In 2012, natural disasters continued to take a toll on the U.S. – damaging or destroying churches and other properties. Our nation experienced hurricanes, drought and wildfires that took a physical, emotional and financial toll on millions of Americans.

As a direct result, the Insurance Board experienced a high volume of claims this year. Our 3,600+ churches filed 1,293 claims during the year that ended on September 30, 2012. And the Insurance Board faithfully responded to each church with every claim, helping them rebuild from the damage and celebrate their new beginnings.

Although our claims increased in 2012, we saw our participants overcome issues beyond their control, and become stronger and better prepared for the future as a result.
Every time the wind blows strong, the rain falls fast and furious, or the earth moves, we worry about our churches. We are in the business of protecting them, whether that means preventing losses or assisting after damage has occurred. In 2012, natural catastrophes continued at above average levels, pummeling churches and other properties across the United States, so it’s no surprise that the fiscal year ended 9/30/12 was a difficult one for the property insurance line. In addition, two large fires greatly increased property losses for the Insurance Board. Altogether, total insured losses in 2012 were 50% higher than in either of the two previous years.

Of course, the possibility of losses is why you purchase insurance. At the Insurance Board, we see every claim as a moment of truth that deserves exceptional service, a promise to our churches to understand, advocate, and when you need us most, to be there for you. In the year ended 9/30/12, there were 1,293 opportunities to deliver on those promises. Of the churches that sustained damage and filed a claim, 89% reported being “Satisfied” or “Very Satisfied.” Only 3% were below “Neutral.” We are committed to providing you with a superior insurance product, and to oversee the claims process to ensure that every claim is handled in a timely and fair manner.

While overall program losses were higher than normal, the consolidated financial results for the Insurance Board were favorable to budget for the year. Unrestricted net assets are a healthy $19.8 million as of 9/30/12 and all ratios are favorable to benchmarks. Once again, the program had growth within all three of the denominations it serves. Customer loyalty is also high: of the participants that renewed on 10/1/11, 96% continued in the program throughout the year.

Liability losses tracked slightly better than expected which helped soften the impact of property losses. The Insurance Board has continued to introduce risk management resources and I encourage you to visit our website at InsuranceBoard.org. Working together to prevent losses is a part of our mutual responsibility as good stewards, which helps to reduce injuries and damage, and ensures our churches are able to continue their Ministry. These efforts also help to contain future insurance premiums.

Thank you for selecting the Insurance Board as your risk management partner!

Faithfully,

Catherine M. Green
President & CEO
# Our Financials

## Five-Year Overview

This information is derived from our audited financial statements as of September 30th in the years 2012, 2011, 2010, 2009 and 2008. Copies of these financial statements are available upon request.

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</thead>
<tbody>
<tr>
<td><strong>Statement of Financial Condition</strong></td>
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<tr>
<td>Cash + Short Term Cash Investments:</td>
<td>17,987,102</td>
<td>23,429,463</td>
<td>25,087,213</td>
<td>24,415,257</td>
<td>16,194,735</td>
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<tr>
<td>Investments + Deposits for Future Losses:</td>
<td>15,820,322</td>
<td>13,350,288</td>
<td>11,641,802</td>
<td>12,517,747</td>
<td>16,216,645</td>
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<tr>
<td>Accounts Receivable + Other Assets:</td>
<td>1,354,488</td>
<td>342,081</td>
<td>202,451</td>
<td>1,822,388</td>
<td>475,964</td>
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<tr>
<td>Furniture + Equipment:</td>
<td>105,432</td>
<td>35,006</td>
<td>202,451</td>
<td>128,227</td>
<td>512,691</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS:</strong></td>
<td>35,267,344</td>
<td>37,156,838</td>
<td>36,959,383</td>
<td>38,883,619</td>
<td>33,400,035</td>
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<tr>
<td>Lines of Credit Borrowings:</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>4,000,000</td>
<td>—</td>
</tr>
<tr>
<td>Accrued Payables + Program Costs:</td>
<td>2,393,542</td>
<td>2,965,566</td>
<td>2,203,738</td>
<td>7,558,097</td>
<td>4,005,821</td>
</tr>
<tr>
<td>Deferred Revenues:</td>
<td>1,621,115</td>
<td>3,692,753</td>
<td>3,885,293</td>
<td>3,584,998</td>
<td>3,853,397</td>
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<tr>
<td>Reserve for Losses:</td>
<td>11,476,520</td>
<td>10,259,731</td>
<td>8,928,470</td>
<td>7,141,671</td>
<td>5,032,843</td>
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<tr>
<td>Unrestricted Net Assets:</td>
<td>19,766,167</td>
<td>20,238,788</td>
<td>21,941,882</td>
<td>20,598,853</td>
<td>16,507,974</td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES + NET ASSETS:</strong></td>
<td>35,267,344</td>
<td>37,156,838</td>
<td>36,959,383</td>
<td>38,883,619</td>
<td>33,400,035</td>
</tr>
<tr>
<td><strong>Statement of Activities</strong></td>
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<td></td>
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<tr>
<td>Total Program Revenues:</td>
<td>55,750,453</td>
<td>49,437,882</td>
<td>46,771,082</td>
<td>40,481,101</td>
<td>29,844,659</td>
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<tr>
<td>Less: Total Premiums, Claims Paid + Administrative Costs:</td>
<td>56,213,074</td>
<td>51,140,976</td>
<td>45,428,053</td>
<td>36,390,222</td>
<td>25,085,659</td>
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<tr>
<td><strong>CHANGE IN NET ASSETS:</strong></td>
<td>−462,621</td>
<td>−1,703,094</td>
<td>1,343,029</td>
<td>4,090,879</td>
<td>4,759,000</td>
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</tbody>
</table>
OUR MISSION

To support and protect churches and church ministries by offering superior property and casualty risk and insurance management services.

OUR VALUES

Choosing to be bound together in mutual care and concern, we will maintain integrity, excellence, exceptional customer service, open communication and inclusiveness.

OUR VISION

To become the program of choice for all church ministries within the denominations we serve.

OUR BOARD

Rev. Dr. John R. Deckenback
Conference Minister
Central Atlantic Conference, UCC
Chair of the Board

Rev. Douglas Anders
Conference Minister
South Central Conference, UCC

Mr. Keith H. Bowden, CPCU
Agency Principal
Massachusetts Conference, UCC
Board Vice Chair

Mr. John M. Derby, Sr.
Northern California-Nevada Conference, UCC
Board Secretary

Rev. Marja Coons-Torn
Conference Minister
Penn Central Conference, UCC

Rev. Roddy Dunkerson
Conference Minister
Nebraska Conference, UCC

Rev. Judy R. Fletcher
Synod of the Sun, Presbyterian Church (USA)

Ms. Joan C. Fong
Agency Principal
Presbytery of San Francisco, Presbyterian Church (USA)

Mr. Robert Gabon, CPA
Southern California/Nevada Conference, UCC

Ms. Kathryn B. Harrison
Michigan Conference, UCC

Ms. Kathy Houston
CFO
United Church of Christ

Ms. Mary Isbell CPCU, ARM
Georgia Region, Disciples of Christ

Mr. William MacKay-Heckles
Commercial Insurance Executive
Connecticut Conference, UCC

Mr. Barnet (Mike) McKee, JD
Missouri Mid-South Conference, UCC

Rev. David S. Moyer
Conference Minister
Wisconsin Conference, UCC

Mr. Glenn J. Pruikensma
Commercial Insurance Actuary (retired)
Pacific Northwest Conference, UCC

Mr. Erick D. Reisinger
President, DCEF
Indiana Region, Disciples of Christ

Rev. John M. Richardson
Regional Minister
North Carolina Region, Disciples of Christ

Mr. Frank Thomas, JD
Iowa Conference, UCC

OUR STAFF

Catherine M. Green
President & CEO

Dale A. Cable, CPA
Chief Financial Officer

David B. Nelson, CPCU, ARM
VP, Insurance Operations

Carl J. Kotheimer, CPCU, ARM
Director, Loss Control and Claims

Christine L. Shoop, CIC
Director, Business Development

Joe K. Boyd, CPCU, ARM
Senior Program Underwriter

Brendon S. Collins
Manager, Underwriting Services

John Johnson, CISSP
Manager, Information Technology

Cy McFarlin
Manager, Claims Administration

Jennifer R. Perri, CIC, CISR
Manager, Member Services

Daniel J. Carrick
Underwriting Service Representative

Sherry A. Denby
Accountant

Alison N. Hanna
Claims Analyst

Macrina Hummel
Agency Service & Sales Representative

Monica B. Kornblum
Administrative Assistant

Kieziah McCullough, MBA
Underwriting Service Representative

Carmen Siegel
Member Services Director

Elizabeth Vance
Marketing & Communications Coordinator

Mark A. Zimmerman
Claims Analyst