

# Self-Insurance Policy for Windstorm Insurance

Amendment to the Financial Manual made on December 15, 2022:

V.

- C. Property Held in Trust by Churches...
  1. Violation of State or local laws...
  2. Insurance Requirement...
    - a. All church property....
    - b. Churches shall annually provided proof of liability (including windstorm), and flood insurance.

A church may petition the Presbytery for relief from windstorm property insurance if they desire to be self-insured by participating in the Self-Insurance Policy for Windstorm Property Insurance program.

- c. Self-Insurance Policy for Windstorm Property Insurance is an alternative from obtaining windstorm coverage in the market-place. The provision of this self-insurance includes the following:
  - An annual deposit in the congregation's name is made to the Self-Insurance Windstorm Fund held and invested by the Presbytery.
  - Funds for each congregation are accounted separately.
  - The first-year payment to the fund is determined by averaging the previous three years' portion of windstorm paid in commercial insurance. That figure shall be designated the required "annual payment" to the self-insurance fund held and invested by the Presbytery.
  - The annual payments shall remain the same for the first three years of participation in the program for self-insurance. Beginning the fourth year the annual payment shall grow by 5% annually.
  - The annual payment shall be paid within the calendar year and may be paid in a lump sum or by payments spread over the course of the year. Should a participant fail to pay the annual payment, that congregation will then be required to again obtain commercial windstorm insurance. Any previously paid funds shall continue to be held on the congregation's behalf for pay-out of a potential loss.
  - In the event of windstorm damage because of a named windstorm event, the full total of invested funds shall be made available to the church to effect repairs based on actual incurred costs. If sufficient funds are not invested to cover the loss, the congregation understands that no additional money will be paid by the Presbytery beyond the funds that are held and invested.
  - Annually the Presbytery will provide to each session participating in the program the total of invested funds held on that congregation's behalf.
  - The funds cannot be used for anything other than payment because of a loss that occurred as a result of a named windstorm event. Any requests for special circumstances, capital improvements, or waivers from payment will not be considered until a congregation's invested funds held in the alternative windstorm program has grown to twice the tax value of the property in consideration.
  - Should a congregation be dissolved, the funds will revert to Presbytery in keeping with the trust clause of the PC(USA).