LEASE FROM YOU OR USE YOUR CHURCH FACILITIES, BE SURE TO HAVE YOUR LEASE AGREEMENTS CHECKED TO MAKE CERTAIN THAT YOU HAVE A SUBROGATION WAIVER AND A HOLD HARMLESS AGREEMENT IN THE LEASE. IN ADDITION, PLEASE SEE TO IT THAT THE CHURCH AND CONFERENCE OFFICE ARE ADDED AS ADDITIONAL INSURED TO THE THIRD PARTY'S INSURANCE.** This is to protect the church. Without a hold harmless agreement or subrogation waiver, the building or contents owner's insurance company, upon paying the loss, could then come against you to recover the payment. Conversely, if people/organizations use your church and cause bodily injury or property damage to third parties, that organization's insurance would respond on your behalf.

**10. Pastoral Professional Counseling** - This coverage extends to ordained persons while acting within the scope of rendering professional services such as counseling in the capacity as a religious organization. Limits under this coverage are included in the General Liability Limit at \$1,000,000 per occurrence and \$3,000,000 aggregate per church with Excess limits up to \$10,000,000 annual aggregate shared among the conference. Coverage does not apply to counseling with respect to personal need or lack of need for medical or psychiatric services, or as respects any organized professional counseling service. This coverage also provides defense and settlement costs and will respond to claims brought within the United States, its Territories, or Possessions.

This does not provide coverage for any dishonest, fraudulent, or criminal act or omission by the insured/pastor, and does not apply to licentious, immoral, or sexual behavior intended to lead to or culminating in any sexual act.

**11. Directors and Officers Liability and Employment Practices Liability** - Covers directors and officers, Trustees, or Clergy who become legally obligated to pay damages because of wrongful acts committed, there is no specific prior acts date, and prior to the policy expiration date. Directors and Officers Liability of \$1,000,000 per claim / \$3,000,000 limit per church with an excess limit of \$10,000,000 shared among the conference. Insurance applies only if a claim for damages is first made against you during the policy term. (A "Wrongful Act" is any negligent act, error, or omission or breach of duty of directors, officers, or trustees while acting in their capacity as such). Coverage includes Employment Practices Liability which include wrongful termination, harassment, and discrimination for \$1,000,000 per claim / \$1,000,000 aggregate. Allegations by third parties relating to discrimination or harassment are also included. Defense and settlement costs are within the limits. A retention of \$2,500 applies per claim for Directors & Officers and \$5,000 applies per claim for Employment Practices Liability.

**12. Sexual Misconduct/Abuse Liability** – Covers acts of sexual misconduct/abuse by an insured (as defined by the policy, but including volunteers and employees). Coverage is provided at limits of \$1,000,000 per occurrence and \$3,000,000 aggregate per church. If additional limits are a concern, please contact the Conference office. No deductible applies to this coverage. No coverage is provided for any individual insured who intentionally caused the harm alleged to have arisen out of an insured event; however, defense will be provided until the individual is judicially determined to have intentionally caused alleged harm.

## **AUTO**

Liability is provided for owned and rented vehicles, and coverage applies for the use of them

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only within the U.S. and Canada. If member-owned vehicles are used for church business, the member's personal insurance is primary. Physical damage to the church owned vehicle (comprehensive or collision coverage) applies to *scheduled vehicles only (if deletion of coverage has not been requested or previously requested)*. Physical Damage coverage can be deleted upon request.

For any autos rented for church business in the U.S.A., you may decline the insurance offered by the rental company. The Conference program provides hired/rented auto Liability and includes physical damage, subject to exclusions/limitations. If you rent an auto of greater value (such as a bus), please contact the Conference Treasurer's office or Marsh immediately.

For those churches that have vehicle(s) insured through the conference policy, limits apply as follows:

| Coverage                        | Limit of Liability           | Deductible              |
|---------------------------------|------------------------------|-------------------------|
| Liability                       | \$1,000,000                  | \$0                     |
| Underinsured/Uninsured Motorist | \$1,000,000                  | \$300 hit/run – WA only |
| Auto Medical Payments           | \$5,000 per person           |                         |
| Comprehensive                   | Lesser of ACV or repair cost | \$500                   |
| Collision                       | Lesser of ACV or repair cost | \$1,000                 |

**CYBER / NETWORK SECURITY & PRIVACY**

Please note, the Conference program does **not** offer Cyber/ Network security or Privacy Liability coverage. This coverage would provide media liability and can extend to claims arising out of your website and publications, regulatory defense, and PCI (credit card) compliance liability, breach notification costs, data restoration costs and cyber extortion are excluded. If this is of concern to your church, please contact the Conference office.

**OTHER CONSIDERATIONS**

Insured status extends to any 501(c)(3) organization over which you (the church) maintain majority rule of board membership and fulfills the mission of the church/Conference. Any new 501c3 formation, please notify the Conference immediately with particulars.

For any questions that may arise about the Conference insurance program, contact:

Brant Henshaw, Conference office (206) 870-6832 [bhenshaw@pnwumc.org](mailto:bhenshaw@pnwumc.org)

Rik Jamieson, Conference office (206)870-6818 [rjamieson@pnwumc.org](mailto:rjamieson@pnwumc.org)

Marsh - Van Vong at 206 605 9491, [van.h.vong@marsh.com](mailto:van.h.vong@marsh.com) or Mark Landwehr 206 465 7627 [mark.landwehr@marsh.com](mailto:mark.landwehr@marsh.com) or Jenelle May 206 214 3082 [jenelle.may@marsh.com](mailto:jenelle.may@marsh.com)

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