

Response to Rising Notices of Church Insurance Cancellations

Karen Ebling, 3/7/24

Many of our member churches have received cancellation notices on their property and liability insurance over the last few months. Others are reaching out to us concerned about the risk of their current policies being canceled.

Why is this happening? We are in touch with our national connectional churches and regional bodies, and we recognize this is a growing crisis for churches across the nation. Most affected are churches in states such as Texas, Louisiana, Florida, and California where weather disasters are considered highest risk. Certain insurance companies have made business decisions to not write new policies or renew existing policies in these areas.

Who is most affected? Based upon our current knowledge, one or two of the larger carriers who insure church properties are sending these notices. Most common are policies written through Church Mutual, though others are reporting cancellation in some cases.

Are churches required to have insurance, and if so, how much? The Presbyterian Church (U.S.A.) *Book of Order* directs all churches, synods, and presbyteries to obtain adequate property and liability insurance coverage to protect the facilities, programs and officers including members of session, staff, boards of trustees and deacons and elected and appointed officers. Recommendations for coverage can be found via this link: <https://www.presbyterianmission.org/legal-resources/risk-management/> Please note that this webpage from PC(USA) has not been updated to reflect current circumstances with insurance cancellations. We are in touch with our national office to request an update to the webpage, but until then the information about coverage recommendations is clear.

What does Grace Presbytery recommend we do if we receive a cancellation notice? If you have a policy through Church Mutual, or if you receive a cancellation notice from another carrier, you must find another policy. The presbytery insures our properties, programs, and officers through Insurance Board (insuranceboard.org), and we find them to be very helpful and responsive. Please call Jennifer Perri, our regional representative for Insurance Board, at 877-597-8247. A second option is to call a local Independent Insurance Agent in your area. They will send your requirements out for bid to the companies they represent. If you do not know a local agent, search online for “Texas independent insurance agents for business property” to find one near you. We

recommend an in-person agent who can help you with the best personal service, versus those who provide on-line quotes.

What can I expect next? If you call for a quote from Insurance Board, please know they have assured us they are working through these new requests as quickly as possible, given their significant backlog of requests. Insurance Board has informed us that they are working these in the order of the effective date of your cancellation notice. When you make the initial call, be prepared to provide your call-back contact information, name of the church, location and address, and the expiration date of your current policy. Let them know you are with Grace Presbytery and be patient as they will respond.

What other ways can Presbytery help us? We don't have an immediate answer for this question today. We are researching other solutions at the local and national level, but it is a complex and arduous process. We are in dialogue with many others on this topic. As we learn more, we will be in touch. Until then, please let the presbytery office know in the case that you are refused coverage for any reason through Insurance Board or your local independent agent.

For further questions contact, Karen Ebling, Director of Property and Real Estate at karen@gracepresbytery.org, or be in touch with your Regional Ministry Associate.