

PBBA/WCBA | Church Insurance Guidance

Insurance costs are rising for churches and increasingly eating into church budgets with each passing year. Despite the spiraling insurance costs and the endless shifts in coverage (for both personal and commercial policies), churches can take steps.

1. **General Liability** | Ensure the church is with an insurance company that effectively covers the General Liability insurance needs of your church. Kingdom ministry exposes risk to the church, especially within a highly litigious and “fallen” culture. Being adequately covered should be viewed as a TOP priority.

Local Trusted Companies:

- a. Beacon Insurance Company; Agent – Terry Fortune (<https://beaconinsuranceagency.com>)
 - b. Locklin Insurance Company; Agent – Bob Locklin (<https://locklininsurance.com>)
 - c. Fisher Brown Boutwell Insurance Company; Agent – Patrick Smith (<https://trustmark.com/fbbi>)
2. **Building/Property** | The ministry tool of the church campus is exposed to both accidents and natural disasters. The church will need to determine the amount of risk they are willing to hold themselves (e.g., self-insure), and the amount of risk they are willing to pay an insurance company to assume. The following items should be considered:
 - a. Do we desire, and/or can we afford, insurance valuing 100% replacement costs; or, measuring the likelihood of a total loss, can we have coverage that extends to only a portion of the replacement cost (ex. 90% or 80%, etc.) which would financially save the church on both premium and deductible costs. Note: Before considering reducing the Property limit to 80% or 90% discuss with your insurance agent to determine if the property policy includes a coinsurance clause.
 - b. Do we want to get building/property insurance coverage from the same company as General Liability (as the above Local Trusted Companies in #1 do offer building/property (plus wind/hail) for churches), or can we get a better rate and policy through a non-standard company (ex. [Lloyds of London](#)).
 3. **Hurricane** | Some churches have General Liability and Building/property coverage with one provider while another provider covers wind/hail (e.g., Hurricane). The reason behind this split coverage is both cost savings (high deductible) or a local provider may not cover wind/hail. {Note: not all providers offer this split}
 4. **Limited Option** | When evaluating degree of risk (likelihood to have an event), some commercial owners are carrying fire insurance only whereby they are covered for this total loss scenario (fires are often a total loss). This limited option would carry lower premiums; however, churches would need to be disciplined and proactive in saving up money to cover other facility costs in the event of building/property damage due to accident or natural disaster (up to full replacement cost). Note: if your church has a mortgage, you may not be permitted to use this option by the financial institution who holds the loan.
 5. **Costs** | Insurance costs can quickly overtake funds for ministry opportunities; therefore, it is imperative that the church has a plan that fits their unique setting, stewarding their facility wisely yet not compromising Kingdom ministry. For additional consideration: choosing a ministry-forward approach that prioritizes ministry spending over insurance spending has a greater chance of garnering future resources (e.g., finances/tithes given from the newly reached), as opposed to prioritizing insurance over ministry that may hinder the church from future growth.
 - a. Establish a designated financial account to cover all or a portion of insurance deductibles and/or replacement costs. Determine the boundaries of this fund so that monies are not siphoned off for other needs. Note: reaching this amount may take several years and state conventions sometimes assist with a small portion of those costs at the time of the event.
 - b. Determine the type of account where monies will be held. Examples include, but not limited to traditional savings account, gifts from an estate planning initiative, investment fund, key man life insurance policy.
 - c. Determine the financial institution where monies will be held. It is recommended that monies be held in an investment fund with [Florida Baptist Financial Services](#) so that monies can concurrently be used for Kingdom endeavors.