

PROPERTY AND LIABILITY INSURANCE REQUIREMENTS

The Diocese of Alabama

[Parishes insured through Church Insurance Company may assume all diocesan requirements have been met.]

"All buildings and their contents shall be kept adequately insured. A copy of any policy of insurance issued by an insurer other than The Church Insurance Company shall be deposited in the Diocesan Office for safekeeping." - Canon 6, Section 3 (f) - *Canons of the Diocese of Alabama*

The Bishop and Diocesan Council hereby define the following requirements for property and liability insurance coverage for parishes and other related institutions of the Diocese. Coverage is expected to be brought into compliance with these requirements at the time of the next renewal.

1. Insurance will be provided by the Church Insurance Company (CIC) or by other companies rated by A. M. Best as A or higher, or by Standard and Poor's as A or higher, or by Moody's as AA or higher.
2. Commercial General or Comprehensive General Liability Insurance will be maintained with a limit of not less than \$1,000,000.* This coverage is to include: (a) broad form comprehensive endorsement; (b) pastoral counseling liability (counseling for a fee may be excluded); (c) teachers liability (including corporal punishment endorsement); (d) incidental medical malpractice; (e) bodily injury; (f) property damage; (g) personal injury each occurrence; (h) medical payments: \$5,000 each person; \$50,000 each occurrence and (h) Liability coverage for sexual misconduct.
3. All Risk Coverage on Buildings and Personal Property will be maintained at full replacement cost with agreed amount endorsement, unless lesser coverage has been approved in writing by the Diocesan Council. This coverage is to include fine arts and stained glass windows.
4. Liability coverage for sexual misconduct by any clergy, employee, agent, or officer, whether paid or volunteer, will be maintained by each parish. Recommended minimum limits are \$1,000,000 per occurrence and \$1,000,000 aggregate.
5. Parish-Owned Vehicles are to be insured for a minimum amount of \$2,000,000** for liability for bodily injury and property damage. (NOTE: As herein used, "parish" shall be defined as any and all congregations, institutions, chapels, agencies, etc., whether otherwise incorporated or not that function under the color and/or authority of the Episcopal Bishop of Alabama and the Episcopal Church in the Diocese of Alabama.)
6. Boiler and Machinery coverage is required for all parishes which have steam boilers to a minimum limit of 80% of full replacement cost of buildings and personal property, including repair and replacement cost coverage. (Such coverage is recommended, but not required, for parishes having extensive air conditioning and mechanical systems.)
7. Parishes insured by companies other than CIC shall submit annually a Certificate of Insurance to the Diocesan Office. All such certificates shall provide that 30 days prior written notice of cancellation will be sent by the insurance carrier to the Diocesan Office, as well as to the parish, and will otherwise show compliance with these requirements.
8. All insurance policies on property owned by a parish or owned by the Diocese in trust for a parish shall name as an additional insured or loss payee **"THE EPISCOPAL CHURCH IN THE DIOCESE OF ALABAMA."**
9. All parish liability insurance policies other than those issued by CIC must name as additional insureds: **"THE EPISCOPAL CHURCH IN THE DIOCESE OF ALABAMA, ITS BISHOPS, EMPLOYEES, GENERAL OFFICERS, AND DIOCESAN COUNCIL."**
10. Parishes insured by companies other than CIC shall include flood coverage in their policy or additional flood coverage should be purchased.

Adopted January 2006

*Parishes are urged to carefully review risks and to purchase additional umbrella liability coverage. ** Liability limits may be reduced to \$1,000,000 for parishes obtaining umbrella liability coverage of at least \$1,000,000