



"From Where I Sit ..."

The Fire & Casualty Insurance Plan Renews – NO INCREASE!

The Fire and Casualty Insurance Plan for the CME Church renewed June 1st **without an increase** in allocations of the basic insurance package for the local churches currently in our Plan! The no-increase applies to all features of the Plan except Workers' Compensation and Auto Insurance whose programs are supplemental to the inclusive package. Despite overall increases in the insurance market, our brokers have worked diligently with our administration to maintain current local church allocations.



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In the meantime, coverages of the Plan have increased. The stated or agreed coverage values for all insured properties have been increased by 3% of the 2017-2018 values. Additionally, crime coverage has been increased.

As of May 15th, only six (6) claims had been filed for the 2017-2018 policy year and all were paid, closed, or had reserves established for the balance of their claims. The small number of claims is attributable to the improved conditions of our insured churches and the failure of major weathering conditions to adversely impact our churches.

All churches properties reported to our Plan are insured for their stated values, as provided by the insured or their previous policies. This Good-Faith reporting eliminates the potential for a co-insurance penalty levied on a claim if a building was reported as undervalued. In situations where the reported values are "understated," our Plan provides an additional 25% toward the adequacy for replacement in the event of a total loss.

To address the concern with replacement value, an appraisal will be conducted of the primary church building for each insured at a deeply discounted rate of \$250 per "church building" which will be repaid over a 2-year period. Additionally, if desired, other free-standing church buildings may also be appraised at the same discounted rate. When the appraisal is completed the church will have a more accurate replacement value of their properties and a copy of the appraisal will be provided. Most churches that have had an appraisal have received it based on "Market value" rather than "Replacement value" which our Plan uses in case of a covered loss.

Additionally, the Plan will provide loss control services to our churches that will empower trustees and other officers to efficiently conduct a self-inspection which when done will lessen the potential for claims and aid the Plan to continue to reduce the "Total Cost of Risk" and potentially lower church allocations.

Launching this group Plan last year was an act of faith that has met our needs and proven successful. **We encourage our churches not in this Plan to request a no-obligation quote as soon as possible by calling Audrey Johnson or me at (901) 345-4100.** With nothing to lose, it's a great deal. *Or at least that's the way it looks to me...*

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(Copies of earlier articles may be found on the

Personnel Services Webpage of the CME Website at www.thecmechurch.org)