



# United Methodist Insurance Program

Property & Casualty Coverage Powered by **Suracy Faith**

Sponsored by GCFA

Jeff Koch

President and CEO United Methodist Insurance Company

# Introduction



- Jeff Koch – president and chief executive officer of United Methodist Insurance Company (UMI) and United Methodist Insurance Agency
- 34 years of experience with affinity buying programs, group insurance programs, and alternative risk management solutions (e.g. captive insurance companies)
- UMI is owned by General Council on Finance and Administration (GCFA)
- The company and agency are in place to fulfill GCFA's *Book of Discipline* requirements to provide churches with access to insurance

Source: Alera Group, Inc.

# United Methodist Insurance Program



- UMI ceased captive operations on January 1, 2019
- Property and Casualty insurance is provided through Suracy Faith Insurance Agency (UMIP)
- GuideOne is our flagship carrier – there are other carrier options now
- Travel & Trip Protection through Travel Insured International
- Background checks through PeopleFacts
- Risk management tools and information
- Relaunched newsletter [Church Protection Connection](#)

# Expect a Tough Market in 2021



- Increased exclusions and higher retentions and deductibles
- Property increases – average 13.6% and higher for catastrophic
- General liability – average 11.3% for “virtually all businesses”
- Directors and Officers – average 13.2% and up to 70% for some

Source: Alera Group, Inc.

# Expect a Tough Market in 2021



- Professional liability – average 11.7% and avoiding large/small accounts
- Commercial Auto – average 14.2%
- Cyber – average 10% with more limitations
- Excess/Umbrella – average 16.6% with range of 10% to 150%

Let's review some ideas to improve churches' risk profiles and help contain price increases

Source: Alera Group, Inc.

# Mandatory Program vs. Non-Mandatory UMIP

- Mandatory programs require all churches in the conference to participate in the conference's insurance plan
- Often reluctant as Methodists to make programs mandatory
- All lines or a hybrid approach
- Example of a hybrid would be a conference-wide workers compensation program and churches on their own for others' lines of coverage

# Mandatory vs. Non-Mandatory



- Advantages of a mandatory program
  - Can lower costs for everyone
  - Conference can help with cost sharing approaches
  - Assures proper coverage is in place
  - Coastal/weather areas may achieve greater protection/leverage with reinsurers
  - Workers compensation – coverage and cost savings for smaller churches
  - Possible dividend programs
  - Three-year agreements – read the fine print

# Minimum Insurance Requirements



- *Book of Discipline* (§ 2533.2) requires churches to compare their coverage to a [schedule published by GCFA](#)
- GCFA's requirements are similar to those of the Episcopal Church and some Presbyterian Churches
- UMI works with GCFA to keep the requirements relevant to current exposures
- Recent changes include:
  - Replacement cost valuation for property
  - Misconduct limit lowered for churches with under 500 members (\$250,000)
  - Misconduct limit can match statutory limits where applicable
  - EPLI limit lowered for churches with under 500 members (\$250,000)



# Emerging Issues – Cyber/Data



- Coverage is available but evolving – check terms and conditions
- Business interruption
- Ransomware is currently the leading cause of loss
- Scareware, screen lockers, and encryption
- Texts can be culprits as well
- It's not just about theft of funds – personal information is a big issue
- Paper records represent a risk as well
- Training and awareness are key

# Emerging Issues – Misconduct



- No denomination is immune or has a monopoly on the exposure
- Can emerge from contact with congregation or among employees
- Nightmare scenario – damage to lives and reputations
- Employment practices claims are the fastest growing source of lawsuits against churches
- Training, background checks, and procedures are important
- Everyone should know what/how to report and handle response
- Best to have local counsel determine if you meet state and local guidelines

# Risk Management



- Having churches adhere to minimum standards is important
- Big rocks first – property, slips and falls, misconduct, maintenance, and auto
- Encourage churches to act to control loss and maintain proper coverage – cheap insurance can be very expensive
- Prepare and distribute a crisis response program for the conference

# Questions From Pre-conference Emails

- Building management –don't rely on becoming an expert but you should become conversant, use checklists, save all users manuals and warranties, and keep records of updates and installations
- Fire alarm panels should last 15 to 20 years ([www.buildings.com](http://www.buildings.com)). Keep it clean, maintained, tested, and up to code
- “Dirt” etching glass – windows usually require some sort of chemical or caustic agent to cause etching. Recommendations vary – twice a year in difficult regions.
- Sprinkler system service life depends on the type. Ranges from 10 to 50 years. Consult a professional and keep the heads and lines clean.

# Any Other Questions?





**United Methodist Insurance Program**  
Plan. Protect. Restore.

*Thank  
you*



1 Music Circle North  
Nashville, TN 37203



615-481-6621



[jkoch@umins.org](mailto:jkoch@umins.org)



[www.uminsure.org](http://www.uminsure.org)