



*Recommended Standards of Insurance for*

## **African Methodist Episcopal Zion Church**

### **Property & Casualty Standards for Churches With and Without Schools**

#### **Church Property & Casualty Specifications**

Company/Agent Qualifications:

- Insurance companies with a Best's quality rating of A- or better
- Insurance companies with a Best's financial size category of VIII or better
- If independent insurance agent involved, minimum fifteen years' experience with recognized credentials. Agents' Errors & Omissions liability insurance with minimum limits of \$5,000,000 required with certificate of insurance each year

#### **Applicable to Churches without an affiliated School:**

Property Insurance:

- 100% insurance to value on buildings and structures
  - 100% insurance to value on personal property \*\*\*
  - Bi-annual inventory and property valuations review
  - Replacement Cost with 80% co-insurance clause, or Agreed Value coverage (preferred)
  - Deductibles – generally not more than \$10,000 per occurrence
  - Perils – All Risk or Extended All Risk including Flood and Earthquake, if an exposure, and including Terrorism
  - Fine Arts – church discretion\*\*\*
  - Business Income/Extra Expense - \$50,000 minimum or 15% of the annual budget
  - 90 day extension to newly acquired properties
  - 90 day extension to new construction once occupied
  - Valuable Papers and records - \$25,000 minimum
  - Property at other locations - \$50,000 minimum
  - Clergy/Non-clergy Personal Property - \$10,000 minimum
  - Sprinkler leakage coverage – if applicable
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- Employee Dishonest/Money Theft - \$10,000 or 12% of operating income, whichever is applicable
- Ordinance of Law Coverage – Required
- Debris Removal – 10% minimum of insurable values
- Dwellings – if any – 100% ITV for building & structures

**\*\*\* Need clear understanding of limits and exclusions (glass, precious metals, fragile articles, etc.)**

Commercial General Liability Insurance:

- Occurrence coverage only - \$1 MIL each occurrence / \$2 MIL General Aggregate/\$1 MIL Products / Completed Operations Aggregate minimum
- Medical Payments - \$5,000 limit minimum
- Sexual Misconduct Liability included at limits above
- Pastoral Counseling/Professional Liability included at limits above

Automobile Liability Insurance:

- \$1 MIL each occurrence “Any vehicle”
- Motor Vehicle Report checks annually on staff and volunteers
  - No more than three moving violations
  - Drivers with DUI in last five years cannot drive
- Personal Injury Protection at statutory limits-owned vehicles
- Hired Car/Non-Ownership liability at policy limits
- Uninsured Motorist/Underinsured Motorists – Church discretion. If no owned vehicles, reject coverage may be necessary

Workers' Compensation:

- Statutory Coverage A and \$500,000 each coverage for Coverage B
- Annual loss reporting to Varick Risk Management for Experience Modifier Review

Directors' and Officers'/Employment Practices Liability:

- \$1 MIL minimum each claim or occurrence
  - Broad Named Insurance i.e. committee members etc.
  - Defense outside limits preferable but not common
  - Self-Insurance Retention determined by audit principles
  - Employment Practices Liability required for all Churches with more than five (5) employees. Five (5) or fewer employees, church discretion
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Umbrella/Excess Liability: \$1 MIL each occurrence /\$2 MIL Aggregate excess of underlying or Self-Insurance Retention (SIR)

**Applicable to Churches WITH an affiliated School:**

The above standards for Churches without an affiliated School apply to Churches with an affiliated School, with the following amplifications by identified section:

Property insurance:

- Business Income/Extra Expense – 90% of tuition income
- Valuable Papers and Records - \$50,000 minimum
- Property at other locations/off premises - \$100,000 minimum/Property at Special Events - \$25,000 minimum
- Pollutant Clean up and Removal \$25,000 minimum
- Detached structures/Garages/Sheds – as needed
- Accounts Receivable – 90% of receivables exposure
- EDP Equipment, Data and Media - \$50,000 minimum
- Spoilage - \$10,000 minimum
- Property in Transit - \$10,000 minimum
- Off-Premises Power Failure - \$25,000 minimum
- Theft of money Inside/Outside - \$10,000 minimum
- Athletic Equipment, Band Instruments, Uniforms – coverage as needed

Commercial General Liability Insurance:

- Teachers'/Educators' Professional Liability at limits - \$1 MIL limit
- Corporal Punishment – prefer no exclusion - Will require written guidelines with regard to disciplinary action
- Kidnap Expense - \$50,000 per Abduction minimum

Automobile Liability Insurance:

- Uninsured/Underinsurance Motorist Coverage – School's discretion based upon minimum liability limits required of staff and volunteers. May select lower limits on Bodily Insurance, but reject Physical Damage as a rule
  - Vans and buses under 20 passenger - \$2 MIL minimum in limits satisfied by either primary insurance or one million additional in umbrella limits
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- Buses over 20 passengers - \$5MIL minimum in limits satisfied by either primary insurance or four million additional in umbrella limits
- MVR check on all parents/volunteers providing transportation to/from special events with proof of insurance required

Directors' and Officers'/Employment Practices Liability:

- Named Insured extended to include all School Board Members and Committee Members
- Both D&O and EPLI required at limits indicated above

Umbrella/Excess Liability:

- 5MIL each occurrence / 5MIL Aggregate excess of all underlying indicated or Self-Insured Retention (SIR) except for EPLI coverage

Excess Student Accident/Athletic Participants coverage:

- \$10,000 per student (This coverage costs around \$5.00 per student per year for \$25,000 in limits at the present time)

Certificate requirements from all major vendors with contracts (hence the need for these requirements to be in the contract under "insurance provisions") and building contractors performing work on campus providing the following minimum limits prior to work being performed on campus:

- Commercial General Liability:
    - \$500,000 each occurrence
    - \$1 MIL General Aggregate
    - \$1 MIL Product/ Completed Operations
  - Workers' Compensation: Coverage A and Coverage B
  - Automobile Liability: \$500,000 each occurrence
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