United Methodist Church
Minimum Insurance Requirements

The Book of Discipline requires local church trustees to annually review and report on the adequacy of local church property and liability insurance coverage *"to ensure that the church, its properties, and its personnel are properly protected against risks."* Since 1797, the Book of Discipline has provided that the property and assets of local churches are held in trust for the benefit of the denomination. Inadequate insurance puts local church property and assets at risk, including the denomination's trust interest therein. Therefore, in representing the denomination's trust interest, the following minimum insurance requirements are adopted for local churches:

COMMERCIAL PROPERTY & LIABILITY PACKAGE POLICY, to include the following minimum limits:

Property

- Buildings, Pipe Organs & Contents - Insured to Replacement Value, "Special Risk" Coverage
- All Church buildings should have an updated replacement cost valuation every five (5) years.
- The replacement cost valuation must be updated within 180 days if additional square footage is added.

Liability

• Commercial General Liability	Occurrence	$1,000,000	Aggregate	$3,000,000
• Pastoral Counseling Liability	Occurrence	$1,000,000	Aggregate	$3,000,000
• Hired and Non Owned Auto Liability	Occurrence	$1,000,000	Aggregate	$3,000,000
• Employee Benefits Liability (EBL)	Occurrence	$1,000,000	Aggregate	$1,000,000
• Medical Payments	$10,000			
• Sexual Misconduct Liability	Occurrence	$1,000,000	Aggregate	$2,000,000
• Crime / Employee Dishonesty	Occurrence	$25,000		

DIRECTORS' & OFFICERS / EMPLOYMENT PRACTICES LIABILITY, to include the following minimum limits:

- Directors' & Officers / Employment Practices Liability $1,000,000 (including Sexual Harassment)

UMBRELLA / EXCESS LIABILITY, An Umbrella / Excess Liability policy is suggested for all churches and required for those with a membership of five-hundred (500) or more.

If applicable, this excess policy must extend over Commercial General Liability, Pastoral Counseling, Employee Benefits Liability, Owned Auto, Hired & Non-Owned Auto and Workers Compensation. A higher per occurrence limit may be appropriate based on specific risk characteristics such as church size and/or scope of operations and ministries.

WORKERS' COMPENSATION / EMPLOYERS LIABILITY INSURANCE, as required by state law. **Every church** should have an in force Workers' Compensation policy. By North Carolina Law, if you pay three people in a year – example – Part time Janitor, Part time Music Director, and Part time Landscaper – you are required to carry Workers' Compensation, unless the person(s) provide a valid Certificate of Insurance showing evidence that they have Workers' Compensation Coverage in force. Providing a 1099 or Independent Contractor status DOES NOT exempt you from this law. All coverages and policies should be underwritten by an Admitted Carrier, licensed in the State of North Carolina, and carry an A.M. Best's Financial Rating of "A" or better.

• Bodily Injury by Accident	Each Accident	$1,000,000
• Bodily Injury by Disease	Policy Limit	$1,000,000
• Bodily Injury by Disease	Each Employee	$1,000,000

COMMERCIAL AUTOMOBILE LIABILITY, applicable only if the church owns an automobile; to include the following minimum limits:

- Limit of Liability $1,000,000