



CHURCH PROPERTY AND CASUALTY INSURANCE CHECKLIST

Property Coverage

1. Does the policy provide replacement cost coverage for buildings?
For contents?
2. How is the contents' limit determined?
3. Does the policy have a co-insurance clause or is it written on agreed value?
4. Are the musical instruments viewed as regular contents?

Do they need to be scheduled?

Is that scheduled on an agreed amount?
5. Does the outside sign need to be insured as a separate limit?
6. Does the policy have "ordinance or law" coverage?
If so, what is the limit?
7. Does the policy include business income coverage to cover loss of tithes?
8. Does the policy provide for systems breakdown coverage?
9. Does the policy have a separate limit for stained glass?
10. Does the policy offer a waiver of subrogation for property losses?
11. Does the policy cover the minister's personal property?
If so, what is the limit?
12. Does the policy cover water backup or flood?
Earthquake?
13. Is the church protected from theft of church funds by volunteers and employees?

Liability Coverage

1. Does the policy have ministerial professional insurance?

Does the policy cover volunteers?
2. Does the policy have sexual misconduct coverage?
What is the limit?
Does the policy cover both employees and volunteers for sexual misconduct?
Does it cover the accused party for defense?
3. Does the policy have Errors and Omissions coverage?

Does it cover all employees and volunteers?
4. Does the policy cover hired and non-owned automobile insurance?

Does the policy cover both employees and volunteers?
5. Does the policy have an accident policy rider that covers athletics and special events?

Name of Insurance Company: _____

Agent: _____

Signature of Agent: _____

Date: _____

Signature of Underwriting: _____

Date: _____

This document is intended to provide churches and church leaders with current and accurate educational information about the subjects covered. However, such information is not intended to be sufficient for dealing with a particular legal problem, and the authors and distributors do not warrant or represent its suitability for such purpose. The reader should not rely upon this document as a substitute for independent legal consultation or tax advice.

Property Insurance Definitions

Definitions are provided for general information only. It is the responsibility of insured to refer to the policy to determine the exact definition of any term described.¹

Agreed Amount Endorsement - A provision in fire insurance whereby the coinsurance clause is suspended if the insured carries an amount of insurance specified by the company. (Normally 90 percent or more of the value)

Coinsurance - In property and casualty insurance, a clause or provision in an insurance policy requiring a specific amount of insurance based on the value of the property insured...if the insured fails to comply with the cause, he will suffer a penalty in the event of partial loss.

Errors and Omissions Insurance - Professional liability insurance for individuals in professions where the exposure is primarily a property damage one as opposed to bodily injury.

Limits - The value or amount of a policy; the greatest amount that can be collected under the policy.

Ordinance or Law Coverage - The insurer will not be liable for the increased cost of construction necessary to bring the damaged or destroyed building up to code standard, unless coverage is added by endorsement.

Policy - The written contract of insurance that is issued to the policyholder insured by the company insurer.

Replacement Cost Insurance - Property insurance that pays for damaged or destroyed property without a deduction for depreciation.

Schedule - A list of coverage or amounts concerning things or persons insured.

Wavier of Subrogation - The voluntary relinquishment of an assignment or substituting of one person for another by which the rights of one are acquired by another in collecting a debt or claim. (In other words, if the community boy's club used your church for its meeting and it was determined they were responsible for the fire in your church, then the insurance company would just pay the claim and not try to collect the losses from the community boy's club.)

¹ Emmett Vaughan, *Fundamentals of Risk and Insurance* (San Francisco: John Wiley & Sons, 1992)
12/16 Gifts of Georgia Baptists through Mission Georgia and the Cooperative Program enable us to partner together in fulfilling the Great Commission.