

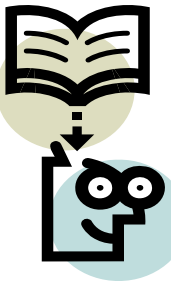
Tips For Treasurers



THE DIOCESE OF COLORADO

May 1, 2006

Don't Miss Final Summer Leadership Workshop



The year's final leadership workshop is coming up fast! Because this year's workshop is entitled "Empowered Vestry Ministries: Faithful in Business and Leadership", several treasurers have commented that they didn't come, thinking it was intended only for vestry members. It is true that the workshop has been revised a bit to appeal to an expanded audience, but it is still very much oriented to the church treasurer and others involved in finance and accounting activities, so much so, that we wish there was a way to make attendance mandatory for new treasurers. So put August 19th on your calendar now and encourage your clergy and other lay leaders to do so as well.

The presenters will include The Rev. Canon Lou Blanchard, Bob Leaman and Pam Greenfield from the Diocese and Anita Sanborn and Scott Asper from the

Colorado Episcopal Foundation. We will have a morning and afternoon general session for all plus breakout sessions targeting leadership and congregational issues for the vestry/bishop's committee members and financial and business issues for the treasurers and others involved in parish accounting and finance. Your church can bring a team of participants to take advantage of both tracks.

Don't forget to go onto the Diocesan Website right away and download the workshop pamphlet and registration form at www.coloradiocese.org/04_ministrysupport/congregationaldevelopment.html. You need you to send in the registration so we can have a good count for the meals and snacks that will be provided. We will gather about 8:30 for a continental breakfast and fellowship, the workshop will begin at 9:00 and we will be out by 4:00. We look forward to seeing many of you there!

Empowered Vestry Workshop Dates

- August 19—Denver, St. John's Cathedral.

What You Need to Know: Property and Liability Insurance

Church Property and Liability Insurance coverages renew on August 1. Following is a summary of coverages for which you have been billed:

Church Insurance of Vermont – Property and General Liability Package: The Diocesan wide average increase for 2006 was 4.87 per cent. This package now includes Directors and Officers (D&O) coverage, which has been invoiced separately in prior years. Your premium, or the quarterly installment thereof, is now due. **Note: Your**

policy contains an exclusion for Acts of Terrorism. You received with your renewal an offer to waive this exclusion for an additional charge. If you wish to be covered for Acts of Terrorism, you must sign and return the notice along with the payment of the extra charge. If this is not done by the due date, you will be deemed to have waived this coverage!

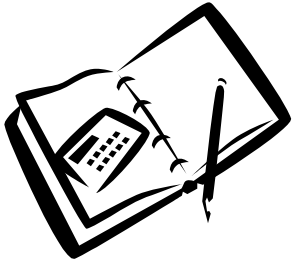
See next page for information about your Umbrella coverage.



proclamation
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Tips For Treasurers

Property and Liability Insurance (Continued...)



Umbrella Policy – St. Paul Insurance Company: The base cost of the Umbrella Policy is unchanged from last year. Coverage levels and related costs

\$1 Million	\$425
\$4 Million	\$850
\$10 Million	\$1,750
\$20 Million	\$3,750

The risks associated with automobiles, light trucks (which includes most SUV's), vans and daycare activities, however, require additional premiums, based upon the level of dollar coverage selected. Particularly at the higher limit levels, the premiums for some of these risks have increased substantially over last year.

The 15 passenger van is the most dangerous vehicle of all and the premiums reflect this. [Click here](#) to read an article from the National Transportation Safety Board (NTSB) **Safety Alert**, which is quite sobering. The umbrella surcharge premium to cover this van makes its use almost prohibitive, but then that is the idea. If the thought of endangering parishioners, especially children, isn't enough to cause one to get rid of it, then the premiums will!

The diocese recommends a minimum coverage of \$4 Million for most churches. Larger churches and those with activities posing additional risks should consider higher limits. The \$1 Million limit should only be selected by the smallest churches with no exposure to any of the additional risks cited. Also attached is a guideline which you might find helpful for selecting the appropriate level of umbrella coverage.

The only other coverages for which you are separately billed are Workmen's Compensation, which renews in February, and, where applicable, Commercial Auto to cover owned and/or leased vehicles. Both are

underwritten by Liberty Mutual Insurance Company. Subsequent to the renewal of the Workmen's Comp policy, the diocese reviewed claims history and was able to obtain a 15 per cent discount. If you paid the billed premium on time, then you should have received a check reflecting the return of premium.

For those who attended the recent Empowered Vestry Workshop, there was a slide showing the base cost of the Umbrella at various levels. That slide was wrong, please pitch it and keep the schedule shown above.

If you have questions about your bill which are generic, we can probably answer them in our office. If they are specific, however, you will get a quicker response by addressing Church Insurance directly. Call or e-mail Nancy Wedum at 800-293-3525 or nwedum@cpg.org.



How Much Catastrophe Coverage Do We Need?

In selecting a limit, you should consider:

- <1> the nature and scope of the organization’s operations;
- <2> the strength of the organization’s risk management program;
- <3> the locale in which the organization conducts business and the judicial climate of that jurisdiction;
- <4> the organization’s large claim history;
- <5> the trend toward large awards against similar organizations, both regionally and nationally;
- <6> the organization’s ability to fund unlimited catastrophic loss from its own treasury; and
- <7> the cost and relative value of insurance.



We can only speculate and discuss the limits of coverage for the Umbrella Program with The St. Paul Companies. The decision is a subjective one for the Church as they must decide the most prudent way to protect their people and property.

St. Paul offers three coverage levels to select from and the Church selection can be based on many different criteria established by their own Vestry or the Diocesan Council as they see fit. The following are only ideas of how to go about making a decision based on certain areas of concern and operations.

<u>Exposure</u>	<u>\$4 Million</u>	<u>\$10 Million</u>	<u>\$20 Million</u>
Church Membership (1) (7)	50 or less	100 or less	200 or more
Revenues (2) (6)	250,000 and less	250,000 to 500,000	500,000 and over
Property Values(2) Risk Management	2 million or less total property values	2 to 5 million total property values	5 million and over total property value
Vehicle Ownership (1) Or leased Vehicle (3)	1 vehicle Absolute necessity	Minimum for a 9 passenger vehicle	Vehicle has more than 15 passengers
Day Care/Preschool (1)	Absolute necessity	20 to 50 enrollment	anything over 50 kids
Soup Kitchen (1) (2)	Absolute necessity One meal per week	Feed more than one meal weekly	Real Peace of Mind coverage
Church owned space Leased to others (1) (2)	Absolute necessity	Better and more realistic protection	Real Peace of Mind coverage
Very Active Church (1) (2)	Absolute necessity	Better and more realistic protection	Real Peace of Mind coverage

We hope the above information will assist you to the proper frame of mind to understand exposures which exist and how your organization can protect itself, by not only purchasing additional insurance but also to manage the risk. The proper management of risk is your solution to future insurance premium.