

June 26, 2013

RE: Church Property and Liability Insurance

The Yellowstone Conference Board of Trustees is pleased to announce the approval of the insurance petition presented during the June 2013 Annual Conference. The petition and supporting documents have been posted on the Conference website for several months.

We have been working with Church Mutual Insurance Company to determine the minimum property and liability coverage that will protect not only your church and its ministry, but also our Conference as a whole. Church Mutual was chosen to assist us in this endeavor because they have partnered with our Conference for 40+ years and currently insure more than 75% of our member churches, all four camps, and the Conference office. Through participation within their affinity program, Church Mutual allows members a 10% property and casualty premium reduction.

During a three-year information gathering process, we learned that some churches were either uninsured or their property and/or liability insurance coverage was in need of being upgraded. As a result of our study, we established guidelines that your ministry should comply with concerning its property and liability insurance coverage.

Because we understand not all churches are similar and, in fact, can be quite different, we have created a "tiered" coverage approach that should assist your church in selecting appropriate levels of coverage. There are three (3) tiers available for churches, one tier for camps, and one for the Conference office. Each "tier" is designed based on numerous variables. As an example, churches with large buildings and congregations may be exposed to more risk than a small rural church and thus needs higher liability limits. Each tier identifies a set of minimum coverage limits that your ministry must comply with; whether you are insured with Church Mutual or with another insurance carrier.

**Brief definitions for the church tiers are as follows:**

**Tier 1** – A typical small town church with little or no activities beyond that of normal church business.

**Tier 2** – A medium-sized church with average or basic exposures including youth ministries, camping retreats, schools, and day cares, etc. The church should be considered financially stable.

**Tier 3** – A church with higher asset value as well as above average exposures including day cares, school operations, camping retreats, youth groups, and other ministries.

Camps will have their own tier as will the Conference and District Offices.

The tier we have assigned to your church is Tier

Page 2  
Date

The minimum coverage limits set by the Conference Trustees are mandatory. This applies primarily to liability insurance. Higher coverage limits and/or higher tiers are encouraged if so desired. Church Mutual is the preferred provider; however, your ministry is free to choose any insurance carrier that provides coverage in the specified areas. You must comply with at least the mandatory minimums based on your assigned tier. The minimum limits are listed in the attached Snapshot.

If you are currently insured with Church Mutual, your policy will automatically be amended to your predetermined tiered minimum coverage requirements, by either an endorsement or a cancel rewrite. If your current coverage limits exceed those outlined for your assigned tier, those limits will not be decreased. If you have questions or comments regarding changes to your policy, please contact either your local agent or Beth Robinson, Church Mutual Account Executive at Big Sky Underwriters (800-473-3739, Ext. 49).

If you are currently insured with a carrier other than Church Mutual, you will need to contact your agent and begin the process of upgrading the coverage to at least the mandatory minimums for your tier as listed in the Snapshot. You may also be contacted by Church Mutual and offered a free, no obligation quote. You can choose any carrier you wish as long as they are able to provide the coverage specified in the Snapshot.

We feel this approach will offer peace of mind in the event of a loss while providing the flexibility your ministry needs based on the variety of your exposures/activities.

The goal is for all members of our conference to have adequate property and liability coverage based on the tiered concept by July 1, 2014. Once your policy is written, renewed or upgraded, please send the declaration pages from the policy (the four to six pages in front of the policy that lists the coverage limits for property and liability insurance) to the Conference office at PO Box 20335, Billings, MT 59104.

We are very excited about our insurance plan and are looking forward to the day when our entire Conference is adequately insured. Should you have any questions or comments, please don't hesitate to contact either of us. Tena at (307) 674-7872 or Ron at (406) 222-8281.

Sincerely,

Tena Taylor – Chair  
Yellowstone Conference Board of Trustees

Ron Clark – Secretary  
Yellowstone Conference Board of Trustees