



# 2016 **ANNUAL REPORT**





**Timothy Harris, CPCU**  
President & CEO

2016 was a year of highs and lows. We were saddened by the sudden and unexpected July death of our Board Chairman, Rev. Dr. John Deckenback. John was a pivotal influence in the early beginnings of the Insurance Board, and an outspoken and seemingly larger-than-life advocate for social justice and peace throughout the world. John was committed to leaving the places he touched better than he found them, and, for all who knew him, that will certainly endure as a significant part of his legacy. He will be sorely missed.

2016 also proved to be the worst property claim year in the Insurance Board's 31-year history. From major fires, to hail storms, to

Hurricane Matthew, the year produced both adverse frequency and severity of property losses spanning from the Pacific Northwest to the Southeast. Despite the impact of these events, the Insurance Board Program remains as strong as at any point in its history.

On the positive side, our efforts to grow participation in the Program continue. In keeping with our purpose, we passed on an average 1.7% premium cost reduction to participants, achieving organic participant growth of 3.8% on the heels of 5.6% growth the year prior, reaching our highest participant total since 2002. Additionally, our focus on providing exceptional products and services to participating churches and affiliated church ministries,

resulted in a 96.8% retention of Program participants. We continue to work with our distribution partners to enhance relationships within the various constituencies we serve, and to expand the Program accordingly.

For the year ended December 31, 2016, the Insurance Board posted a consolidated net loss of \$798,000 on \$42.6M in revenues, as a result of considerable adverse losses for the year. These results are in contrast to consolidated net incomes of \$3.28M in 2015, and \$3.51M in 2014. As a result, unrestricted net assets declined 2.9% to \$26.76M. Unprecedented adverse losses in the current year were partially offset by favorable loss development from prior years; welcome

news considering the adverse prior year development experienced on casualty business in 2015. Given our status as a 501(c)(3) organization, and the financial strength of the Program, our goal is to provide a stable marketplace for our participants. Consistent with this, we do not anticipate the year-end 2016 results to have a material impact on average premiums for 2017.

Tragedy reminds us of the preciousness and fragility of life. We remain as committed as ever to doing the work of helping our partner churches and their ministries mitigate the adverse impact and financial consequence of loss. We are passionate about our vision to be the Program of choice for

our participating denominations, and are unabated in our accountability to serve!

Grace and Blessings,  
Timothy Harris, CPCU  
President & CEO

## A MESSAGE FROM OUR BOARD



**Roddy Dunkerson**  
Chairman of the Board

2016 brought us both challenges and opportunities. The death of our beloved Chair John Deckenback was a challenge that demanded many people to step forward and set a course as we negotiated our grief. Our Vice Chair and all of the Staff got us through the early days, while IB President and CEO Tim Harris kept everyone steady in the weeks and months that followed.

The year also brought challenges from losses, particularly fires, that demanded relentless care and commitment from all of us. Fortunately, the Program endured those losses without compromising our fundamental strength.

Undergirding the year was the commitment to growth, and that has borne good results. As reflected in the President's Report, we continue to make good strides in growing our Program.

As we continue to reach out to denominations who share our covenants, we make our services available to churches and related ministries, helping all to adopt best practices across the lives of our congregations. We are deeply committed to helping churches anticipate and prevent problems, enabling them to serve God with as little interruption as possible.

IB Board Members are connected in their denomination and church, bringing both communication to our churches and insight on culture, language and tradition to the program. As built-in ambassadors we advocate for the Program and interpret our mission.

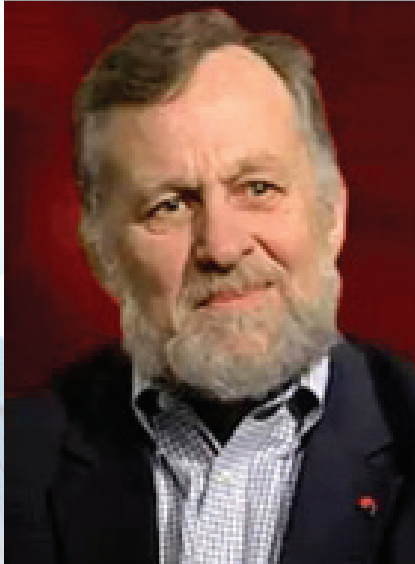
Naturally, our Board and Management work together to be conscientious stewards of our resources, ensuring that our invested funds reflect

## Remembering John Deckenback

the socially responsible positions of our participating denominations.

This year of challenge and opportunity has made us stronger, and we are pleased to present the story of our faithful service and bright future.

Yours,  
Rev. Roddy C. Dunkerson  
Conference Minister  
Nebraska Conference UCC  
Chair of the Board



**John Deckenback**  
Chair, Board of Directors, 2013-2016

Insurance Board and the greater UCC community mourns the loss of our board chair Rev. John Deckenback, who passed away on July 19, 2016. John was a widely-admired spiritual leader, tireless advocate for justice and peace, and long-time Conference Minister of the Central Atlantic Conference UCC.

35 years ago, John championed a mission to protect churches, leverage buying power, and ensure that NO church be denied insurance. This passion led him to the role of IB co-founder, and twice as Acting Executive Director. John became Chair in 2013 and was key in hiring President Tim Harris.

John will be missed.



## 2016 **HIGHLIGHTS**

Insurance Board  
**welcomed**  
Alliance of Baptists  
to our program.

IB launched a **new, comprehensive website** with improved agent services.

IB partnered with PC(USA) to launch an **Abuse Prevention Hotline** for all their churches.

IB paid  
**839 claims**  
totalling \$10 million.

Our list of participants  
**grew 3.8%.**



IB reached more than  
4,000 participants,  
achieving our **highest**  
**church count**  
**since 2002!**

**34 churches received**  
**financial support**  
– helping to fulfill our ongoing  
mission of church support.

Participants with claims  
gave IB a **97.9%**  
**satisfaction** rate.

We passed on an  
average 1.7% premium  
**cost reductions**  
to our program  
participants.

Alliance of Baptists  
president Mike Castle was  
**named to the IB Board of**  
**Directors.**

# 2014-2016

## Consolidated Statements of Financial Position



	DECEMBER 31		
	2016	2015	2014
Cash and short-term investments	\$ 21,235,410	\$ 28,503,031	\$ 26,907,322
Investments	31,434,079	24,912,919	19,767,749
Accounts receivable and other assets	670,230	700,029	1,599,185
Furniture and equipment	584,208	818,574	989,404
<b>Total assets</b>	<b>\$ 53,923,927</b>	<b>\$ 54,934,553</b>	<b>\$ 49,263,660</b>

Line of credit	\$ -	\$ 919,540	\$ 1,994,540
Accrued expenses	8,847,190	4,132,950	2,568,832
Deferred revenue	5,051,192	6,395,473	5,517,641
Reserve for losses	13,258,691	15,925,339	14,901,145
Unrestricted net assets	26,766,854	27,561,251	24,281,502
<b>Total liabilities and unrestricted net assets</b>	<b>\$ 53,923,927</b>	<b>\$ 54,934,553</b>	<b>\$ 49,263,660</b>



	DECEMBER 31		
	2016	2015	2014
Program revenue	\$ 42,592,411	\$ 42,266,805	\$ 43,052,383
Program costs	43,390,439	38,987,056	39,544,553
<b>Change in unrestricted net assets</b>	<b>\$ (798,028)</b>	<b>\$ 3,279,749</b>	<b>\$ 3,507,830</b>

Our insurance serves you so you can serve God.

*Serve God*

2014-2016

## Consolidated Statements of **Activities**



# Board of Directors

**Rev. Roddy Dunkerson**

Board Chair  
Nebraska Conference

**Rev. June Boutwell**

Southeast Conference

**Keith H. Bowden, CPCU**

Massachusetts Conference

**Robert J. Brautigam**

Illinois Conference

**Rev. Mike Castle\*\***

Alliance of Baptists

**Rev. David Crittenden**

Presbyterian Church (USA)

**John M. Derby, Sr.**

North California/Nevada  
Conference

**Duncan G. Draper**

Indiana Region

**Rev. Dr. William Edwards**

Ohio Region

**Rev. Judy Fletcher**

Presbyterian Church (USA)

**Robert Gabon, CPA**

South California/Nevada  
Conference

**Rev. Dr. Edith A. Guffey**

Kansas/Oklahoma  
Conference

**Kathy Houston\***

CFO/COO  
Cornerstone Fund, UCC

**Barnet (Mike) McKee**

Missouri/Mid South  
Conference

**Tom Mitchell, CPCU,  
AMIM, AIM**

Florida Conference

**Rev. James Moos**

UCC

**Craig Palmer\***

Presbyterian Church (USA)

**Erick (Rick) D. Reisinger**

Indiana Region

**Alan Relyea, CIH, CSP**

Connecticut Conference

**Rev. John Vertigan**

Florida Conference

**Rev. Diane Weible\*\***

North California/Nevada  
Conference

\*Term expired 2016

\*\*Term began 2017



## Our Staff

**Timothy S. Harris, CPCU**

President & CEO

**David B. Nelson, CPCU, ARM**

Senior VP, Operations

**Farnaz Ansari Berna**

Vice President, Marketing/Sales

**Andrea Gauding, CPA**

Vice President & CFO

**Joe K. Boyd, CPCU, ARM**

Director, Underwriting

**Cy McFarlin**

Director, Claims Administration

**Jennifer R. Perri, CIC, CISR**

Director, UCIS

**Monica B. Kornblum, SHRM-CP**

Employee Service Manager

**Mary C. Lammermeier, CSP**

Manager, Loss Control

**Elizabeth Vance**

Manager, Marketing  
and Communications

**Michelle Burnworth**

Underwriting Assistant

**Daniel J. Carrick**

Senior Underwriter

**Rosalind Davis**

Customer Service  
Representative

**Sherry A. Denby**

Senior Accountant

**Marc Gerardis**

Account Executive

**Danielle Grasso**

Administrative Assistant

**Alison N. Hanna**

Senior Claims Analyst

**Cindy S. Howell, CIC**

Account Executive

**Macrina Hummel**

Customer Service  
Representative

**Alesia Malushi**

Underwriting Assistant

**Kiezia McCullough, MBA**

Underwriter

**Nick Schidowka**

Team Leader, Underwriter

**Laraine Schuster**

Customer Service  
Representative

**Mark A. Zimmerman, AINS**

Senior Claims Analyst



### **MISSION**

The Insurance Board is dedicated to supporting and protecting churches and their ministries with superior property and casualty risk and insurance management services.

### **VISION**

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

### **VALUES**

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

*Our insurance serves you so you can serve God.*

*Serve God*

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