



Adventist Risk
Management® Inc.

PROTECTING Your Ministry



Our ministry is
to *protect* your
ministry.



OUR MISSION STATEMENT:

Protecting people
and resources through
compassionate service
and value-driven
solutions.

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| 1

Glossary



Adjuster

An independent representative of the insurer who seeks to determine the extent of the insurer's liability for loss when a claim is submitted.

Damage

Harm or injury resulting in loss of value or usefulness.

Deductible

Amount of loss that the insured incurs before the insurance can pay.

Examiner

The representative of an insurance company assigned to review claims against an insurance policy.

Exclusions

A provision within an insurance policy that eliminates coverage for certain acts, property, types of damage, or locations.

Limits

The maximum dollar amount your insurer will pay to settle your claims.

Mitigate

To make less severe or serious, often with professional help.

Policy

The written insurance contract, including all clauses, riders, endorsements, and attached papers.

Sublimit

The limit of how much can be paid on a specific type of loss.

Wear and Tear

The normal, expected deterioration of an insured object (wear and tear is excluded from insurance policy coverage because it is inevitable).



As local ministry leaders,

you are on front-lines of official Seventh-day Adventist® ministries. You have a partner in us to face the challenges that come your way and we have been supporting ministries like yours for over 85 years. Our team is comprised of dedicated Adventists who are knowledgeable about our church's structure and qualified to handle the legal issues and insurance needs of our church's ministries.

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Our Story

The Seventh-day Adventist® Church started amid a growing realization that the Second Coming of Jesus is ever nearer.



Since its beginning, God has used our leaders to organize His church and multiply His servants' work according to His Spirit.

Today, the Seventh-day Adventist® Church numbers over 23 million members and leads ministries with over 97,000 local churches, including education systems, hospitals, publishing, media production houses, and more. This organized structure has allowed us to be proactive in ministry, funding missionaries, Bible workers, and new ministry initiatives to reach the world with God's love.

One essential way God blessed His work is through leaders who have carefully considered and managed risk, minimizing harm to our members and resources. In the early 20th century, fires in Battle Creek, Michigan left the Adventist Church with significant losses. Commercial insurance didn't cover all the damages. In 1936, a lay member, William Benjamin, proposed an innovative solution: internalizing risk management within the Adventist Church to save money and support its mission. This led to the creation of what is now called Adventist Risk Management (ARM), which operates the



WILLIAM A. BENJAMIN

church's captive insurance company owned by its insureds.

By 1862, seven local conferences emerged and by 1918, all four administrative levels were established. This constituency-driven, denominational structure facilitates coordination and oversight in matters of corporate structure, governance, and policy. It helps the Adventist Church advance its mission in a consistent, safe, and effective manner.

The world is constantly changing, presenting new challenges to our ministries. Still, we are encouraged that facing challenges is how God will grow our character.

"Consider it pure joy, my brothers and sisters, whenever you face trials of many kinds, because you know that the testing of your faith produces perseverance. Let perseverance finish its work so that you may be mature and complete, not lacking anything" (James 1:2-4).

One of the most important aspects of our mission is that we see our work as a ministry in addition to a service. We are here to discuss and advise as your ministry considers new opportunities or faces challenges, addressing the ministry as a whole. We'll do everything in our power to ensure the products and services we have available are used in the best way possible.

A Financial Instrument of the Church



Unlike commercial insurance services, ARM understands your ministry because we are a ministry.

We are a part of the Adventist Church. The main advantage of having a risk management company and an insurance company owned by the church is that insurance policies can be customized—within the limits of the law and accepted industry standards—for the unique mission and activities of your ministries.

to pay shareholders and bonuses, profits at the church's insurance company are used to pay claims for Adventist Church organizations around the world. They are also used to strengthen the financial position of the church's insurance company which allows it to take on additional risk as the world church grows.

Also, while funds paid to other commercial insurance companies go

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If the church owns its own insurance company, does that mean any incident is covered by insurance?



No. Insurance is a regulated industry that works on the premise of large numbers used to manage specific and measurable risks. That means there are coverage limits and exclusions that apply to insurance policies. They do not work like an emergency fund. Instead, they provide a very important mechanism to pay for claims according to the insurance policy. The goal is to return the insured or claimant to the same or like condition and quality within the limits of the policy.

The goal of risk management in general and insurance in particular is to control the volatility of losses.

Your Coverage Solutions

ARM serves as the management company of the Seventh-day Adventist® Church's captive insurance company, **Gencon Insurance Company of Vermont**, where it underwrites many of the primary risks for the Adventist Church.



ARM is a brokerage which places risks—especially those not well suited for the captive—into the commercial insurance marketplace. ARM also provides administrative services, such as the Adventist Church's employee healthcare plan in the United States.

Here's what makes our approach to transferring risk and writing insurance solutions unique:

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1

Instead of purchasing individual policies for different properties and ministries, **we ensure you are covered across your conference.**

2

We eliminate gaps and overlaps in coverage, providing a holistic approach to covering our organized denomination, which is interrelated in its structure.

3

We meet or exceed church policy insurance requirements.

Your organization's primary coverage is through a **Commercial Package Policy**, which includes **Commercial Property, General Liability, and Employment Practices and Sexual Misconduct Liability Insurance**. Additional insurance products, such as **Commercial Auto, Cyber Liability, and Workers Compensation**, are part of the normal suite of coverages chosen by our clients.



GICV is a Vermont (USA) based captive insurer with assets of more than \$150 million and annual gross premiums exceeding \$120 million. GICV insures over \$14 billion in property values, as well as a multitude of liabilities and risks for church organizations worldwide.

The Commercial Package Policy



General Liability

General Liability insurance pays the sums that the insured is legally obligated to pay, or that the insurance company has agreed to pay.



This payout covers injuries or damages incurred by third parties because of the insured's negligence. The General Liability policy that ARM provides covers bodily injury, personal injury, and damage to property belonging to others, if it occurs on the insured's premises or resulting from the insured's operations.

- Bodily injury, property damage—no aggregate on the primary
- Pastoral counseling
- Incidental medical malpractice
- Broadcasters and publishers liability (\$1 million aggregate)
- Gymnastics and other activities available
- Unmanned aircraft
- Please note that medical payments for students is excluded (this should be covered by a student accident policy).

In the fictional **example**, because of the church's possible negligence in maintaining the railing, the General Liability policy would be used to help cover the costs associated with Mary's bodily injury as well as the costs from a lawsuit.

The main goal with any hazard is accident prevention. To this end, certain types of high-risk activities are excluded by your insurance policy. If your organization is considering sponsoring these types of activities, please contact your conference office prior to the activity to add the necessary insurance

coverage. You can also find many safety resources tailored for your ministries on our website.

Examples of exclusions:

- Fireworks
- Firearms and tasers
- Bungee jumping
- ATV vehicles (two-or three-wheeled)
- Trampolines (or other forms of gymnastic rebounding equipment)
- Climbing walls
- Rappelling and ropes courses (more than six feet off the ground)



Example

Mary is 84 years old. She walked out of church on a bright Sabbath afternoon as she had done countless times in the past. She walked down the same aisle, and she used the same exit door, the same stairs, and the same railing that she had used for many years. This time there was an unfortunate difference.

Mary lost her balance and because the railing leading down the stairs had not been secured, it had become progressively looser with every week of use. Some people may have noticed, but the problem had been left uncared for week after week. When Mary leaned on the support to catch herself, the railing gave way, causing Mary to fall 15 stairs and causing her serious injury.

Commercial Property

Property insurance pays the insured for covered loss or damage to physical property, such as buildings, contents, equipment, and inventories, as scheduled on the insurance policy.



Losses such as fire, hail, lightning, wind, frozen pipes, vandalism, or theft are some of the covered perils on a property insurance policy. Please note the following features of our policies:

- No coinsurance clause
- An inflation guard feature by limited blanket endorsement with 125% of building and contents (up to \$2 million)
- Buildings are covered with individual limits.
 - > Replacement value, agreed maximum value, actual cash value.
- Newly acquired or constructed property, \$2.5 million for 180 days
- Errors and omissions, \$250,000 per occurrence and \$500,000 annual aggregate
- \$50,000 off-premises business personal property
- Ordinance and law 10%, up to \$750,000 (replacement cost) per building
- Business interruption and extra expense 10%, up to \$500,000 per location
- Equipment breakdown included:
 - > Property damage (follows policy)
 - > Business income and extra expense (follows policy)
 - > Perishable goods (spoilage) \$250,000 unless otherwise noted.
 - > Pollutant cleanup and removal \$250,000 unless otherwise noted.
 - > Water damage \$250,000

The Property policy contains exclusions and limits as well as a deductible (or excess). The deductible is the amount the insured incurs before insurance can pay.

Examples of exclusions:

- Foundation of buildings
- Animals (unless scheduled)
- Land
- Underground pipes, flues, or drains.
- Piles, piers, wharves, or docks (unless scheduled)

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Example

Pastor Thompson arrives at church early one Sabbath morning after a night of storms. As he pulls into the parking lot, he sees that high winds have knocked a tree limb onto the roof of the church building. Upon further inspection, he finds that the limb fell through the roof and into the sanctuary. Rain has been pouring inside throughout most of the night.

In this scenario, the Property Insurance Policy would work to pay for the cleanup and repair of the roof as well as the resulting water damage to the interior.

Employment Practices and Sexual Misconduct Liability



This insurance policy is designed to provide the insured liability and legal expense protection against covered claims that arise due to sexual molestation, sexual misconduct, discrimination, wrongful termination, or sexual harassment.

The policy is underwritten on a claims-made basis so that current limits and policy language are available to respond to today's claims. Other carriers often underwrite this coverage on an occurrence basis, in which a 2001 policy must respond to a 2001 occurrence even though the claim was brought forward in 2022.

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Additional Insurance Policies



Commercial Auto

This insurance provides protection from loss incurred through legal liability for bodily injury and damage to the property of others caused by accidents arising out of ownership, maintenance, or use of a motor vehicle by the insured.



Cyber Liability

Cyber Liability Insurance covers your equipment and member information in the event of data hacks, cyber ransom, virus attacks, vandalism, or system sabotage. Protect your ministry and your members' information now and prevent loss later.



Executive Risk

Serving in a leadership position comes with its own occupational exposures. These risks might include financial, personnel, or legal situations. It is important to ensure that you and your leadership team are protected from risks inside and outside of your ministry. Federal Insurance Company provides Executive Risk Protection for the General Conference of Seventh-day Adventists and its affiliated and subsidiary organizations.

Insurance Policies Available on a Local or As-Needed Basis



K-12 Student Accident

This provides coverage for students of Adventist K-12 schools in the United States. ARM has partnered with both Mutual of Omaha Insurance Company and Relation Insurance Services to provide K-12 Student Accident Insurance to support the growing needs of our schools.

Activities Accident

Activities Accident insurance provides Accident and Medical coverage and Accidental Death and Dismemberment for participating organizations for ministry trips and activities. This is a per-event policy to purchase as needed.

Short-Term Travel

Short-Term Travel insurance protects missionaries and volunteers traveling on Adventist Church trips as well as church employees or retirees on business trips or vacations. If you encounter a medical emergency, loss of personal property, security threat, or loss of life, this policy is available to minimize your financial loss. This is a per-trip event to purchase as needed.

- Trip Cancellation/Interruption
- Medical Protection
 - > Accident Medical Expense
 - > Sickness Medical Expense
- Emergency Medical Evacuation
- Repatriation of Remains
- Accidental Death and Dismemberment
- Personal Effects/Baggage
- Travel Assistance

You can access Short Term Travel insurance at adventistrisk.org, where you can:

- purchase insurance coverage.
- print proof-of-coverage identification cards.
- print tips on how to prepare before, and during your trip.
- obtain policy information and documentation.

Our Claim Philosophy





The ARM team works to see your ministry restored after a loss,

letting you focus on what matters most: **MISSION.**

It is our goal to make sure your ministry experiences as little interruption as possible. Closing your claim expeditiously will incur the least financial burden to both your ministry and the Adventist world church organization. Depending on the policy, we may work with outside adjusters and counsel who are able to assess damages on site and work within the legal requirements of your local jurisdiction.

Contact our claims professionals at claims@adventistrisk.org. Download claims forms on our website at adventistrisk.org.



Claims Reporting

24/7 Hotline: +1 (888) 951-4276 (press 2)

Email: claims@adventistrisk.org

Claim Forms: Available at adventistrisk.org



REPORT CLAIMS IMMEDIATELY

Provide as much information as you can, but do not delay filing your claim because you are waiting on additional information.

DUTY TO PROTECT

You have a duty to protect your property. If you have a situation where the damage from a loss may cause additional risk or damage, it is important to mitigate the loss. For example, in the case of broken pipes, you may need to turn off the water and call a cleanup company. Do not hesitate to take care of your property. It will need to be done whether you have insurance coverage or not. Waiting will only make the problem worse.

How the Claims Process Works

Your claims examiner will help you understand the process in greater detail. However, you should follow this model:



REPORT A CLAIM

In your claim filed with ARM, provide and verify as much information as possible. The claim examiner will help you determine any additional information as necessary.



INVESTIGATION

The claims examiner, often with the help of an on-site adjuster, will conduct the investigation.



RESULT

When the investigation is complete, the claims examiner will relate the result to you or the designated contact person. The claim will be accepted, partially paid, or denied. This is determined by the terms of the insurance policy, the (excess) deductible, or, in some cases, a sublimit that applies to a certain type of loss.



PAYMENT

ARM will issue a payment for the loss.

- For property losses, the payment goes to the insured (conference).
- For personal injury losses, the payment will go either to the claimant or to the provider, according to the policy.



DEDUCTIBLES

Claims are paid based on the insurance policy. Most insurance policies include a deductible (excess), which is the amount you are responsible for before your coverage begins. Various types of losses may have different deductible (excess) amounts.



Should I hire a public adjuster to help with my claim?



At ARM, we believe that a public adjuster is not necessary when you have a claim with us. A public adjuster is useful when trust has broken down between an insured and the insurer, or when the claim is larger than the insured can manage from their side. A public adjuster may promise to get you more than you would receive otherwise, which may sound tempting; however, remember that ARM is already interested in getting you everything the policy will allow. For the public adjuster to be paid, their fee is usually a percentage of the claim, which is money you will not receive, but it will count against your loss experience (which further increases future premiums). Please work directly with us, and if you have concerns or complaints, let us know. We have appeals processes and our team is happy to sit down and work through the issues with you.



Partner With Us to Prevent Loss





To prevent loss,

we want to assist your organization in developing an active stewardship program. We've updated our website with helpful risk management and loss prevention resources for your point of ministry.

An effective and proactive safety program at your church or school can be done with a few simple steps. Running an effective safety program doesn't have to be difficult and it doesn't have to take a great deal of time. ARM has prepared tools and education materials to assist you.

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Partner With Us

Whether your ministry is large or small, you can successfully operate a safety program that is neither time- nor energy-intensive.



You don't need a specialized degree. The reward for your efforts is the knowledge that you have possibly prevented injury or even saved a life. Your work may also save time, money, and resources that can be used to share the story of Jesus with others.

There are four essential elements of your safety program:

1 / Evaluation

Several simple tools for your use in the evaluation process are available on our website, adventistrisk.org. The *Self-Inspection Form and Guide* and the *Seasonal Maintenance Forms* are easy-to-use tools. The digital forms can be completed on your computer or tablet. You also have the option to print it and fill it out manually.

The *Self-Inspection Form* walks you through the various parts of a church, from the mothers' room to the sanctuary. It will show you how to look for potential hazards or maintenance issues. Conducting a self-inspection at least once a year will give you a good idea of the type of risks your church might be facing. This information will help your organization's board prioritize these issues.

The length of the Inspection will depend on the size and complexity of

your church or school building. Our professional risk control specialists find that even after conducting a thorough inspection of a facility, the next year they will find areas of concern that they missed before in addition to new challenges. This demonstrates the importance of regular inspections and maintenance.

2 / Emergency Planning

Emergency planning is incredibly important for your church or school. To create an emergency plan, you can use the resources on our website, adventistrisk.org. Pay special attention to emergency planning sections within each ministry resources page. These sections will house the emergency planning resources you need to help you get started in creating your plan. These resources are not one-size-fits-all situations. The real value of an emergency plan is in the customization of the plan for your local church or school.

Building your emergency plan may be one of the more time-intensive parts of a safety program, but it is well worth the effort. Rather than trying to do it all on your own over a weekend, work with a capable team and develop a systematic plan.

Partner With Us

...continued

Don't forget that the last part of emergency planning may be the most important, and that is to practice your plan through safety drills.

3 / Risk Control and Maintenance

The most frequent property claim received by ARM is related to water damage. The most common casualty claim is a slip and fall injury. Both issues typically stem from maintenance issues, such as torn carpeting or a leaky baptismal tank.

Many of the risks and hazards you will want to address are maintenance issues. Work closely with the person responsible for the care and upkeep of your church or school. Conducting seasonal maintenance on different parts of your building—including gutters, walkways, and roofing—will play a big part in understanding and preventing the property and casualty risks that your ministry may be facing.

4 / Stay Informed

Part of running a successful safety program for your ministry is to continually educate yourself. ARM provides resources on our website, adventistrisk.org, on safety topics relevant to your ministry. We also conduct webinars on safety topics specifically designed for safety at the local church and school. Our team of risk management professionals is always developing new tools and materials to make sure you stay informed.

We encourage you to take advantage of these opportunities. Share the information with your deacons, church leadership, and ministry leaders. The safety officer can take a real leadership role in building a safety culture in your ministry. Your ministry can be a light in the community showing that you are a group of people who care about the physical and spiritual well-being of others.



Risk Management Education

Did you know ARM offers free risk management and safety resources for you?

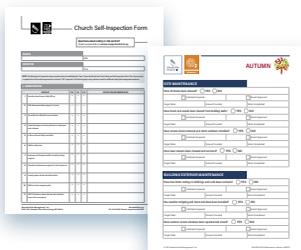


An online **Risk Training Center** that offers courses in risk management to equip ministry leaders.

risktrainingcenter.org



Live and recorded **webinars** hosted by experts on safety and risk management topics specific to the needs of the Adventist® Church.



Digital tools, including Self-Inspection and Seasonal Maintenance forms to help churches easily develop and operate a maintenance program.



Curated materials on child protection, school safety, protection of Pathfinders, church safety, and camp safety.



Experts available to speak on risk and insurance topics.



What We Have to Offer You

Professional Team

Our team of **trained risk management professionals** hold many of the highest industry-recognized designations and licenses. The team is comprised of dedicated Adventists who are knowledgeable about the Adventist Church structure, legal issues, and the insurance needs of our church's ministries.

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Relationship

As part of the Seventh-day Adventist family, **our team is invested in the church's mission and success.** We are here to discuss and advise as your ministry considers new ministry opportunities or faces challenges that come from time to time. We will do everything in our power to ensure the products and services we have available are used to their maximum effect for your ministry.

Financial Resources

The church will have risk and losses regardless of ARM. The advantage of having a financial instrument that is owned by the church is that, within the limits of the law and accepted industry standards, **insurance policies can be customized for the unique mission and activities of the church.**

Additionally, it should be noted that insurance premiums that would otherwise go to pay for the claims, expenses, and bonuses of commercial insurance carriers go only, in ARM, to pay for Seventh-day Adventist® Church claims and expenses.

Customized Coverage

Our products are tailored to meet the unique needs of Adventist organizations and personalized when possible, to cover the risks affecting each ministry.

Free Resources

We stay alert to risks that could affect your ministry and regularly create free safety resources to educate and prevent costly and damaging accidents before they happen.

More than 85 Years of Service

We have provided **timely, real-world insurance and innovative risk management solutions** for Seventh-day Adventist® Church ministries since 1936.

Notes



A series of horizontal dashed lines for writing notes, starting below the red dashed line and extending to the bottom of the page.

Our Ministry is to Protect Your Ministry

Who We Are

Adventist Risk Management®, Inc. is the official insurance and risk management company for the Seventh-day Adventist Church and Adventist ministries worldwide. In addition to real-world insurance products and innovative risk management solutions for minimizing risk within Adventist ministries at all levels, we offer best practice solutions to eliminate the risk of costly accidents.

Our Purpose

Our mission is to protect the ministries of the Seventh-day Adventist world church. We don't view what we do as just a business. Our ministry is to protect your ministry.

This brochure is based upon the general limits, excess (deductibles), and terms and conditions shown on the policy and may vary from the actual policy. Please review the policy carefully. All coverage descriptions are subject to the policy provisions.

The information contained here is based on general risk management principles and does not constitute legal advice or an endorsement of any products, services, or course of action. Risk management planning will vary with each organization.



HEADQUARTERS

ADVENTIST RISK MANAGEMENT,® INC.

12501 Old Columbia Pike
Silver Spring, MD 20904-6600
1 (888) 951-4276 telephone
1 (301) 453-7060 fax
customer care@adventistrisk.org

REGIONAL OFFICES

BRAZIL

UNIBRAS Corretora de Seguros, Ltda.
SGAS Quadra 611
Conjunto D, Parte C, Asa Sul
70200-710 Brasilia, DF Brazil
55 (61) 3701-2626 telephone

UNITED KINGDOM

119 St. Peter's Street
St. Albans, Hertfordshire
AL1 3EY England
44 (1727) 865773 telephone
44 (1727) 864578 fax



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