

YEAR IN REVIEW

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.



INSURANCE BOARD
Partners in Protection

UCC + Disciples + Presbyterian

700 Prospect Avenue • 5th Floor | Cleveland, OH 44115
800.437.8830 | www.InsuranceBoard.org

YOUR PARTNER_{IN} PROTECTION

INSURANCE BOARD | 2012



Mayfield Congregational Church
Sycamore, IL
Repaired after ceiling collapsed
March, 2012

A MESSAGE FROM CATHY GREEN



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,

A handwritten signature in blue ink that reads "Cathy Green". The signature is fluid and cursive, with the first name "Cathy" being more prominent.

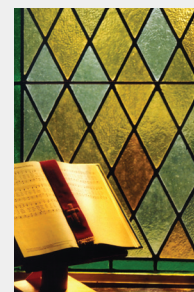
Catherine M. Green

President & CEO

A 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.

YEAR ENDING SEPTEMBER 30 TH	2012	2011	2010	2009	2008
Statement of Financial Condition					
Cash + Short Term Cash Investments:	17,987,102	23,429,463	25,087,213	24,415,257	16,194,735
Investments + Deposits for Future Losses:	15,820,322	13,350,288	11,641,802	12,517,747	16,216,645
Accounts Receivable + Other Assets:	1,354,488	342,081	202,451	1,822,388	475,964
Furniture + Equipment:	105,432	35,006	202,451	128,227	512,691
TOTAL ASSETS:	35,267,344	37,156,838	36,959,383	38,883,619	33,400,035
Lines of Credit Borrowings:	—	—	—	—	4,000,000
Accrued Payables + Program Costs:	2,393,542	2,965,566	2,203,738	7,558,097	4,005,821
Deferred Revenues:	1,621,115	3,692,753	3,885,293	3,584,998	3,853,397
Reserve for Losses:	11,476,520	10,259,731	8,928,470	7,141,671	5,032,843
Unrestricted Net Assets:	19,766,167	20,238,788	21,941,882	20,598,853	16,507,974
TOTAL LIABILITIES + NET ASSETS:	35,267,344	37,156,838	36,959,383	38,883,619	33,400,035
Statement of Activities					
Total Program Revenues:	55,750,453	49,437,882	46,771,082	40,481,101	29,844,659
Less: Total Premiums, Claims Paid + Administrative Costs:	56,213,074	51,140,976	45,428,053	36,390,222	25,085,659
CHANGE IN NET ASSETS:	-462,621	-1,703,094	1,343,029	4,090,879	4,759,000



OUR PERSPECTIVE

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. Pruiksma
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