Recommended Insurance Limits   
 for Churches

**BUILDING:** Replacement Cost of at least 80%  
*\*You can save a little money by going to a 90% coinsurance but can experience a penalty at claim time if values are not properly insured. (Values what you should have covered vs. what you did cover) Most insurance companies automatically use a cost estimator to raise limits from year to year as materials increase. Replacement Cost policies can have depreciation in certain areas for items like the roof and carpet. At the time of loss, the insurance company may replace the building, contents but may depreciate due to the age and life expectancy of those items.*

ACV policies: *Some polices are written on an ACV basis (replacement cost minus depreciation) due to the age and condition of the building.*

FUNCTIONAL VALUE policies: *These are policies are usually written by substandard companies or agencies that insure property that will not be built back exactly as they were originally built. They are usually older buildings, joisted masonry, and do not maintain a resell able value. These policies are written on a face value determined by the insured and insurance company. If there is a loss, the claim amount would be paid up to that amount minus the deductible. These policies are mostly written when there are no other options available.*

**LIABILITY LIMITS:**   
GENERAL LIABILITY $1,000,000 Minimum  
 \*Recommend $2,000,000 and a $5,000,000 aggregate

PRODUCTS-COMPLETED OPERATIONS $1,000,000 Minimum  
 \*Recommend a $2,000,000 Limit  
EACH OCCURENCE $1,000,000 Minimum  
(Bodily Injury & Property Damage Combined) \*Recommend $2,000,000 Limit  
*\*An example of this type of coverage is if the church offers an outreach program of building sometime like wheelchair handicapped ramps. If someone gets hurt due to the construction of this product, this is where coverage is afforded. Another example is if a church has a continual fundraiser throughout the year like making peanut brittle or candles. If someone is hurt or becomes seriously ill, this may cover these items.*

PERSONAL AND ADVERTISING INJURY LIMIT $1,000,000 Minimum  
 \*Recommend a $2,000,000 Limit  
*\*An example of this coverage is if the church falsifies written materials, copyrights, commits an offense in* *the course of advertising, products, or services. It can also include slander or refusing a person to the rights of privacy.*  
   
MEDICAL EXPENSE LIMIT--ANY ONE PERSON $15,000  
(Other than sexual misconduct or sexual molestation)

PROPERTY DAMAGE LEGAL LIABILITY $1,000,000 per occurrence

SEXUAL MISCONDUCT OR SEXUAL MOLESTATION   
 EACH CLAIM LIMIT $300,000 or higher  
 AGGREGIATE LIMIT $300,000 or higher

SEXUAL MISCONDUCT OR SEXUAL MOLESTATION  
(MEDICAL EXPENSE LIMITS)  
 ANY ONE PERSON $10,000 or higher  
 AGGREGIATE LIMIT $50,000 or higher

LEGAL DEFENSE COVERAGE LIMIT  
 EACH DEFENSIBLE INCIDENT LIMIT $5,000 or higher  
 AGGREGIATE LIMIT $15,000 or higher  
*\*An example of this coverage is when the church either refuses to pay a contractor after faulty work or is in the process of working on an arrangement with the contract but the contractor takes the church to small claims court or sues them. This will pay for the defense of suits wrongly brought against the church.*

CATASTROPHIC VIOLENCE RESPONSE  
 PER PERSON LIMIT $50,000 or higher  
 EACH VIOLENT INCIDENT LIMIT $300,000 or higher  
 VIOLENT INCIDENT AGGREGIATE LIMIT $300,000 or higher  
*\*An example of this type of coverage is if a shooter enters the building and either people or the intruder is injured or killed, this may be used. Families of an intruder may seek damages also.*

LOSS OF LIFE ENDORSEMENT   
 EACH PERSON LIMIT OF INSURANCE $15,000  
 EACH ACCIDENT LIMIT OF INSURANCE $20,000

CRIME (CHURCH THEFT OF MONEY & SECURITIES) $5,000-$10,000  
 BLANKET BOND $5,000-$10,000  
*\*An example of this would include a staff member, whether paid or volunteer, who steals monies, misplace monies, or falsifies accounting or bookkeeping records.*

COUNSELING PROFESSIONAL LIABILITY   
 EACH CLAIM $1,000,000-$2,000,000  
 AGGREGIATE $5,000,000

DIRECTORS & OFFICERS $100,000-$300,000

EMPLOYMENT PRACTICES LIABILTY $100,000-$300,000  
*\*An example of this is if the church wrongfully terminates an employee based upon sex, race, etc. and could include a staff member who is terminated due to a change of sexual preferences or hires someone less qualified and someone seeks damages.*

AFFLIATED ENTITY DISPUTE LEGAL DEFENSE  
 EACH WRONGFUL ACT $25,000  
 AGGREGIATE $50,000

AUTO LIABILTY (OTHER THAN NON-OWNED) $1,000,000 Minimum  
 \*Recommend $2,000,000  
BODILY INJURY   
 EACH PERSON $20,000-$25,000 Minimum  
 EACH ACCIDENT $40,000-$50,000 Minimum

UNINSURED MOTORIST INCLUDED

HIRED AND NON-OWNED AUTO   
 EACH OCCURENCE $1,000,000 Minimum  
 \*Recommend $2,000,000   
 AGGREGIATE $5,000,000

MEDICAL EXPENSE  
 ANY ONE PERSON $15,000  
 AGGREGIATE $25,000

UMBRELLA COVERAGE $1,000,000 Minimum  
 \*Recommend $2,000,000 $3,000,000

WORKER'S COMPENSATION POLICY   
 BODILY INJURY BY ACCIDENT $500,000 Minimum   
 BODILY INJURY BY DISEASE PER EMPLOYEE $500,000 Minimum  
 BODILY INJURY POLICY LIMITS $500,000 Minimum   
 \*recommend higher limits on Worker's Compensation if available

As a note: There have been times when an older church has substantial damage and needs to be replaced. Older buildings may or may not have been updated with codes and ordnances that are required of newer buildings. Most policies have built-in increased value to include extra expenses that are now required as an ordnance of the law.

Can Ask for Savings: Some insurance agencies can ask their insurance company for a 5%-10% discount due to good claim experience, proper maintenance of the property, or due to the buildings being newer. Many independent agencies can ask for the underwriters to either give a discount due to these. They can also ask to knock off a percentage of their commission in order to get your business.

Secondly, some contents, such as pews, can be either written under the building limits or contents. If any property is bolted or attached to your building, it can be written as a part of building coverage instead of contents. It can save as much as 75% off the price of the contents price when written as a part of building coverage. Please refer to your policy definition of what is considered building coverage.