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## Recommended Minimum Insurance Coverage

### Introduction

Because we live in an age of excessive litigation, the tendency of our society to resolve matters in courts of law, and the connectional nature of the Presbyterian Church (USA), the Trustees of the Synod of the Northeast feel that it is appropriate to recommend that certain minimum insurance coverage's be carried by all presbyteries and churches that labor within its bounds. Following consultation with experts in both the legal field and the insurance industry, the trustees recommend that the following minimum coverage's be maintained by all presbyteries and churches within the bounds of the Synod of the Northeast. (See Synod policy statement on last page).

### Comprehensive General Liability Insurance

Recommended Limits:   \*\$1,000,000 per occurrence  
                                  \*\$3,000,000 aggregate per policy year  
                                  \$5,000 medical payments coverage for both on-premises and off-premises accidents (Note: While \$5,000 medical payment coverage is a minimum recommendation, higher limits are available and encouraged).

General liability coverage is broad public liability coverage issued to protect an organization against lawsuits arising from its activities and ownership of property. Coverage includes legal defense costs, and settlements up to policy limits. Coverage is always subject to the exclusions set out in your policy.

Your Comprehensive General Liability policy should include at least the following four sections:

1. Premises and operations coverage for all known exposures of the organization.
2. Contractual Liability - covering liability assumed by contracts (when necessary) with outside organization.
3. Owners Protection Liability for new construction (when necessary).
4. Products Liability (church suppers, food cupboards, meal programs, etc.).

It is recommended that all comprehensive general liability insurance policies be endorsed to include these additional coverage's:

1. \*Pastoral counseling liability
2. \*Personal injury liability for libel, slander, defamation of character, etc.
3. \*Officers, employees and authorized volunteers named as additional insured.
4. \*Presbytery, Synod and General Assembly named as additional insured.
5. \*Sexual Misconduct Coverage.
6. \*Directors, Officers and Trustees Coverage.

*\* The coverage recommendations marked with an asterisk (\*) must be included in your insurance program or the Synod will not voluntarily share the cost of defense or settlement of any claims brought against your church or presbytery. Please check with local agent if you have any questions about these recommendations.*

## Non-owned and Hired Automobile Liability Insurance

Minimum: \*\$1,000,000 per occurrence

This is excess liability coverage to protect your organization from lawsuits arising from automobile accidents when volunteers or employees use their personal vehicles on behalf of the church or presbytery. It also covers vehicles loaned to, or hired by the organization and short-term rental automobiles. It is important to understand that the owner's insurance on the vehicle applies first and this coverage is excess over those limits. Special insurance may be needed if you rent a truck or other commercial vehicle.

## Owned Motor Vehicle Insurance

Any owned vehicles must be properly insured under a Business Auto Policy with at least the minimum liability limits listed below:

\*\$1,000,000 per occurrence for liability

\*100,000/300,000 for Uninsured and Uninsured Motorist coverage's.

\*100,000 per person for Personal Injury Protection no-fault if available in your state (covers medical bills/lost wages, etc.).

## \*Workers' Compensation

Most states require employers (including church organizations) to carry Workers' Compensation Insurance. This provides broad coverage for medical and rehabilitation expenses and lost income due to a job-related accident or illness. Some states may not require pastors to be covered, but we recommend you do so. Most churches also have secretarial and janitorial help who also must be insured. Our minimum recommendation is that you provide insurance on all employees, including the pastor. Some states have similar requirements and coverage for "off-the-job" accidents which is known as Disability Insurance. The same minimum recommendation applies to this coverage, if available in your state.

## \*Umbrella Liability

This is broad liability coverage which rides over many of the basic underlying coverage's mentioned above and provides increased limits of coverage and usually broadens the scope of the underlying policies as well. It is recommended that presbyteries carry at least \*\$1,000,000 Umbrella coverage. All churches should also consider this coverage.

## Property Coverage

While it is not possible to set minimum coverage for church property insurance, you are strongly encouraged to carry certain types of coverage.

1. Replacement coverage on your buildings and their contents.
2. Special coverage for stained glass windows where they exist.
3. Ministers' Personal Business Property Insurance - (suggested minimum \$5,000 replacement cost value).
4. Employee Dishonesty Coverage - (suggested minimum - \$10,000 for churches, \$25,000 for presbyteries).
5. Forgery and Alteration Insurance - (suggested minimum \$10,000).
6. Money and Security Insurance - (suggested minimum \$2,500).
7. Equipment Breakdown coverage, especially if you have a steam boiler.
8. Computer Insurance Coverage (where necessary).

It is good business practice to require any organization that uses church property for any activity to name the church as an additional insured on its policy and have a certificate of that insurance in the church files.

## *Synod Position Statement*

The Board of Trustees of the Synod of the Northeast recognize that they cannot require any entity to purchase specific insurance coverage's other than what the entity can reasonably afford. The trustees also recognize that we are a connectional church. What affects the local church could affect its presbytery, the Synod of the Northeast, and even the General Assembly. A church that becomes involved in a \$1,000,000 wrongful death suit and only has \$300,000 worth of General Comprehensive Liability Insurance could potentially make the presbytery, the Synod, and the General Assembly liable for any settlement that may be awarded beyond their policy limits.

It will, therefore, be the policy of the Synod of the Northeast that it will not voluntarily participate in the settlement of legal actions brought against lower governing bodies unless that governing body carries the minimum recommendations set forth in this policy paper.

The Presbyterian Church (USA) has developed the National Presbyterian Church Program with GuideOne Insurance Group. All of the recommended minimum coverage's (where allowed by state law) can be included in a policy from GuideOne Insurance Group through the national program. The Synod encourages you to review your current coverage's with your present carrier and compare them to these minimum recommendations. You are encouraged to get a quote from your regional representative of the National Presbyterian Church Insurance Program. Contact your presbytery or Synod office for the name and phone number of the representative serving your area.