

Topic	London Conference Policy on Insurance Coverage by Incorporated Ministries (IM's)
Ref.	<i>Section 429 Guidelines</i> , page 7, point 4
Date	Revised Version February 2011 – changes from June 2010 version are underlined.

A London Conference policy on the insurance coverage required by Incorporated Ministries (IM's), well communicated and implemented in Conference's reviews of individual IM insurance documents, will protect the IM, its program participants and the church, and will support good IM management and governance practices. This policy takes effect March 1, 2011.

Requirements:

The *Section 429 Guidelines* state that each supervising Conference “shall determine acceptable levels of insurance coverage” (page 7, point 4). Requirements for incorporated ministries (IM's) include these:

- to keep insurance in force “in amounts required” by the Conference,
- to include the United Church of Canada as an additional insured on all policies, and
- to report annually to Conference on its insurance coverage (the first two IM requirements are to be contained in the IM's corporate by-laws)

In addition, incorporated ministries in those categories of ministry covered by United Church administrative standards (part of the Duty of Care program) will need to be aware of and follow specific requirements, which are outlined clearly in the guidelines for those ministries (including camps, community ministries, and seniors facilities).

This policy statement covers the requirements of London Conference for the incorporated ministries it supports and supervises.

This policy statement will be reviewed on a regular basis and revised as required.

Purpose:

Adequate insurance coverage is essential to protecting incorporated ministries (IM's), their volunteers, staff, and clients, and the United Church of Canada. Risk management policies and procedures by the IM's will help continue eligibility at an affordable rate and with reduced claims.

This policy outlines London Conference's requirements for insurance coverage and practices. It also is designed to keep insurance top of mind with IM boards and staff, and to contribute to good IM practices by suggesting, and supporting, good business practices beyond the mandated “acceptable levels of insurance coverage.”

Details:

1. Responsibility:

The IM's governing body is responsible for securing appropriate and adequate insurance, and for keeping its insurance in force.

The IM governing body is responsible for meeting the requirements of London Conference and any applicable United Church of Canada duty of care standards, including sending details of insurance coverage to London Conference as part of its annual information package, and for including in its by-laws the necessary clauses regarding insurance coverage.

This policy statement has been prepared by the Incorporated Ministries Committee of London Conference and has been approved by London Conference Executive.

The Incorporated Ministries Committee of London Conference reviews the insurance coverage and related information submitted each year by each IM and will advise the IM board on a regular basis if it meets or does not meet the requirements of London Conference.

2. Type and Level of Insurance Coverage:

This policy on "acceptable levels of insurance coverage" includes the type and in some cases the minimum dollar amount that IM's **must** carry for the categories of insurance described below. It also includes suggestions for coverage and practices. An incorporated ministry's board or staff should consult with their insurance provider, similar ministries, and insurance experts, including the United Church's risk management office, on insurance and risk management matters.

(a) Specific Types of Coverage:

All IM's will need to carry insurance of one or more types, based on the details of their program, clients, assets and risks. This information is normally requested by an insurer at the start of an insurance contract, and updated on renewal.

- *"Comprehensive" or Commercial General Liability (CGL)* is coverage for third party liability arising out of bodily or personal injury, property damage, advertising and tenant's legal liability.
- *Umbrella Excess Liability* provides higher limits of liability (with alternatives generally available for \$3 million up to \$8 million to sit on top of the CGL coverage).

A minimum of \$5 million liability coverage is **required**. This amount is generally available by combining the two types of liability coverage to total \$5 million: \$2 million in "comprehensive" or "commercial general liability ("CGL") and \$3 million of "umbrella liability" coverage.

All ministries serving seniors, children/youth and other vulnerable groups **must** have liability coverage for "abuse and harassment" of at least \$2 million.

- *Property and Business Interruption* should be "all risks" (generally covers "all perils") of direct loss or damage coverage to buildings and contents, including for "Extra Expense" incurred in the event of a loss, including

associated lost revenue. Regular property appraisals or building evaluations should be done to ensure adequacy of limits.

- *Directors & Officers Liability (D&O)* covers an insured IM for losses that they become legally obligated to pay as a result of a claim made against them for a “Wrongful Act”; the definition of Insured should include board and committee members, employees, trustees, volunteers and any other person acting on behalf of the Named Insured or at the direction of an Officer or the Board of Directors of the Named Insured.

All IM’s, including those ministries with no physical assets or community program participants, **must** carry a minimum of \$2 million in D & O insurance. In addition to having covered their risks, ministries may have less difficulty recruiting board members and volunteers once they have this coverage for their board members and other volunteers.

- *Crime* coverage includes loss of money, money order and counterfeit currency, employee/officer dishonesty, and incoming cheque and credit card forgery.
- *Boiler & Machinery (Equipment Breakdown)* provides coverage for sudden and accidental breakdown of all boilers, pressure vessels, mechanical and electrical machinery such as air conditioning units, heat pumps, and wiring.

(b) Coverage of Vehicles and Off-site Activities:

The appropriate level of damages/liability insurance **must** be obtained for vehicles that are IM-owned or rented, and for personal vehicles used by employees and volunteers.

Coverage **must** be arranged for staff and program participants on all off-site outings and all IM-related duties of staff and volunteers.

(c) Shared Use of Property and Buildings:

IM’s **must** have adequate property, liability and other necessary insurance coverage for all buildings, equipment, and land that they share with others. A written agreement on this and other matters is a good idea.

Examples: shared drive or parking lot with a church; shared use of church hall or CE wing for an IM office or program space; shared use of IM building with a community agency

(d) Insurance Coverage by Tenants or Rental of IM Property:

When an IM rents out space to another group or individual, the IM **must**:

- enter into a written rental/lease agreement signed by both parties specifying the terms and conditions of the rental, including the insurance coverage to be provided by the tenant, and the insurance coverage must name the IM and the United Church of Canada as an additional insured, and
- obtain a certificate of insurance from the tenant proving that the tenant has adequate liability and comprehensive general liability coverage and proving that the IM and United Church of Canada are listed appropriately

(e) Specific Requirements in Administrative Standards for Camps, Community Ministries, and Seniors Facilities:

Each standards document for the specific ministry categories in the United Church's duty of care program includes specific insurance requirements and best practices for corporations in that category:

- camping (2007 manual, pp. 32, 44-45),
- seniors facilities (2006, p.16),
- community ministries (2007, pp. 22-23 and 32-33) and education centres (2005, pp. 7-8).

This London Conference policy document includes suggestions and standards from these standards and best practices, and in some cases applies them to all IM's where London Conference believes these benchmarks should apply to all ministries. Where this policy document has a higher level of coverage or reporting than the national standards, these Conference policies take precedence.

3. Annual Review of Insurance Coverage:

IM boards should review their insurance coverage and risk policies/programs – an annual review is preferable but a Board-initiated review **must** be done every three years. (Standards for community ministries include an annual review; camping IM's require an annual review of vehicle insurance coverage.)

Any review for the Board of insurance coverage would ensure that the IM's buildings and other assets are insured at current, full replacement value and that all new programs and risks are covered in the insurance program

4. Record Retention:

All insurance records, documents and files **must** be maintained and properly managed by the IM in perpetuity.

5. Notification of Incidents and Program/property Changes:

The IM **must** inform its insurer and the Executive Secretary of London Conference of any incident in which a program participant, staff, volunteer, board member, visitor, or other person is involved that may lead to a claim or potential claim under the policy. The specific wording of notice in all policies **must** be followed.

The IM **must** inform the insuring body of any new or substantial program changes, or changes in property or assets that may affect the risk or insurance coverage. Time requirements will be specified in each policy.

6. London Conference Encourages Good Business Practices:

London Conference encourages and actively supports actions by IM's to reduce their risk, claims and financial and other exposure to elements of their operation that they can affect.

A sound risk management plan for an IM would include:

- A written Board policy document covering all aspects of insurance and risk management; it is reviewed and revised as required
- Assigned responsibilities for monitoring and enforcement of Board policies and procedures
- Education and recurring training for board, staff, volunteers, and (where relevant) program participants

- Review and adaptation of procedures, programs, employee screening, physical facilities, as required
- Policies and procedures for the protection and supervision of seniors, children/teens and other vulnerable persons
- A written Board policy that all insurance records are kept in perpetuity
- Written incident reporting procedures, and Board review of each incident and the follow-up that was done
- Other specific procedures for the IM's particular programs, hazards and risks

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