

2019 Biennial State Convention of the North Carolina Churches of God of Prophecy

Policy Statement from the State Board of Directors: *All North Carolina Churches of God of Prophecy will be appropriately and adequately insured at all times.*

Section One: General Requirement. *We hereby resolve that all local churches under the supervision of the STATE OFFICE OF THE CHURCH OF GOD OF PROPHECY, aka, Church of God of Prophecy – North Carolina, Inc., are solely responsible to obtain and maintain the appropriate type(s) (i.e., liability, property, fire, flood, etc.) and adequate amount(s) (i.e., the essential minimums for ministry) of insurance coverage on all church property (i.e., including but not limited to these: church worship facility, fellowship hall, parsonage, education building, storage shed, rental property, etc.).*

Section Two: Special Consideration. *We hereby resolve that special attention should be given to any property owned by the local church which is located in a flood zone, or has a history of flooding, or is situated in a low lying area; in that, where possible, a clause addressing coverage for potential damage from runoff, surface water, and/or flooding should be added to the insurance policy. (It's noteworthy that some insurer's offer a coverage option that does actually cover water damage, including flood, with limits of coverage up to \$10,000.) Specifically, we encourage the purchase of flood insurance from the National Flood Insurance program. This is typically a stand-alone policy which covers the entire building up to its replacement cost limit, and not simply a clause which would be added to a church's policy.*

Section Three: Proactive Responsibility. *We hereby resolve that if the local church has difficulty in obtaining or maintaining the appropriate type(s) of coverage in the adequate amount(s), then the appointed pastor is to contact the State Office before there is a lapse in the insurance policy; in order to find a suitable and timely resolution together.*

Section Four: Protective Measures. *We hereby resolve that if the local church insurance policy has lapsed, then the appointed pastor is to cease and desist all church ministry operations at once until the insurance policy is restored; and he/she is to immediately notify the State Office in order to find a suitable and timely resolution together. In the event that a church is uninsured, we encourage the church's leaders to take whatever measures are reasonable to protect the property from losses – some of which might be more likely to occur when the building is vacant.*

Section Five: Church Closure. *We hereby resolve that if the local church cannot obtain and/or maintain the appropriate type(s) of insurance in the adequate amount(s) within a reasonable time (i.e., a period of 90 days; unless otherwise extended by the State Board of Directors) then the local church, already having ceased and desisted all church ministry operations, is subject to being closed either permanently or for an indefinite period of time.*

Section Six: Implementation and Certification. *We hereby resolve that this policy statement from the State Board of Directors, adopted and effective as of the 9th day of May, 2019, is to be implemented at all local churches, to wit:*

- *that on August 1, 2019 all appointed pastors will have 90 days (i.e., until October 29, 2019) to authenticate to the State Office that the local church has the appropriate type(s) and the adequate amount(s) of insurance coverage;*
- *that regarding the appropriate types of insurance, the local church will need to determine which coverages best align with their specific exposures. Some of the coverages which you might encourage include:*

Property Coverages

- *Building and Personal Property, insured for Replacement Cost*
- *Clergy Personal Property*
- *Theft, including Money and Securities, and theft by electronic Means (e.g. online giving)*
- *Water Damage, including flood*
- *Ordinance or Law (e.g. increased cost of construction due to municipal ordinances)*
- *Personnel Dishonesty (e.g. theft by church employees, volunteers)*
- *Loss of Income and Donations, due to a temporary suspension of operations caused by a property loss*
- *Extra Expense, which helps to get operations going after a property loss*
- *Earthquake*
- *Computers/Technology*
- *Inland Marine, for items which require specific limits of coverage*

Liability Coverages

- *General Liability (e.g. Bodily Injury and Property Damage)*
- *Medical Payments, including athletic and student exposures*
- *Sexual Acts Liability*
- *Personal Injury, including defamation, copyright infringement*

- *Directors and Officers*
- *Employment Practices*
- *Employee Benefits*
- *Cyber Liability*
- *Religious Freedom (e.g. protection for practicing faith in accordance with sincerely held religious beliefs)*
- *Legal Liability Defense Reimbursement (e.g. defense coverage reimbursement for many claims which might not otherwise be covered by policy)*
- *Safety and Security Team Liability*
- *Non-owned Vehicle Liability (e.g. borrowed or rented vehicles)*
- *Clergy Personal Liability Coverage (e.g. renters-type coverage for clergy members occupying a parsonage or renting another residential property)*

Excess Liability Coverage (also known as umbrella coverage)

Commercial Auto Liability Coverage – for church-owned vehicles

Workers Compensation Coverage

Travel Insurance Coverage – for church related travel (e.g. mission trips)

Many insurers have a reference or guide available upon request, which provides a more in-depth explanation of these various listed coverages and others, and may be helpful to you as you determine which coverages to include in your list.

- *that regarding the limits of coverage which individual churches should obtain, it's relatively easy to determine building and personal property value limits with the help of a church's agent, and workers compensation coverage limits are mostly determined according to state law. Regarding liability coverage limits, including commercial auto, many churches opt for \$1M. However, the ultimate decision about how much liability, excess, or travel insurance to purchase will depend upon many factors. Perceived risk and pricing generally guide church leaders as they make these decisions. A local insurance agent will be able to offer some helpful input and information as well about how much [property](#) and [liability](#) insurance a church might purchase.*
- *that proof of coverage will be provided to the State Office by the appointed pastor via Certificates of Property and Liability coverage that should sufficiently demonstrate that an individual church has key coverages in place.*
- *that said authentication will either be transmitted electronically or mailed to the State Presbyter at the State Office on/before October 29, 2019;*

- *that the Regional Presbyters, in collaboration with the District Presbyters, will supervise and assist their respective appointed pastors with this validation process, including the review of the policy coverage, as needed;*
- *that this authentication of the local church insurance coverage by the appointed pastor to the State Presbyter will be hereafter an annual report to occur during the time frame between August 1 through October 29 of every year.*

Respectfully submitted,

Your State Convention Executive Committee