



UCC Protect United 2.0

UCC Protect United Insurance Program: Overview and Frequently Asked Questions (FAQs)

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I. INTRODUCTION

As we transition into the second annual renewal (Dec. 1/24) for the captive insurance program, after stabilization, the intent is to offer a variety of cost savings options that have not been readily available from commercial insurers in the past. Since regional councils are responsible for property, we want to ensure anything we produce aligns with region policy.

Note: While most of this discussion pertains to property insurance which makes up most of the premium, every church requires general liability insurance (abuse liability extension also recommended to protect employee, Directors and Officers).

From the *Trustees Handbook*

Insurance Responsibility

Trustees must ensure adequate insurance is maintained to protect buildings and other congregational property and to minimize the exposure of congregational assets. One of the positive outcomes of fulfilling the responsibility of ensuring adequate insurance coverage is that trustees then have legal representation and indemnification (payment for any losses) for any actions in which they are named as defendants in their capacity as trustees. Trustees have the right to compensation for any losses out of the trust estate.

While our polity is silent on trustees' responsibility for insurance, the law courts have held that any trustee who fails to insure the trust property adequately is deemed personally liable for any insurable loss. In Quebec, where trustees are regarded as mandataries administering the property of The United Church of Canada, the same duty applies.

Trustees' recourse If the governing body is not willing to approve insurance coverage that the trustees consider adequate is for the trustees to inform the regional council of the situation. The trustees also have the option of resigning if they are unable to ensure adequate insurance is in place.

Types of insurance coverage for congregations

The exact kind of insurance coverage necessary varies among congregations. Coverage can be arranged through the UCC Protect plan (Hub International - insurance broker) or the congregation's own insurance broker, who will advise on the coverage appropriate for a particular congregation.

Congregations and other ministries are responsible for obtaining and maintaining adequate property and liability insurance coverage. UCC Protect United is a nationally sponsored program whose sole purpose is to help make premiums more affordable and support all related risk management activities. A separate Third-Party Insurance program is available to obtain insurance directly through Hub for such tenants/renters who hold special events at the church.

In addition, the national church pays for:

1. An umbrella Directors and Officers liability coverage to ensure all congregations in good standing have this in place.
2. A Cyber Emergency Incident Response Assistance call center facility to provide 7x24 advisory support in the event of cyber incidents.



II. UCC PROTECT UNITED: INSURANCE COVERAGES SUMMARY

The following coverages are included in the program and typically obtained by churches:

I - Property:

Limit – based on replacement cost values provided (signed-off) by church, optimally supported by appraisal every 5 years (90% co-insurance clause applied to claims \$250,000 and higher if no appraisal).

Coverages -

- Physical damage to property (building, stained glass, organ, contents).
- Business interruption loss of revenue from downtime (e.g., premises rental income).
- Extra expenses incurred to operate temporarily elsewhere during building repair.

Deductible – options (\$1,000 - \$2,500 - \$5,000 - \$10,000)

Claim examples – fire, arson, windstorm/weather/water damage, theft, malicious damage.

II - Equipment Breakdown:

Limit – for coverages a) same as for Property insurance (min \$2 million), b-d) \$250,000, e) \$100,000.

Coverages -

- a) Accidental loss – sudden & accidental breakdown of boiler, mechanical or electrical machine or apparatus (not – wear & tear)
- b) Expediting expenses
- c) Mortgage impairment.
- d) Water damage, ammonia damage, hazardous contamination
- e) Spoilage
- f) Insurer assumes costs of required regulatory inspections.

Deductible – \$500 per accident, 24 hrs. waiting period business loss, \$1,000 consequential loss.

Claim examples – accidental electrical & mechanical breakdown situations.

III - Crime:

Limit – for coverages a) \$100,000 or \$25,000 b) c) d) \$25,000.

Coverages –

- a) employee fidelity
- b) forgery – depositors, credit card, cheques
- c) computer fraud
- d) proof of loss



Deductible – \$500

Claim examples – employee and/or documentation fraud, inside/outside robbery.

IV - Comprehensive General Liability (CGL):

Limit – \$2 million per occurrence/annual aggregate.

Coverages –

- a) Third party bodily injury
- b) Third party property damage
- c) Professional Services Errors & Omissions
- d) Medical Payments
- e) Tenant's Legal Liability
- f) Employee Benefits administration
- g) Legal liability for hired automobiles (non-owned automobile usage).
- h) Sudden & Accidental Pollution

Deductible – b) \$250, e) f) \$1,000, g) \$750

Policy Form – “occurrence basis” – means claims that occur during policy period are covered regardless of when they are reported.

Claim Examples – slip & fall, premises injury medical expenses, employee auto incident working on church's behalf causing church liability, alleged incorrect faith-based consulting advice.

V - Abuse:

Limit – for coverages a) \$2 million per claim/annual aggregate, b) \$50,000 per claim/\$250,000 annual aggregate, c) \$20,000 per claim/\$100,000 annual aggregate,

Coverages –

- a) Abuse (molestation, harassment, corporal punishment or any other alleges physical or mental abuse)
- b) Defence costs
- c) Counseling & Rehab Expenses

Deductible – b) \$1,000

Policy Form – “claims-made” basis meaning claims must be reported during policy term to be valid. Retroactive date March 2016 when program abuse coverage transitioned from “occurrence” to “claims-made” form.

Claims examples – sexual, mental or physical misconduct.

VI - Umbrella Liability:

Limit – options (\$3 – 5 – 8 million)



Coverages – follow-form Comprehensive General Liability (however - absolute pollution & abuse exclusions)

Policy Form – occurrence basis – means claims that occur during policy period are covered regardless of when they are reported.

Claims examples – active shooter on church premises, fire injuring third parties, large non-owned automobile claim naming UCC.

Policy wording for coverages I-VI: Refer to the “UCC Protect Policy” download on the [UCC Protect webpage](#).

VII - Other coverages/services arranged and paid for centrally by UCC (for all congregations and corporate entities):

Directors & Officers Liability (claims-made form)

Protects employees, trustees, volunteers, committee members, and any other people acting on behalf of the congregation or at the direction of an officer or the governing body for their personal liability arising out of actual or alleged negligence, errors, misstatements, or breach of duty in their oversight responsibilities.

Refer to “Directors and Officers Certificate” download on the [Directors and Officers Liability Insurance webpage](#).

Cyber Emergency Incident Response Service

Cyber incident response service (delivered by CyberBOXX) where IT security and forensic experts provide immediate guidance and support including a roadmap for understanding the incident and restoring the network. This 24/7 service can be accessed via email or telephone.

Refer to the [Emergency Cyber Breach Response Service webpage](#) for more details.

VIII - Third Party Liability Facility (IRC)

Outside organizations or individuals Those using space in the church building or other congregational property should have their own liability insurance coverage. Users should be required to provide a certificate of insurance before they begin to use the space. The certificate of insurance should indicate that the congregation has been named as an “Additional Insured” on the user’s policy.

In this regard, Hub has arranged a new partnership between UCC Protect United & Instant Risk Coverage (IRC) as a specialty solution to facilitate Third Party renter liability insurance to be purchased directly in a streamlined online fashion when renting any congregation/ministry property.

Note: in the past our Market Insurance offering was limited to church participants that obtain their commercial insurance through the UCC Protect program. As an enhancement, the new program is available to clients of any United Church and



these properties have been pre-populated in the online portal for selection by the Third Party.

The menu of acceptable event types included in the portal is broad (e.g., meeting, reception, class, concert, wedding, party, sport, other).

Coverage is for Liability Insurance protection, which will provide a legal defence and settlement if your renters, their directors, officers, employees, officials, members, and volunteers are accused of a “covered negligent act” which has caused a Third Party a bodily injury or damage to the congregation/ministry property. The insurance policy pays for the defence (legal fees and investigations) and compensatory damages should all or part of the responsibility for the injury or property damage rest with the facility renter.

There is no cost to the congregation/ministry for this product, and the users of your facilities are charged directly for their specific activity.

The key advantages of this new arrangement are:

- The church is named as an “Insured” to the policy with a certificate automatically issued.
- Lowest available premium rates (based on event duration – hourly without a typical day minimum charge)
- The online portal application process includes access to the policy wording details.
- Expands to include participant to participant liability and liquor liability when requested.
- 24/7 support service from IRC (online, text, email or phone).

Churches should provide the following two information items to Third Parties or direct them to the [UCC Protect webpage](#) on the United Church website to access:

1. Portal [link to purchase renter insurance coverage](#) on the HUB website.
2. Refer to the “Facility User Program Onboarding” download on the [UCC Protect webpage](#).



III. FREQUENTLY ASKED QUESTIONS

1. Who is the insurer for UCC Protect Direct?

Effective Dec. 1/22 UCC established its own captive insurer (**Kindred Insurance Inc.**) underwriting the primary \$2 million limit for the property and liability coverages and \$250,000 limit for Crime coverage, where **AIG** serves as the fronting licensed insurer. For excess insurance, **Intact/Northbridge/Wawanesa/Ecclesiastical** subscribe the excess property, **Intact/Northbridge** subscribe the Equipment Breakdown coverage, and **Intact** is the excess insurer on the liability and crime coverages.

Hub serves as the broker in (i) the design the insurance program structure, (ii) servicing clients, (iii) arranging risk management procedures and appraisal services, and (iv) advocating claims settlement on behalf of UCC and member congregation program participants.

Claims Pro (SCM) is the control claims adjuster to who clients report their claims.

Kindred Insurance Inc. was capitalized by The United Church of Canada with the core objectives to (1) maintain program stability through the existence of a dedicated insurer and (2) reduce expensed through streamlined administration. This has resulted in reduced insurance premiums since inception.

2. What is adequate insurance?

At issue from a local trustee perspective is “What is adequate insurance?”

The Trustee Handbook suggests a broker will tell you, but that is not really the case. The broker needs to know a customer's parameters. The traditional insurance model is based entirely on the basis of “full replacement value”. But increasingly, that thinking may be out-of-date, particularly as insurance costs become an increasingly substantial portion of local fixed costs.

Many—a majority—of our churches would not replace their church buildings “as is” in the event of a total loss.

- many would not replace at all,
- many would plan to replace a much smaller church footprint.

but need enough coverage for site cleanup even if no other property insurance? or is that a risk the region can accept?

Insurance companies do not pay out the full amount unless replacement is undertaken within 2 years. The payout is otherwise something called actual cash value (sometimes half or less).

Very few claims are “total loss” recognizing most losses are small to mid-size claims.



If we determine that adequate insurance can be something less than full replacement cost, what disclosure would we require?

- to the congregation?
- to the region?
- other?

UCC Protect United will be offering options for property insurance that create premium savings from less coverage or higher deductibles. It is important to note that the savings are not linear. Cutting your insurance amount in half does not yield 50% savings - 10% - because most claims are for lesser amounts than the max.

3. How can a church reduce the cost of insurance while maintaining proper insurance to protect the assets of the church and overall public safety?

We realize that some churches face a financial challenge to afford annual insurance premiums due to limited revenue sources. As such, in certain instances a congregation decides to amalgamate or in an extreme case close its doors. If it elects to continue operations, a church may decide only to purchase liability insurance (not its physical assets (building, contents)).

Coverage flexible design choices (with associated annual premium reduction):

- i. Property/Equipment Breakdown coverages – approx. 70-85% of premium (depending on building size)
 - a. increase deductible – options \$2,500-\$5,000-\$7,500-\$10,000. (up to 15% premium decrease)
 - b. valuation limit – replacement cost vs. agreed value (10% premium decrease)
- ii. Liability coverage – approx. 10-25% of premium
 - a. reduce limit from current \$5 or \$10 million to \$2 million – thereby not purchasing umbrella liability coverage (save \$1,000-\$1,800)
- iii. Crime coverage – approx. 5% of premium
 - a. reduce limit from \$100,000 to \$25,000 (save \$130)

4. Can we ask participants to sign waivers vs. requiring third party insurance?

Waivers are a useful tool in risk management, even if often not legally binding. Requiring waivers for more riskier activities signals a commitment to risk management and reduces – but does not eliminate- the likelihood of being successfully sued. Waivers can supplement third party insurance, but should not be a substitute.

5. What are the insurance implications for hosting Pickleball or other sports?

Please be advised that if the church is partaking in this activity within an inside gym or external court on the church's property, this activity should be disclosed to Hub with (i) a profile of the estimated usage frequency and (ii) clarification if the church is charging a rental fee to users. If such is the case, Hub, on behalf of UCC Protect United, has setup a facility for third parties to purchase insurance directly online.

6. What are the insurance implications for alcohol being served?

The UCC Protect United policy does not have an exclusion for serving alcohol and therefore, if the function is organized by the church, coverage exists if the church is held liable for a claim situation. Third-party insurance should be mandatory for tenants serving alcohol and as such the event premium will be higher. When the church is renting the location, then we do want the third-party to carry its own coverage (The UCC third-party insurance facility is an option to consider).

It is prudent to take steps to minimize the risk of over-serving – for example to either only give 2 tickets per person or charge for alcohol.

It is prudent for the church to charge a rental fee thereby transferring the related risk exposure to the third party (user) as a form of risk management.

7. Would regions allow zero property insurance in some situations and if so, what is the residual risk?

Most regions do not have the financial resources to absorb a significant insurance clean-up cost, so regions will typically require Wreckage Value coverage as an absolute minimum. (if available)

8. What is adequate insurance as described in the *Trustees Handbook*?

This is a subject of considerable debate. Full replacement value property insurance would have been the expected standard for decades, but now less amounts may be considered if fully disclosed to all stakeholders.

9. What activities are covered under the policy?

While it is recommended that any new activity or program be disclosed to the insurer/broker to gauge any insurance implication, there is coverage under the policy for any reasonable church associated activity – unless the policy specifically excludes it. For example - competitive sports leagues or programs are not covered but recreational activities are. It is important to note that for there to be an insurable claim, there must be a ruling of fault or negligence on the part of the Insured.

Over the years we have sought specific rulings for activities such as:

- Pickleball
- Events where alcohol is served (with permit and approved servers)
- Healing Touch
- Emergency Naxolone injection
- Participation in protest marches

10. Guidance for completing insurance application.

Churches will be pleased to hear that the old 8-page application has been reduced substantially and is currently being set-up to allow the option to be completed manually or electronically (can be downloaded from the [UCC Protect webpage](#) on The United Church of Canada website).



The application questions are established to facilitate an understanding the church property construction type, along with the activities taking place.

Tips for completion:

- If any question is non-applicable, please note n/a.
- If you do not know the answer to a question, please state such while seeking a response.
- For property description, please be sure to confirm the year the building was built, size (sq. ft.), construction type and the date (year) when roof, electrical, plumbing and heating updates were completed.
- Signature required for (i) of statement of values sheet is critical as it confirms limit of insurance being purchased and (ii) declarations page.
- If you do not have a manse, please answer n/a
- All crime questions need to be completed (e.g., safe, lock, audit procedures)
- Questions relating to adherence of (i) employee background checks and (ii) abuse protocols, review and confirm “yes” as the response – these steps are required to confirm coverage.
- The supplemental application sections (additional location, day-care or camp) are only required if applicable – please note n/a if not applicable.

11. Should we have Cyber Insurance?

This specialty coverage can include financial protection for (1) repairing computer system damage and regaining access to locked data, (2) third-party liability for breach of private information or identity of others accessed through your system and (3) miscellaneous expenses.

At present, cyber insurance must be applied for separately by each ministry unit. Many of our ministries will not yet meet the minimum-security requirements and safeguards to qualify for this coverage.

As referenced above, UCC Protect United (funded by Hub for current year) introduced an incident response service for all UCC congregations. The core objective here is to identify and fix a problem promptly (if possible).

Broader coverage for both first party cost reimbursement and third-party liability is available to churches who have the pre-requisite security protection (e.g., multi-factor authentication, VPN, anti-virus software or awareness training).

Some other insurers have included a small \$25,000 cyber expense sub-limit under their general liability coverage. This is of limited value because the services to fix a problem are most important as a first step.



12. How much Comprehensive General Liability should a congregation/ministry have?

\$2 million is the minimum amount offered by insurers and this is an absolute minimum. For larger churches or those in urban settings, at least \$5 million is recommended.

13. How much insurance should we require contractors on premises to carry?

Recommendation - minimum of \$2 million (if church building has a replacement value of less than \$2 million) increasing this amount to \$5 million if the building value is higher and/or government funders and financial institutions request such insurance be in place for higher amounts.

Where regional councils are sponsoring events hosted by local churches, the past practice has been to for those host churches to request proof of insurance. Where both parties are participants in the UCC Protect Direct program, this requirement can be waived as there is a shared insurer.

14. Mid-term change considering additional coverage.

The policy automatically currently covers up to \$100,000 in newly acquired property or contents and this amount will be increased to \$250,000 at the Dec. 1/24 renewal. However, we ask Insureds to advise Hub so that the program databases can be kept up to date. No additional premium is required until renewal.

15. What evidence must be provided with a request to delete a coverage?

To avoid misunderstandings when deleting a coverage, Hub may ask for documentation of a sale transaction, but a written request by an authorized person will be sufficient to process a coverage deletion and resultant premium adjustment. It is strongly recommended that such a decision be communicated locally to ensure there is no local problem in the event of a subsequent claim where insurance no longer in force.

16. What are the requirements for appraisals?

In an effort to assure that adequate insurance is maintained on church buildings, historically faith-based best practice has been to obtain an accredited appraisal every 5 years.

Going-forward, UCC Protect United is coordinating relationships with appraisal service providers who have the technology to allow for subsequent updates to be managed without a physical visit (if no changes have occurred – e.g., renovation or rebuild). This will reduce associated costs.

The program follows insurance industry standards applying an annual inflation factor to building and content values at renewal time to reflect current replacement cost valuation.

17. How do I get an appraisal?

There are service providers across the country. UCC Protect United has preferred arrangement with Loss Control Consultants Ltd. whereby we try to coordinate volume visits in particular regions to reduce travel cost and ensure consistency of report quality. Appraisal firms with national coverage include:



- Duff & Phelps (formally known as American Appraisal): Canada & US
- Suncorp Valuations: Canada & US
- Risk Management Services: Canada
- Cunningham & Rivard Appraisal (Nanaimo) Ltd.: Canada, BC
- Brunsdon Lawrek & Associates: Canada – SK
- Loss Control Consultants Limited
PO Box 31045 Bridgeland, Calgary, AB T2E 9A3
Telephone: 780-429-5677, e-mail lccl.west@shaw.ca

18. What is co-insurance and how does it work?

As there are many UCC Protect United churches that have not arranged an appraisal in over 5 years. In these instances, as is common practice by all insurers, the property coverage is subject to a 90% coinsurance clause (meaning that the Insured will be subject to a 10% deductible – above the policy per loss deductible noted in policy - on claims where the claims adjuster confirms that the property limit (as requested by the Insured based on the stated value in the application plus subsequent annual inflation factors applied) does not reflect the updated replacement cost value. In this regard, we are pleased to confirm that effective Dec. 1/24 this clause only applies to claims \$250,000 or higher (this is a unique advantage compared to other insurers).

19. Does the UCC umbrella D&O coverage include claims of abuse?

The short answer is no. While a D&O policy might come into play in the event of an abuse claim in terms of defence costs or negligence for alleged Board lack of oversight, it is not designed to cover the specific abuse act which is more specifically covered under a Comprehensive General Liability or if you have a separate abuse coverage.

The nationally sponsored/endorsed UCC Protect United plan includes the abuse coverage in the CGL portion. It is important to consider whether abuse coverage is included or excluded in what you have in order that there be “apples to apples” premium comparisons.

20. What if I need a boiler inspection?

Call or write Hub to arrange this inspection, which is performed by the Equipment Breakdown coverage insurer.

21. How do I report a claim and what happens next?

In the event of a claim, or any incident that might later give rise to a claim, please report to:

Adelaide Marquardt
HUB International
Phone: 416-597-5501
Fax: 416-597-6811
E-mail: adelaide.marquardt@hubinternational.com
Control Adjusting Firm for UCC Protect
E-mail: UCCclaims@scm.ca



22. Vacant buildings/wreckage value: What you need to do and know

Vacant buildings are considered extra risky for insurance purposes as they are more susceptible to vandalism and other damage. UCC Protect United will provide 60 days coverage upon request by the church. Under exceptional circumstances this period can be extended. In situations where this is expected to last for a longer time, Hub can arrange independent insurance through another specialty insurer (e.g., USLI, SUM, Totten).

23. If I join the program, why is my policy for less than a full year? And what will my premium be at that first renewal?

One of the ways to reduce cost is streamlined administration of the renewal process with our reinsurers. Therefore, all policies with UCC Protect United will renew effective December 1 each year, with renewal paperwork to be issued 45 days in advance.

For new applicants, this has two implications. First depending on the expiry date of your existing policy, you might choose to apply effective Dec 1 and then cancel your existing policy. If instead you choose to switch at renewal of your existing coverage, UCC Protect United will issue a policy up to the following December 1st.

Typically, any premium rate or inflationary increase will only be known a couple of months in advance the December renewal. We flag this for new applicants.

24. Ensuring continuous coverage if changing insurers

Property claims tend to get reported promptly and therefore it is usually clear which insurance policy applies.

However, liability claims can arise for past occurrences many years down the road. Therefore, it is essential to take steps to ensure you have continuous coverage and to know which insurer will be responsible for any claim. To address this potential circumstance, it is important for the church to advise the current insurer of any known potential claim incidents prior to changing insurer.

UCC Protect United and its predecessor UCC Protect has offered abuse liability coverage on a "claims- made" basis since 2016. (Labeled as a prior acts date - explanation in item 25. below.)

25. Liability Insurance: "occurrence" vs. "claims-made" forms

There are four core commercial liability coverages that most businesses purchase to protect themselves against third party liability suits alleging negligence relating to:

1. General liability/Umbrella – bodily injury and/or property damage from operations
2. Abuse – physical or mental distress
3. Directors & Officers – failure to render oversight.
4. Cyber/Privacy - network security breac

Coverage Area 1, representing risks that are usually quite definable in terms quantum and time period, are insured on an "occurrence" basis with the insurance policy responding to



claims relating to activities that took place during the annual insurance policy term regardless of when the allegation is made (subject to statute of limitations).

Whereas Coverage Areas 2-4 represent situations which can be more complex where related allegations often manifest themselves over a prolonged period and are also impacted by a changing legal environment , are insured on a “claims-made” basis with the insurance policy responding only to claims reported during the annual policy term subject to a prior-acts date. In an effort to maintain comprehensive coverage, this approach enables insurers to adapt their products/pricing to evolving exposure dynamics. In this regard, in order to ensure full protection without gaps, there is a related responsibility for churches to:

1. Report all potential incidents that might give rise to a claim during each annual policy term.
2. When changing insurers, advise the new insurer of the date the church first purchased such claims-made insurance to arrange for the go-forward insurance to reach back to cover potential incidents that may have happened but are not yet reported (commonly referred to as “nose” cover).
3. If a church entity is closing business down, speak to the current broker/insurer to purchase an extended reporting period (commonly referred to as “tail” cover) to address the potential risk related to unreported incidents.