

# The New Mexico Annual Conference Insurance Program

## Current Standing and Options for Churches

The New Mexico Annual Conference Trustees have negotiated a policy requiring that all churches participate in the conference insurance plan. This policy, currently issued with Sovereign Insurance, includes Comprehensive liability package, Special Form building and property coverage, vehicle insurance, and workers' comprehensive coverage.

## Comprehensive Coverage Explained

### Liability Coverage

The comprehensive liability coverage ensures that churches are protected against claims of bodily injury or property damage that may arise during church activities. This includes incidents that may occur on church premises or during church-sponsored events off-site.

Liability coverage includes Professional liability, Employment practices, cyber liability and sexual misconduct along with Directors, Officers & Trustees Liability.

The liability coverage is crucial for protecting the financial integrity of both the church and our conference in case of an accident or lawsuits.

### Special Form Building and Property Coverage

The Special Form cause of loss for building and property coverage offers protection against a broad range of risks, including fire, theft, vandalism, and natural disasters. This coverage is vital for maintaining the physical structure and contents of the church, ensuring that the church can continue its operations even after unforeseen damages.

### Vehicle Insurance

Vehicle insurance provided under the conference plan covers church-owned and non-owned vehicles. This includes coverage for damages resulting from accidents, as well as protection against theft and vandalism. The vehicle insurance ensures that church vehicles are adequately insured for the protection of the congregation and its ministry.

### Workers' Comprehensive Coverage

Workers' comprehensive coverage is designed to protect church employees in case of work-related injuries or illnesses. This coverage includes medical expenses, lost wages, and rehabilitation costs, ensuring that church staff members are taken care of in the event of an occupational incident.

## Policy Changes and Opt-Out Option

As insurance rates continue to increase, the Trustees have introduced a new provision allowing churches to submit a request to opt out of carrying property insurance. This request can be submitted to the respective District Superintendent and will be reviewed by both the DS the Trustees for approval. Opting out of property coverage does not release a church from continuing to purchase insurance for Liability and Workers Compensation through the conference insurance plan.

### Approval Process

The approval to not purchase property insurance will only apply to the building and contents coverage. The church must continue to maintain their Liability and Workers' Compensation coverage with the conference insurance plan. This ensures that churches are still protected against major liabilities and that their staff members are covered in case of workplace incidents. A new application form must be approved each year.

### Conditions for Opting Out

The option to opt out of insuring a church's property should only be considered when funds are limited and in lieu of closing the church altogether. This provision is particularly aimed at helping churches that are struggling financially and are at risk of closing the church, due to high insurance costs.

## Strategic Financial Decisions

Churches facing financial constraints are encouraged to carefully evaluate their insurance needs and consider the potential risks of opting out of property coverage. While opting out may provide temporary financial relief, it also leaves the church vulnerable to significant financial losses in case of any property damage. The NM conference does not have the financial resources to repair or rebuild a church. Maintaining your church is property is the sole responsibility of the local church.

### Collaborative Decision-Making

Church leaders are advised to collaborate with their District Superintendent and the Conference Trustees to thoroughly assess their financial situation and the potential impact of not carrying property insurance. This collaborative approach ensures that the decision is made in the best interest of the church and its congregation.

## Conclusion

The New Mexico Annual Conference Trustees have implemented a comprehensive insurance policy to protect churches against various risks. While the option to opt out of property insurance provides flexibility for financially struggling churches, it is crucial to make this application with careful consideration of potential risks. By maintaining liability and workers' compensation coverage, churches can continue to safeguard their operations and support their ministry.