

Insurance Costs For Churches

Erik Mathiesen, United Church of Canada, Executive Officer, Finance

Insurance costs for churches and other ministries have increased dramatically in recent years, in many cases even doubling. In response, the national church has implemented an insurance program aimed at reducing or at least stabilizing annual premiums.

This is done by establishing what is called a captive insurance company whose primary purpose is to administer insurance cost effectively as opposed to make a profit. This is achieved by eliminating the profit component, eliminating local broker commission, reducing national broker commission, streamlining administration and assuming the risk for smaller claims while reinsuring the largest claims.

The church has invested \$3 million in capitalizing this initiative, and actuarial studies suggest we will save congregations more than \$1.5 million annually in premium as long as claims experience remains at recent levels. If claims increase dramatically, the savings would be less and the captive insurer would need to increase premiums or seek further capital from the church. However, premiums would at least be connected to our own experience as opposed to broader industry trends.

Much more information is available on the website as is the insurance application. Existing UCC Protect customers will transition automatically. Those insured elsewhere will need to complete application forms and declarations as they would anywhere else.

More innovations are coming, including a new, simple online program for third party insurance.

[Frequently asked Questions](#)

[UCC Protect United](#)