

## 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*



700 Prospect Ave.  
Cleveland, OH  
44115  
800-437-8830

[InsuranceBoard.org](http://InsuranceBoard.org)

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# 2018 Annual Report

More growth. More service.



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More growth. More service.

## A Message From Our President 2018 Overview

For 2018, the U.S. property and casualty insurance industry experienced its third consecutive year of losses, driven primarily by above-average catastrophic property claims. Insurance Board program losses have nearly mirrored this trend over the past three years, with property losses for years 2016, 2017, and 2018 running above historic averages.

Although property losses for 2018 were on par with the losses in 2017, Insurance Board posted a consolidated net loss of \$66,000 on slightly more than \$47,000,000 of gross program revenues, an improvement over the prior year.

### Growth offsets loss

The higher than expected property loss trend was partially offset by more than 6.5% top-line growth, 97% client retention, and stronger investment returns in 2018 than the prior year. Despite the better year-over-year consolidated net result, more work is necessary to address the deteriorating property claim environment.

### Once anomalous, now trends

What was once considered anomalous, higher than expected property claims are now considered trends. Persistent wildfires, hurricanes, catastrophic windstorms, hail, water and flooding claims over the past three years have not only been common occurrences, but have involved superlatives such as wettest (Harvey), strongest (Maria/Irma), and deadliest (CA wildfires).

These events are pushing insurance premiums upward, and will continue to exert pressure on reinsurance costs.

### Bright spots

Participant growth and retention continue to be bright spots for our program. We finished 2018 with slightly more than 4,300 churches and affiliated ministries, representing 4% net growth, and we are expanding the number of our independent agency partners.

### Focused on service

I anticipate 2019 to be a challenging year in terms of addressing claim trends, evaluating overall program structure, and negotiating with excess/reinsurance markets. Yet, in spite of these challenges, we remain focused on offering a program providing a robust insurance product and extensive loss control services to our constituent denominations.

Above all, we remain steadfast in our commitment to exceptional customer service.



Committed to serving you,  
Timothy Harris, CPCU  
President and Chief Executive Officer



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## A Message From Our Board

I write this at the height of the spring storms in the Midwest and I can't count the number of times I hear the words, "Thank God for good insurance."

### Meaning of good stewardship

While many are speaking about their homes, the same sentiment is true when we learn of damage or destruction to our churches. Having good property and liability insurance, providing education and ways to reduce risks may not sound like it, but they are important components of what it means to be good stewards and engaged in the important ministry of sharing the good news of the gospel.

### In good hands

On behalf of the Board of Directors and staff of the Insurance Board, we are grateful to be partners in ministry with you. During my years on the Board of Directors, my appreciation and respect for the leadership and strength of the Insurance Board staff has only increased.

Our President, Tim Harris, is excellent and brings both energy and vision for the Insurance Board, and he continues to attract committed and talented staff. I know I speak for the entire Board when I express my appreciation for their work.

### Departures

We said goodbye this year to several long serving Board members with significant history. We are deeply grateful for the ways and years they served and provided vision and leadership. In many ways, their work has provided the Insurance Board with the solid foundation for moving forward.

### Ongoing mission

When the Insurance Board was conceived, only UCC churches were insured and the Chair of the Board has always been a UCC Conference Minister. The Insurance Board now includes six denominations: UCC, Disciples of Christ, Presbyterian Church (U.S.A.), Evangelical Lutheran Church in America, Alliance of Baptists and Reformed Church in America; all denominations with which the UCC has a formal agreement through an action of the General Synod. Given this, the owners agreed that the Chair of the Board does not have to be a UCC Conference Minister. This is yet another step in the evolution from what has been to what is. It is a more honest and complete expression of our ecumenical relationship expressed through the Insurance Board.



Thank you for allowing us to be  
Partners in Ministry with you.

Dr. Edith Guffey  
Chair of the Board  
Conference Minister  
Kansas-Oklahoma Conference, UCC



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## 2018 Financial Statements

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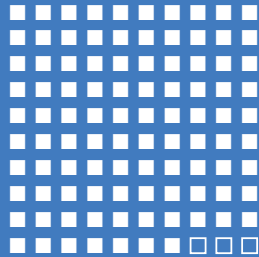
As of and For the Years Ended:	2018	2017	2016	2015	2014
<b>Consolidated Statements of Financial Position</b>					
Cash and Short-Term Investments	\$29,417,400	\$30,571,706	\$21,235,410	\$28,503,031	\$26,907,322
Investments	27,051,858	20,654,591	31,434,079	24,912,919	19,767,749
Accounts Receivable and Other Assets	776,006	766,435	670,230	700,029	1,599,185
Furniture and Equipment	668,798	981,560	584,208	818,574	989,404
<b>Total Assets</b>	<b>\$57,914,062</b>	<b>\$52,974,292</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	5,151,972	3,906,208	8,850,820	4,132,950	2,568,832
Deferred Revenue	7,842,219	6,361,359	5,051,192	6,395,473	5,517,641
Reserve for Losses	19,517,500	17,237,998	13,258,692	15,925,339	14,901,145
Net Assets without Donor Restrictions	25,402,371	25,468,727	26,763,223	27,561,251	24,281,502
<b>Total Liabilities and Net Assets</b>	<b>\$57,914,062</b>	<b>\$52,974,292</b>	<b>\$53,923,927</b>	<b>\$54,934,553</b>	<b>\$49,263,660</b>
<b>Consolidated Statements of Activities</b>					
Program Revenue	\$47,293,847	\$44,394,655	\$42,592,411	\$42,266,805	\$43,052,383
Program Costs	47,360,203	45,689,151	43,390,439	38,987,056	39,544,553
<b>Change in Net Assets without Donor Restrictions</b>	<b>\$(66,356)</b>	<b>\$(1,294,496)</b>	<b>\$(798,028)</b>	<b>\$3,279,749</b>	<b>\$3,507,830</b>

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## 2018 At-A-Glance

# 97.3%

CLIENT  
RETENTION  
RATE



MORE THAN

# 4300

PARTICIPANTS

Solid 5 Year  
Growth  
Trajectory



INSURANCE BOARD PAID

# 852 Claims

TOTALING

# \$10.1 Million

RESULTING IN

# 98%

Client Satisfaction Rate

# 100%

of all clients surveyed  
RECOMMEND Insurance Board

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## Board of Directors

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

**Rev. June Boutwell**  
Secretary  
Penn West Conference

**\*\* Keith H. Bowden, CPCU**  
Massachusetts Conference

**Robert J. Brautigam**  
Vice Chair  
Illinois Conference

**Andrew Bunn**  
Hawaii Conference

**\* Rev. Dr. LaTaunya (Toni) Bynum**  
Northern CA/Nevada Region

**Rev. Mike Castle**  
Alliance of Baptists

**Rev. David Crittenden**  
Presbytery of Ohio Valley

**Duncan G. Draper**  
Indiana Region

**\*\*Rev. Judy Fletcher**  
Presbyterian Church (USA)

**Robert Gabon, CPA**  
South California/Nevada  
Conference

**Rev. Shana Johnson**  
Illinois South Conference

**\*Rev. Joyce Lieberman**  
Synod of South Atlantic

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

**Tom Mitchell, CPCU, AMIM, AIM**  
Southeast Conference

**Rev. James Moos**  
UCC, Global Engagement

**\*Rev. Terry Newland**  
Synod of Living Waters

**Erick (Rick) D. Reisinger**  
Indiana Region

**Alan Relyea, CIH, CSP**  
Connecticut Conference

**Rev. John Vertigan**  
Florida Conference

**Rev. Diane Weible**  
North California/Nevada  
Conference

**\*Bill Whitehead**  
Massachusetts Conference

**\*Rev. Bill Worley**  
Pennsylvania Southeast Conference

\* Term began 2019    \*\* Term expired 2019

## Our Staff

**Timothy S. Harris, CPCU**  
President & CEO

**Andrea Gauding, CPA**  
Senior Vice President & CFO

**Farnaz Ansari Berna**  
Vice President, Marketing/Sales

**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

**Gerald Sink**  
Director, Loss Control

**Monica B. Kornblum, SHRM-CP**  
Employee Service Manager

**Elizabeth Vance**  
Marketing and Communications  
Manager

**Rosalind Davis**  
Customer Service  
Representative

**Sherry A. Denby**  
Senior Accountant

**Blaine Geary**  
Underwriting Assistant

**Marc Gerardis**  
Account Executive

**Amy Gibson**  
Team Lead, Customer Service  
Representative

**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

**Kiezia McCullough, MBA**  
Underwriter

**Nick Schidowka**  
Team Lead, Underwriter

**Kaili Simmons**  
Junior Underwriter

**Mark A. Zimmerman, AINS**  
Senior Claims Analyst