

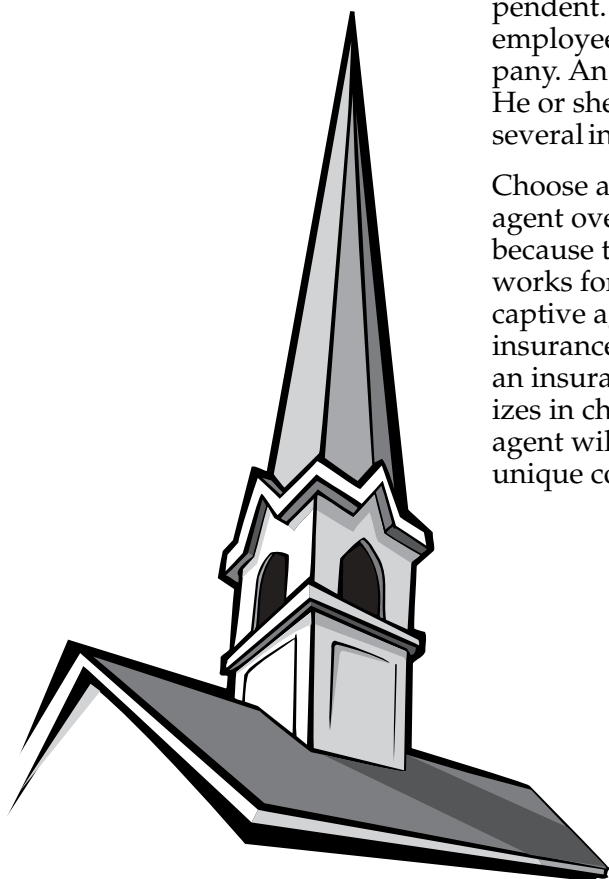
THE INSURANCE ADVISOR

For America's Churches and Related Ministries from Brotherhood Mutual and Its Agents

HOW TO BUY CHURCH INSURANCE

ISSUE 3—ISN'T ALL CHURCH INSURANCE THE SAME?

Find a specialist. That's the best advice when you're looking for church insurance.



When buying insurance to protect your ministry, consider the insurance agent, the insurance company he or she represents, and the insurance program offered.

THE INSURANCE AGENT

Basically, two types of insurance agents exist—captive and independent. A captive agent is a paid employee of the insurance company. An independent agent, isn't. He or she can elect to represent several insurance companies.

Choose an independent agent over a captive agent because the independent agent works for you, whereas the captive agent works for the insurance company. Also, look for an insurance agent who specializes in church insurance. Such an agent will be familiar with the unique coverages you need.

SELECTING AN AGENT

- Have the agent establish his or her credentials as one who specializes in church insurance. A church specialist represents a church specialty insurance company and insures numerous churches. Ask for client references.
- Don't favor agents just because they reside in your community. Local agents may not understand all the special insurance needs of churches.
- Ask what risk management services are available to prevent losses.

THE INSURANCE COMPANY

Just as you should select an agent who specializes in church insurance, you should also choose a company that specializes in church insurance.

Church specialty insurance companies devote their resources to serving the needs of America's churches and related ministries. They provide special training for their agents and offer additional services to alert churches to the hazards and liabilities that threaten church ministry. Church specialty insurance companies custom design insurance programs to protect churches. Other insurance companies simply sell you their policies designed for busi-

nesses—without modifying and adding important coverages.

SELECTING A COMPANY

- Have the agent establish the credentials of the insurance company he or she is recommending as one which specializes in insuring churches and related ministries.
- Make sure the company is financially sound. The A.M. Best Company rating is the insurance industry standard, indicating financial stability and operating performance. The strongest insurance companies are rated A (excellent) or higher.
- Investigate the company's reputation for providing coverage year after year, without increasing rates dramatically or canceling clients after they have a claim.

THE INSURANCE PROGRAM

Look for these basic insurance coverages:

- Property/liability package policy customized for churches
- Automobile policy for church-owned vehicles. You need hired and nonowned auto liability coverage even if your church doesn't own any vehicles.
- Workers' compensation policy
- Umbrella/excess liability policy (for high-limits protection)
- Church accident policy (for extra coverage to insure medical expenses resulting from an injury during a church activity)

Automobile, workers' compensation, umbrella/excess, and accident policies are fairly similar. However, property/liability package policies vary widely, so you need to evaluate these carefully.

SUGGESTIONS FOR SELECTING YOUR PACKAGE POLICY

- Have your agent explain how the package policy provides coverages specifically designed for churches. Ask for an explanation of both property and liability extensions.

Remember, standard policies may not provide adequate coverage for pastors' personal property, unlimited glass breakage, church personal property at a parsonage, water damage from baptistry overflow, or medical coverage for volunteer labor.

Ensure that the policy offers special endorsements for additional coverages like:

- Pastoral counseling liability
- Directors and officers' liability
- Equipment breakdown coverage
- Day care liability
- Christian school coverage

Check that the policy doesn't exclude claims arising out of sexual misconduct allegations against the church or provide low limits for them.

All property and liability coverages are subject to conditions, coverage limits, limitations, and exclusions. For precise details of coverage, please refer to actual policy forms.



Brotherhood Mutual
Insurance Company

Insuring America's churches and related ministries

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