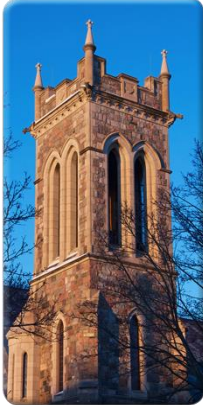




A Century of Service
and Benefits for
the Episcopal Church



Church Insurance Insurance for the Greater Good



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Senior Vice President & General Manager
Church Insurance Company

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Vice President & General Manager
Church Insurance Agency Corporation



October 1, 2019

Episcopal Business Administration Conference

EBAC2019

Church Insurance—Overview



The Mission of the Company



- “The object of The [Church Properties Fire Insurance] Corporation is to reduce as low as possible the cost of fire insurance to the Episcopal Church...”
- “The handling of losses will be sympathetic and tactful, the Corporation considering always the best interest of our Church...”
- “In time it is to be hoped that the Corporation can, through its specialized knowledge, co-operate so effectually with church as to reduce the fire hazard...”

The Mission of the Company

Today, the mission of the company remains essentially unchanged—serve the church through superior products and services; specialized knowledge; and deep understanding of client needs.



Competitive Advantages vs. Disadvantages

When compared to competitors, **Advantages** include:

Captive allows product and price flexibility

- Able to package many necessary coverages in single product
- Able to implement changes quickly

Use of captive to issue policies directly

- Significantly lower costs than competitors

Lower target return than competitors

- Allows more competitive pricing

Client loyalty and high retention

- Reduces overall costs and loss ratio
-

Competitive Advantages vs. Disadvantages

When compared to competitors, **Disadvantages** include:

Small number of prospects

- Lack of scale
- Premium growth limited

Coastal exposed properties

- Much greater need for reinsurance, which increases cost and depresses earnings in most years

Many old and difficult-to-repair buildings

- Valuation of properties more complex
- Cost to repair increased

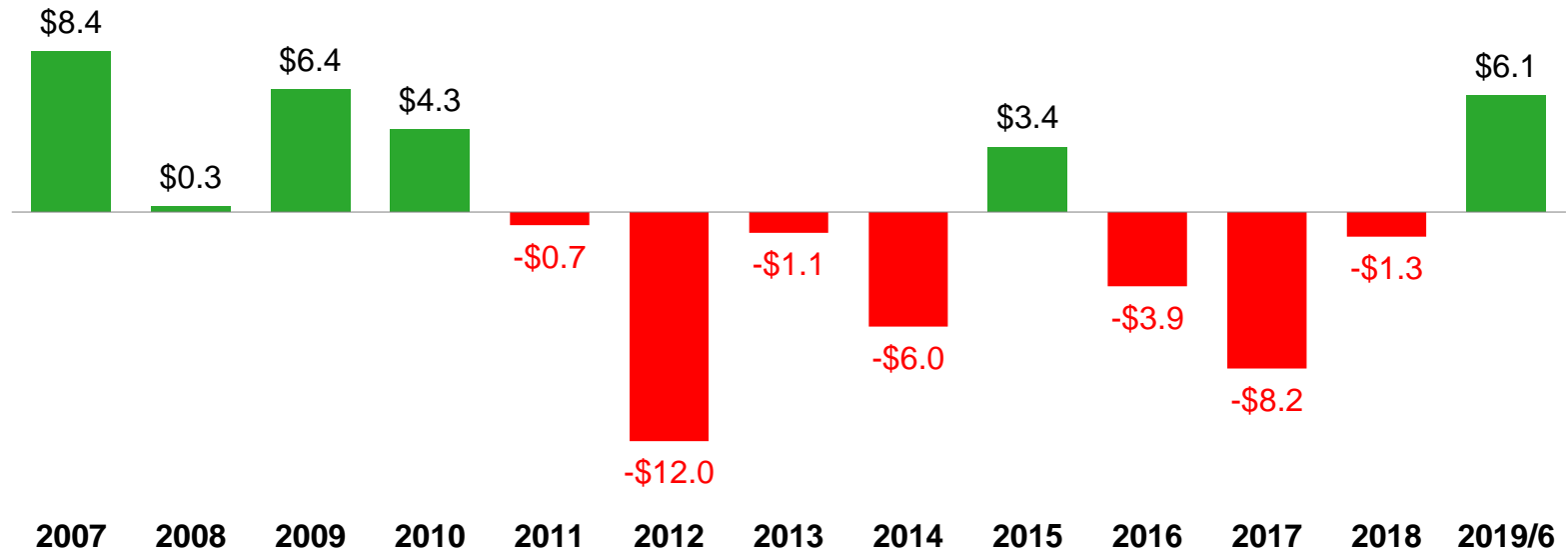
Broader products than most competitors

- Cost of claims increased
-

Financial Results—Net Income for Insurance Operations

Net Income

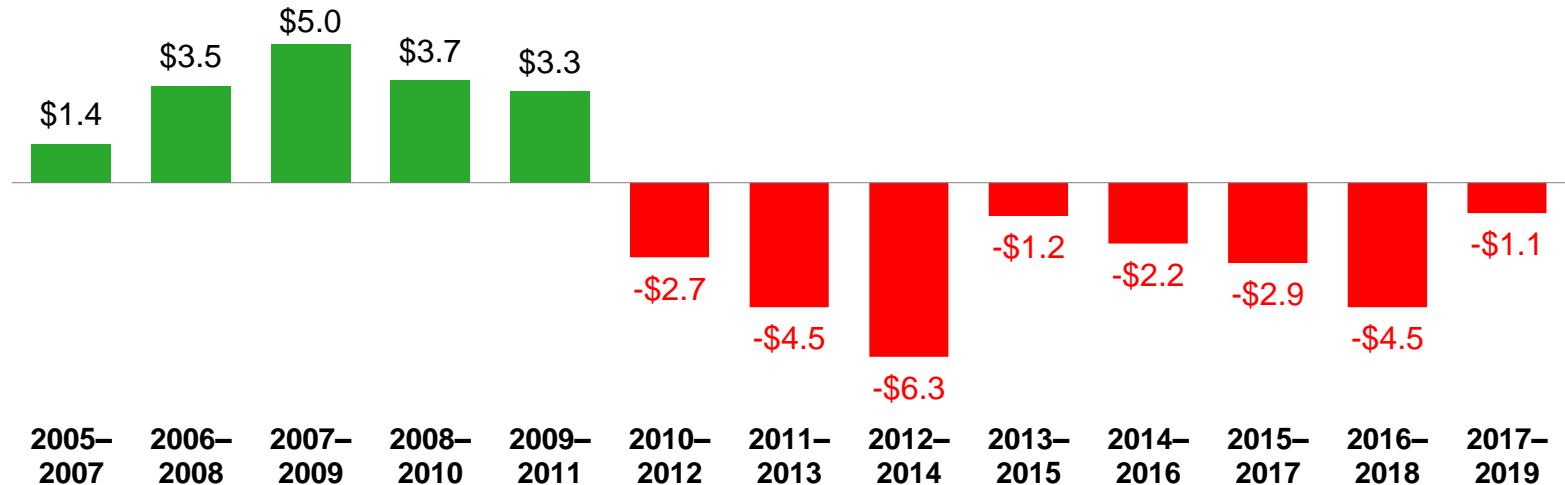
(\$ Millions)



Financial Results—Net Income: 3-Year Moving Average

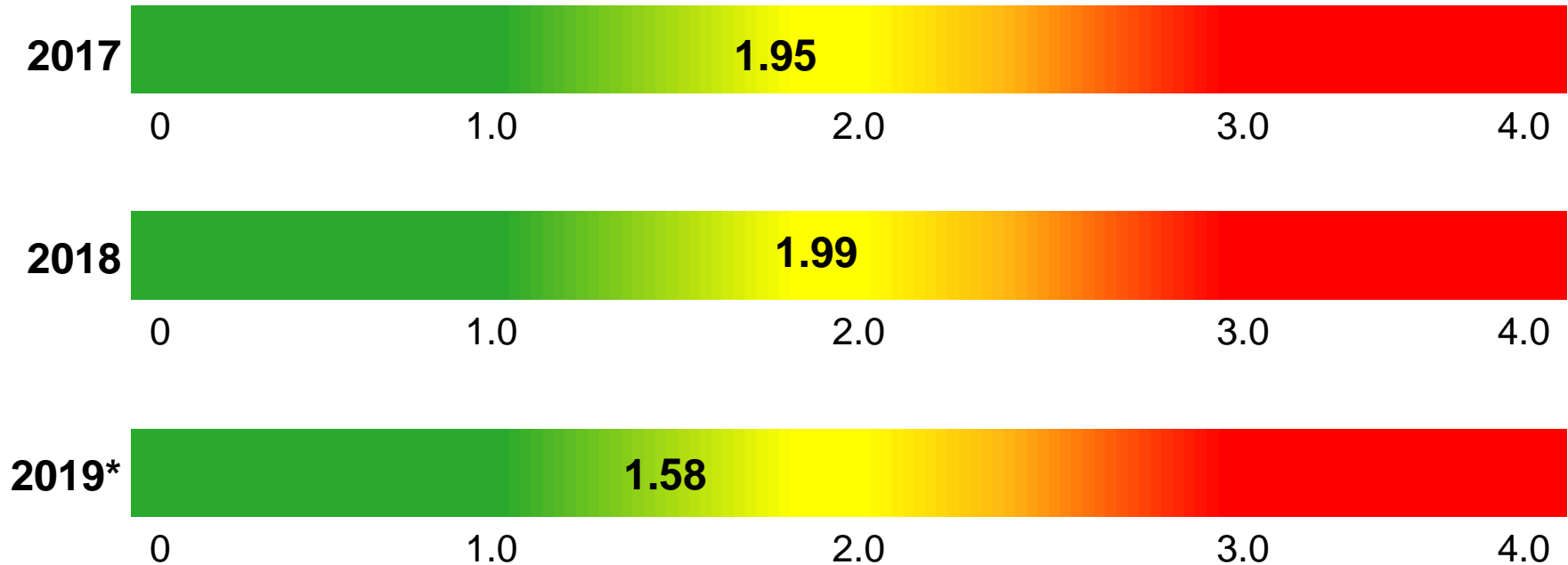
Net Income

(\$ Millions)



Capital Position of CICVT

- Premium to surplus ratio indicates continued adequate capital position



*Forecasted result

Reinsurance Improvements

2017

- ▶ Overall cost improvement est. \$6.3M, decrease 26.3%
- ▶ Max risk loss \$750K (or \$1.24M) vs. \$6.25M
- ▶ Flood covered on property without restrictions
- ▶ Quake/Fire following covered in Cat
- ▶ Umbrella no longer swing rated

2018

- ▶ Hours clause on Cat from 96 to 168
- ▶ Definition of risk is location
- ▶ Retention from \$10M to \$3M

Areas of Focus

- Inspections, visits, pictures
- Roofs
- New IT systems, forms, rates
- Claims Vendor Management Program
- Policy issued as PDF—Green Initiative
- Growth Strategy
- Relationship Management



Issues/Lessons



- Hurricane deductibles too high
- Relationship management
- Access to locations following storms
- Qualified contractors
- Deferred maintenance
- Public Adjusters

Service & Product Update

Church Insurance—Client Visits



Market Position

Church Insurance aims to be a premier provider that:

Fully understand the needs of Episcopal Institutions

- **Be available** to clients with immediate answers to concerns
- Provide broad products, including **quick and easy claim settlement**
- Provide risk assessment and management services **beyond** for-profit competitors

CIAC Team

- VP, Risk Management and Marketing
- Service Center Manager
- 10 Client Representatives
- 4 Enrollment Specialists
- 8 Regional Representatives



Kelly Best

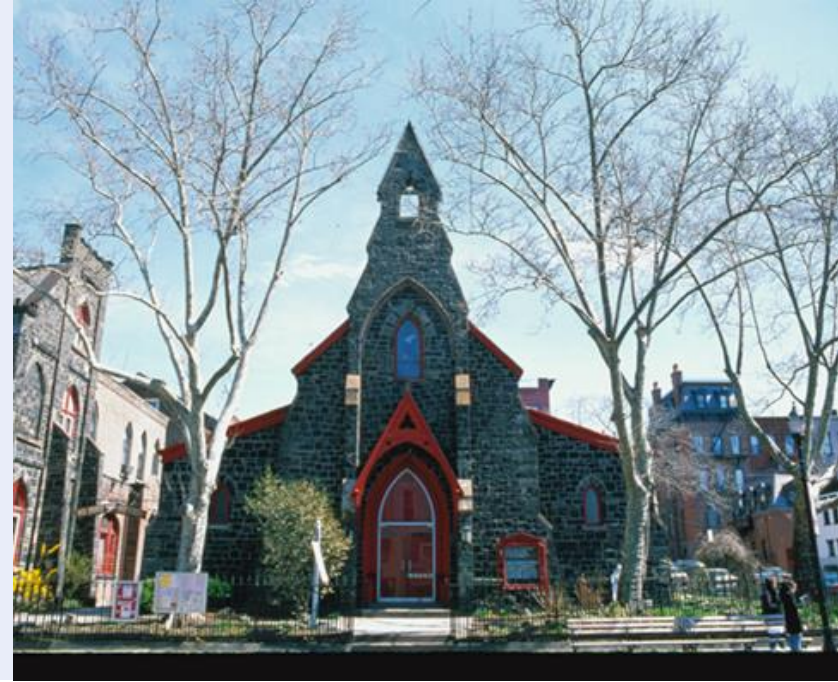
Team Leader

Billing & Collections Department

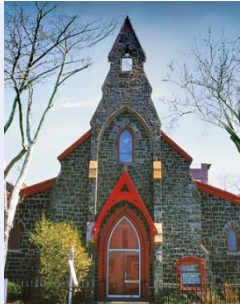
“Customer service is what sets us apart. It’s part of our value proposition. It’s our ministry.”

Products and Services

- Provide
 - Property and Casualty insurance
 - Liability coverage
 - Risk management services
 - Safeguarding programs
- Serve 90% of Episcopal dioceses and churches



Service to the Church—Products Offered



Property



Liability



**Directors &
Officers
Liability**



**Employment
Practices
Liability**



**Umbrella
Liability**



**Workers
Compensation**



**Commercial
Auto**



**International
Travel**

Products and Services



Products

Higher Limits

Automatically
Included Coverages

Services

On-site Visits and
Walk-through of Property

Safeguarding online

Episcopal Safety Program

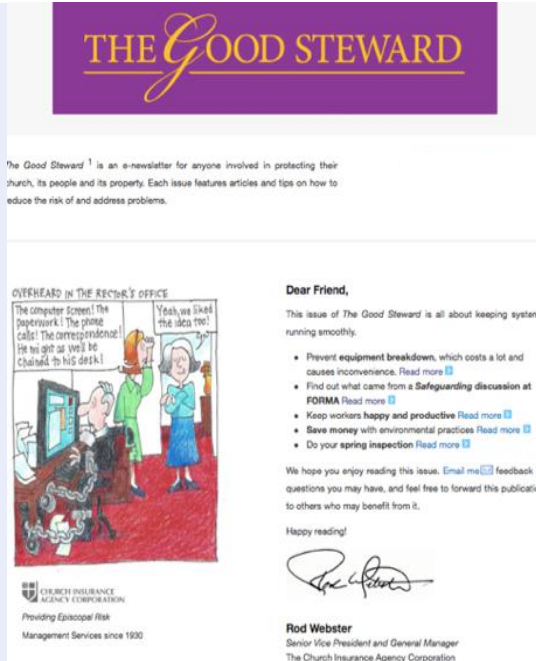
The Good Steward

Risk Management Field Services

- Property walk-throughs
- Episcopal Safety Program (ESP)—Loss Control Reports & Dividend Program
- Property Valuations




The Good Steward



THE GOOD STEWARD

The Good Steward¹ is an e-newsletter for anyone involved in protecting their church, its people and its property. Each issue features articles and tips on how to reduce the risk of and address problems.

OVERHEARD IN THE RECTORY OFFICE



The computer screen! The paperwork! The phone calls! The correspondence! He has got as well be chained to his desk!

Yeah, we liked the idea too!


Dear Friend,

This issue of The Good Steward is all about keeping systems running smoothly.

- Prevent equipment breakdown, which costs a lot and causes inconvenience. [Read more](#)
- Find out what came from a Safeguarding discussion at FORMA [Read more](#)
- Keep workers happy and productive [Read more](#)
- Save money with environmental practices [Read more](#)
- Do your spring inspection [Read more](#)

We hope you enjoy reading this issue. [Email me](#) feedback or questions you may have, and feel free to forward this publication to others who may benefit from it.

Happy reading!



Rod Webster
Senior Vice President and General Manager
The Church Insurance Agency Corporation

CHURCH INSURANCE AGENCY CORPORATION
Providing Episcopal Risk Management Services since 1930

- Risk management tips
- Safeguarding tips included in every issue
- To subscribe go to:
cpg.org/TheGoodSteward

JUST WONDERING. WHAT CAN YOU
TELL ME ABOUT FLOOD INSURANCE?

Questions and Answers

NOW HE
CALLS. ~



Important Disclosures

As used herein, "Church Insurance Companies" refers to The Church Insurance Company, NAIC No. 10669, a New York domiciled insurance company with its home office located at 19 East 34th Street, New York, New York 10016, The Church Insurance Company of Vermont, a Vermont domiciled insurance company with its home office located at 210 South Street, Bennington, VT 05201, and The Church Insurance Agency Corporation, an insurance agency with its home office located at 19 East 34th Street, New York, NY 10016. The Church Insurance Companies offer property and casualty insurance coverage and other related services for various property and casualty risks to the Episcopal Church and its dioceses, parishes and other entities.

Property and casualty insurance products are underwritten by The Church Insurance Company, The Church Insurance Company of Vermont, and other companies (not affiliated with the Church Insurance Companies) for which The Church Insurance Agency Corporation acts as an insurance agent or broker. Product availability and features may vary by state, and products may not be available in all states. The Church Insurance Companies are not licensed in all states. Information and descriptions of products and services included herein are provided solely for general informational purposes and are not intended to be complete descriptions, or to create a contract or an offer, of coverage. If the description of a Church Insurance Companies product conflicts with the terms of the actual policy or contract, then the terms of such policy or contract shall govern. For complete details of coverage, including exclusions, limitations and restrictions, please see the actual policy or certificate.

The Church Insurance Companies do not guarantee the performance of the legal and contractual obligations of any unaffiliated insurer.

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