

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.



INSURANCE BOARD
Partners in Protection

2017 Annual Report

Steady Growth. Strong Service.

Our insurance serves you so you can serve God.

Serve God

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Cleveland, OH
44115
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InsuranceBoard.org

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Timothy Harris, CPCU
President & Chief Executive Officer

A Message From Our President

2017 Overview

2017 was another challenging year, driven entirely by the frequency of property-related, severe weather events and several significant fires. Additionally, there was adverse development on several prior year claims which negatively impacted results. The year started in January with a tornado in Louisiana, followed by significant weather events persisting through hurricane season with Harvey, Irma, and Maria.

For the year ended December 31, 2017, the Insurance Board posted a consolidated net loss of \$1.3M on \$44.4M of gross revenue, led by losses from its wholly owned subsidiary, United Church Insurance Company. Unlike 2016, which was the only year in five consecutive years that involved contributions from the program's excess/reinsurers, 2017 losses were borne entirely through United Church Insurance Company. Consequently, for the period, unrestricted net assets decreased 4.8% to \$25.5M. We maintain relationships with some of the financially largest and strongest insurers in the industry through reinsurance agreements, and are comfortable

with the current level of risk retained, versus transferred, to such partners.

Through careful execution, the Insurance Board posted 3% net growth in a challenging growth environment, much of which came in the 3rd and 4th quarters of the year, including net gains in each of the denominations within the program. A focus on strong client retention will enable the impact of this growth to positively influence top line revenue in 2018.

Several large fires over the past couple of years have been caused by third party contractors. We will increase our loss control efforts to educate program participants on the importance of vetting contractors and verifying appropriate insurance coverage. The frequency of severe weather events including hail, flooding, and windstorms, continues to plague the industry. Fundamentally, we will continue to execute our business plan and anticipate the return to a more normalized loss pattern. In addition, we will persist in evaluating opportunities to round out our portfolio with supplementary product offerings.

The primary purpose of the Insurance Board program is to provide stability and an enduring property-liability solution for program participants. Even though consolidated results will put upward pressure on premiums in 2018, such changes will be moderate. We will continue to focus on program fundamentals, including our marketing efforts to attract new participants through partnerships with our independent insurance agents, providing a program with unparalleled insurance coverage, and delivering outstanding customer service. We remain committed to serving our church clientele so that they can remain committed to serving God and their communities.

With appreciation to serve,
Timothy Harris, CPCU
President and Chief Executive Officer



Roddy Dunkerson
Chairman of the Board

A Message From Our Board TM

The imagination of prior Board Members has blessed us as we say good bye to 2017. The fact that we created the United Church Insurance Company several years ago has allowed us to retain risk and reduce the premium increases we are subject to when we have an unfavorable year of losses. The leadership and imagination from those earlier years make us stronger going into 2018 than we would be without the United Church Insurance Company.

Expect the Board to continue working with the officers and staff in creating a Board with folk with many experiences and connections to help us serve churches well.

All of us who have served on the Board know that creative and strong leadership from our President and CEO has been key to our success. We have been blessed by the people Tim has brought into the program who give us great vision. Andrea Gauding, Vice President – CFO/Treasurer has a constant finger on the pulse of our work and keeps us steady. Farnaz Ansari Berna, Vice President – Marketing and Sales has given focus to our marketing program.

But, for many of us the steady hand of David B. Nelson, Senior Vice President – Insurance Operations has been a cornerstone for our work. As Dave retires, we know we will miss his leadership. Yet, we know that we will be rewarded with new imagination and insight when our new Vice President – Insurance Operations comes on board. Dave came to us in a time of challenge and leaves us strong. May his successor help us see our opportunities with clarity.

As Tim has reported, our staff has used the experience of underinsured contractors employed by our congregations to create an opportunity to offer support for church leaders when they are making choices about contractors. This will be a gift for the congregations, the church leadership and for the Insurance Board.

The Board has rejoiced in Tim's steady hand as we have navigated transitions in the industry, in our program and in our churches.

We rejoice at the deep strength in our leadership team and look forward to greater strength as we move forward.

Yours,

Rev. Roddy C. Dunkerson

Conference Minister

Nebraska Conference UCC

Chair of the Board

2017 Financial Statement

DECEMBER 31

As of and for the Years Ended:	2017	2016	2015	2014
Consolidated Statements of Financial Position				
Cash and Short-Term Investments	\$30,571,706	\$21,235,410	\$28,503,031	\$26,907,322
Investments	20,654,591	31,434,079	24,912,919	19,767,749
Accounts Receivable and Other Assets	766,435	670,230	700,029	1,599,185
Furniture and Equipment	981,560	584,208	818,574	989,404
Total Assets	\$52,974,292	\$53,923,927	\$54,934,553	\$49,263,660
Line of Credit	\$ —	\$ —	\$919,540	\$1,994,540
Accrued Expenses	3,906,208	8,850,820	4,132,950	2,568,832
Deferred Revenue	6,361,359	5,051,192	6,395,473	5,517,641
Reserve for Losses	17,237,998	13,258,692	15,925,339	14,901,145
Unrestricted Net Assets	25,468,727	26,763,223	27,561,251	24,281,502
Total Liabilities and Net Assets	\$52,974,292	\$53,923,927	\$54,934,553	\$49,263,660
Consolidated Statements of Activities				
Program Revenue	\$44,394,655	\$42,592,411	\$42,266,805	\$43,052,383
Program Costs	45,689,151	43,390,439	38,987,056	39,544,553
Change in Unrestricted Net Assets	-\$1,294,496	-\$798,028	\$3,279,749	\$3,507,830

2017 At-A-Glance



More Than

4100

Participants



4 Years of Great Leadership

Insurance Board CEO Tim Harris completed four years of great leadership – presiding over growth every year!

Insurance Board Paid

819

Claims

TOTALING

\$10.4

Million

RESULTING IN A

98.3%

Client
Satisfaction
Rate

Board of Directors

Rev. Dr. Edith A. Guffey
Board Chair
Kansas/Oklahoma Conference

Rev. June Boutwell
Penn West Conference

Keith H. Bowden, CPCU
Massachusetts Conference

Robert J. Brautigam
Illinois Conference

*** Andrew Bunn**
Hawaii 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. Roddy Dunkerson**
Board Chair
Nebraska Conference

Rev. Judy Fletcher
Presbyterian Church (USA)

Robert Gabon, CPA
South California/Nevada
Conference

*** Rev. Shana Johnson**
Illinois South Conference

Barnet (Mike) McKee, JD, MDiv
Missouri/Mid South
Conference

Tom Mitchell, CPCU, AMIM, AIM
Southeast Conference

Rev. James Moos
UCC

Erick (Rick) D. Reisinger
Indiana Region

Alan Relyea, CIH, CSP
Connecticut Conference

Rev. John Vertigan
Florida Conference

Rev. Diane Weible
North California/Nevada
Conference

Our Staff

Timothy S. Harris, CPCU
President & CEO

Farnaz Ansari Berna
Vice President, Marketing/Sales

Andrea Gauding, CPA
Vice President & CFO

Roy J. Villella, CRM
Vice President,
Insurance Operations

Jennifer R. Perri, CIC, CISR
Assistant VP, UCIS

Joe K. Boyd, CPCU, ARM
Director, Underwriting

Cy McFarlin
Director, Claims Administration

Monica B. Kornblum, SHRM-CP
Employee Service Manager

Elizabeth Vance
Manager, Marketing
and Communications

Michelle Burnworth
Underwriting Assistant

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

Rob Linson
Senior Underwriter

Alesia Malushi
Underwriting Assistant

Kieziah McCullough, MBA
Underwriter

Nick Schidowka
Team Leader, Underwriter

Laraine Schuster
Customer Service
Representative

Mark A. Zimmerman, AINS
Senior Claims Analyst