

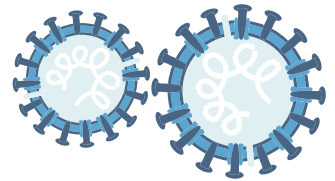
Newsletter

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Main Story

OUR CARRIERS AND COVID-19

SMIC's carrier partners have responded to how coverage will be affected due to COVID-19. Here are a few important highlights:



Our Accident Carriers:

- Coverage under Student Accident policies extends to students at home during normal school hours, or until the school year ends.
- Coverage for Student Athletes will extend to at home conditioning and training provided by the athletic department.
- Participant Accident coverage will extend to policyholders holding classes or training using video conferencing services, and cover participants while they are attending classes or activities sponsored by the policyholder.
- Accident coverage will extend to Telemedicine services.

Coverage will not extend to the following circumstances:

- Student is attending classes remotely when school's premises are open but students have the option to attend remotely, or by assignments not assigned by the school.
- Student athletes participating remotely when school's premises are open but students have the option to attend remotely, or by practice, training, or conditioning exercises not assigned by the school.
- Participants attending classes remotely when policyholder's premises are open but participants have the option to attend remotely, or activities not endorsed or supervised by the policyholder.

[Click here for the full guidelines from Gerber.](#)

[Click here for the full guidelines from Mutual of Omaha.](#)

Our Casualty Carriers

- We do have GL Carriers that do not have a Communicable Disease exclusion and are ready to quote Camps, Recreational Activities & Sport Leagues.
- Coverage can extend to virtual risks.

Industry Insights

THE PERILS OF UNDERINSURING CHURCHES

Churches, mosques, synagogues, and other places of worship occupy a unique space in the insurance world. First there is the property itself, which can be an old or new building (or, frequently, a merger of the two), full of things like pews, sound equipment, musical instruments, books, commercial kitchen equipment, classroom furniture, and more. Then there are the people involved: clergy, employees, and volunteers; Directors and Officers, often in the form a council or governing body; and members of the congregation and community using the facility for everything from classes to youth activities to events.

Yet many churches are underinsured. One reason is due to the high cost. "Insurance is one of the top two budget items for a lot of churches. For some smaller churches, it's the largest expense," says Jim Jensen, owner of Jensen Ford Insurance Agency, which specializes in church and non-profit coverage. And while churches understand the need for insurance, they may balk at the cost. They look for the discounts they see on TV, or make the common mistake of insuring the property for market value instead of replacement value. "You have to take into account not just how much the building is worth



on the market, but how much it would cost to rebuild and refurnish it," says Michael Campbell, Agency Principal from RH Sims Insurance in Georgia, which specializes in church, non-profits and events.

"A church attitude is normally driven

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CHURCHES, *continued*

by the particular decision maker, which is a rotating position,” says Janice Smith, VP of Underwriting at James Greene & Associates, an agency in Arkansas specializing in churches and non-profits. Additionally, the people in charge of making purchasing decisions may only have experience with their own personal insurance and not commercial lines, or churches hire an agent who is a member or friend of the congregation, but who doesn’t specialize in church insurance. “The least protected churches are the ones that hire an agent who doesn’t specialize in church insurance. Just because you can write a church doesn’t mean you understand the uniqueness and exposures and what could come up in the future. That takes knowledge and experience,” says Marc Geradis, an agent with Jensen Ford Insurance Agency.

Property damage is perhaps the issue most people think of when it comes to insuring a church, and with good reason. According to a 2015 Washington Post article, in any given week there are 34 fires at churches and other religious institutions in the United States. The National Fire Prevention Association reports that between 2007 and 2011, there were an average of 1,780 reported structure fires per year in religious and funeral properties, resulting in annual averages of \$111 million in direct property damage and more than twenty injuries or deaths. Click [here](#) for additional information about these statistics.

Fire and other property damage are not the only risks that churches face,

of course. While churches and other religious groups used to have “charitable immunity” that allowed them to avoid lawsuits, this is no longer the case. Churches, like any business, can be sued for physical and emotional damages. Churches must consider accidents that occur on church property, such as slip and falls, or during church activities, such as an injury during a youth group outing. Churches are also particularly vulnerable to personal and professional liability claims against clergy and laypersons who perform counseling and teaching. Michael Campbell adds that churches who lend their campus to other church groups or entities may have some “murky liability issues,” and should set up use agreements so that the sponsoring organization is not held liable for problems from the other group.

Outside lawsuits aren’t the only threat. Churches also need to be aware of internal issues. This includes not only taking care of clergy and other employees by having proper accident & health and employment coverage, such as workers compensation, but also insuring for the worst, including sexual misconduct and employee theft. “Many church leaders have the idea that ‘It won’t happen at my church,’” says Jim Jensen. “Sadly, those are often the churches that suffer losses.” Employee embezzlement, for example, is a more common occurrence than religious people would like to believe. “It’s often a trusted person in the church who has a stressful financial situation and happens to have access to a way to get rid of personal

ANNUAL PROPERTY DAMAGE AVERAGES FOR U.S. CHURCHES

Click [here](#) for a Fact Sheet from The National Fire Prevention Association for more information.

pressure,” adds Jensen. His agency has seen incidents occur from every position in the church, from clergy, to treasurer, to the church secretary, for as much as \$150,000. Often it’s small amounts over the course of years, so leaders don’t notice anything amiss. Unfortunately, if there is an employee dishonesty limit on their policy, that limit will not “stack,” so a \$10,000 coverage limit would apply even if the theft occurs over several years.

Another area that may be overlooked with churches is Directors and Officers Liability. This coverage protects church board members from personal lawsuits. “Look, a church should develop healthy business relationships, which includes taking care of the people involved in ministry,” says Michael Campbell. “I would never serve on a church board that doesn’t have D&O coverage.” It’s important to note, however, that D&O policies may have a stipulation that does not cover them for negligence of duties, including not purchasing proper insurance coverage for their church. In other words, church board members may be personally liable if something happens at their church and they didn’t have the proper insurance coverage.

While risks may be unavoidable for religious groups, having the right help by hiring an agency that specializes in covering churches can help protect property, staff, and parishioners. “With any customer it starts with education. Insurance isn’t an attractive, tangible purchase...until you need it you may not realize the full need,” adds Janice Smith.

CHURCHES & COVID-19

Many churches are holding services online or outside, or greatly reducing programs due to the Coronavirus Pandemic. However, that doesn’t mean they should cancel their insurance policies. Here are a few reasons why:

- Clergy and laypersons may still be performing ministry functions, and therefore need professional liability coverage. Church leaders still need D&O coverage, especially with additional scrutiny with finances.
- Even if the building is largely unoccupied, it’s still susceptible to fires, floods, and other issues. There may be additional danger since fewer people are there to notice issues quickly.
- Policies are written on an annual or bi-annual basis and canceling can lose any rate guarantee (policy may be much more expensive when it’s reinstated).
- School or daycare programs may still be running and could potentially face medical liability issues if there is an outbreak.



Product Spotlight**CAMPS**

Background: From church camps to science camps to adventure programs, there are more than 12,000 summer camps operating in the United States, including 7,000 overnight camps and 5,000 day camps.* More than 6 million children and more than 1.5 million staff participate in summer camps each year. Camps are a \$15 billion industry.

Youth camps offer kids a chance to socialize and gain new and exciting experiences. Some kids make lifelong friendships at camp. But every camp director knows that Murphy's Law prevails: What can go wrong, will go wrong. That's why it's important to take the necessary steps to insure the health and safety of all participants. In the time of COVID, there may be additional liability issues as well.

Why Insure Camps? Every camp must have proper insurance coverage to operate successfully. Each of the 12,000 camps operating in the United States need a range of coverage, which may include Camper Accident, General Liability, AD&D, Abuse and Molestation, and Umbrella.

What Coverage Does SMIC Offer? Our Camp Program features Camper Accident, General Liability, Non-Owned Hired Auto, Abuse & Molestation, and Umbrella. It covers participants and leaders, including unpaid leaders and volunteers.

Program Features:

- Coverage up to one year from date of Injury
- No rosters required—coverage is mandatory.
- Covers 100% Reasonable Expenses up to the Medical Benefit Maximum chosen
- Optional Camper Accident Limits: \$5,000, to \$50,000
- General Liability up to \$1,000,000 per Occurrence
- Additional coverages are available, including Non-Owned Hired Auto, Abuse/Molestation, Umbrella, Event Cancellation, Active Shooter

Why Write with SMIC? SMIC is able to write many types of camps and organizations. We can quote small to large religious, non-profit, and for-profit camps for youth and adults. Our quote process is quick and easy, and we offer personalized service and care to our clients.

What Is SMIC's Appetite? We work with agents who have a small to large book of camp, church, and non-profit groups. Because we partner with agents and brokers, we will never go direct to your client.



* Information based on pre-COVID-19 numbers. Data taken from <https://www.regpacks.com/blog/infographic-amazing-facts-summer-camps-united-states/>