Community Is Sacred
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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.

Serve God
2019 OVERVIEW

Calendar year 2019 revealed a perpetuation of the adverse trend of considerable property losses for the insurance industry, as well as for Insurance Board. Since 2015, Insurance Board has experienced a property loss trajectory resulting in property losses increasing by 63.3%, driven by hail, fire, and windstorm. Closely trailing these top 3 property loss leaders have been significant claims related to water damage. Claim distress in these areas resulted in Insurance Board posting a consolidated net loss of $970,000 on more than $50,000,000 in gross revenues.

Despite 7.2% growth in top line revenues, solid participant growth of 5.9% resulting in Insurance Board reaching the highest number of participants in the program’s history during the year, and client retention of almost 97.5%, adverse insurance claims continued to dampen results. According to the National Association of Insurance Commissioners (NAIC) – 2018 Annual Report on the U.S. Property & Casualty and Title Insurance Industries, the industry’s property (fire) combined ratio deteriorated 30.2% from 2015 through 2018. For Insurance Board, net property loss ratios deteriorated 19.8% from 2015 through 2018, with further deterioration of 11% through year end 2019. These results emphasize the need for continued work in the area of loss mitigation. Accordingly, Insurance Board has identified a range of initiatives designed to better position the organization for the future. 2020 will continue to pose challenges as claim trends continue, and as costs of insurance for catastrophic risk events, which Insurance Board purchases to protect its portfolio of insurance coverage for clients, continue to rise.

In December 2019, a novel strain of coronavirus (COVID-19) was reported in Wuhan, China. The World Health Organization has declared the outbreak to constitute a “Public Health Emergency of International Concern.” The extent of the impact of COVID-19 on Insurance Board’s operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, and its impact on policyholders, employees, and vendors, all of which are uncertain and cannot be predicted.

Despite these adverse trends and events, Insurance Board, which will hit 35 years of incorporation in 2020, continues to provide one of the broadest property and liability insurance products in the industry for churches and affiliated ministries within the denominations it serves. We are positioning for the long term and remain committed to serving our mission partners.

Faithfully,

Timothy Harris, CPCU
President and Chief Executive Officer
I served as the Chair of the Board of Directors of the Insurance Board for 2019, serving as the first non UCC Conference Minister chair. In 2018, reflecting the ecumenical nature of the six denominations we serve, the owners agreed that the Chair of the Board did not have to be a UCC Conference Minister. I am thankful for the chance to serve in this capacity and for everything I have learned and experienced as a board member representing the Presbyterian Church (U.S.A.). I believe our ministry serves as a vital function that supports and enables the ministries of our participating denominations and their congregations.

The Board and staff continue to be grateful to be partners in ministry with you. As you will note in the President’s report, 2019 continued the adverse trend of considerable property loss in the insurance industry and for us. In these trying times in the field of insurance our Board is thankful for the leadership, strength, and faithful service of the whole Insurance Board staff. It is a blessing to work with them to support and protect the properties and ministries of the participating denominations with what we believe are superior property and casualty risk and insurance management services.

I am impressed by the varied expertise and commitment of my fellow board members. We are a mixture of insurance and church professionals, working with the staff, who choose to be bound together in mutual care and concern. We strive to maintain integrity, excellence, exceptional customer service, open communication, and inclusiveness. We covet your prayers and support as we continue this ministry on behalf of all of our participating denominations: UCC, Disciples of Christ, Presbyterian Church (U.S.A.), Evangelical Lutheran Church in America, Alliance of Baptists and Reformed Church in America.

Rev. David Crittenden  
Chair of the Board  
Retired Synod Executive  
Presbyterian Church (U.S.A.)
WHAT WE PROTECT IS SACRED

Since our formation in 1985, Insurance Board has maintained a simple vision: By understanding church culture, we can provide a superior and affordable church property insurance and church liability insurance program for church communities.

Here’s how it all began. In the early 1980s, when quality insurance was hard to find for the United Church of Christ churches, leadership in this community came together to find an enduring solution that would protect their ministries.

This became the nonprofit, Insurance Board, that exists for one purpose: protect and preserve ministries.

Over the years, Insurance Board expanded to serve more than 4,500 churches that include the United Church of Christ, the Christian Church (Disciples of Christ), the Presbyterian Church (USA), a community of churches known as the Alliance of Baptists, the Evangelical Lutheran Church in America and the Reformed Church in America.

Together we recognize that what we protect is sacred – from the churches and associated buildings to the worshippers themselves.

We thank all of these communities for their trust and partnership over these 35 years.

Community Is Sacred

THIRTY-FIVE YEARS

1985 2020

35
### 2019 FINANCIAL STATEMENT

#### As of and For the Years Ended: 2019

<table>
<thead>
<tr>
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<tbody>
<tr>
<td><strong>Consolidated Statements of Financial Position</strong></td>
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<tr>
<td>Cash and Short-Term Investments</td>
<td>$34,766,157</td>
<td>$29,417,400</td>
<td>$30,571,706</td>
<td>$21,235,410</td>
<td>$28,503,031</td>
<td>$26,907,322</td>
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<td>Investments</td>
<td>28,295,596</td>
<td>27,051,858</td>
<td>20,654,591</td>
<td>31,434,079</td>
<td>24,912,919</td>
<td>19,767,749</td>
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<tr>
<td>Accounts Receivable and Other Assets</td>
<td>726,167</td>
<td>776,006</td>
<td>766,435</td>
<td>670,230</td>
<td>700,029</td>
<td>1,599,185</td>
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<tr>
<td>Furniture and Equipment</td>
<td>597,276</td>
<td>668,798</td>
<td>981,560</td>
<td>584,208</td>
<td>818,574</td>
<td>989,404</td>
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<tr>
<td><strong>Total Assets</strong></td>
<td>$64,385,196</td>
<td>$57,914,062</td>
<td>$52,974,292</td>
<td>$53,923,927</td>
<td>$54,934,553</td>
<td>$49,263,660</td>
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<tr>
<td>Line of Credit</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>919,540</td>
<td>1,994,540</td>
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<tr>
<td>Accrued Expenses</td>
<td>$8,611,170</td>
<td>$5,151,972</td>
<td>3,906,208</td>
<td>8,850,820</td>
<td>4,152,950</td>
<td>2,568,832</td>
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<tr>
<td>Deferred Revenue</td>
<td>8,985,152</td>
<td>7,842,219</td>
<td>6,361,359</td>
<td>5,051,192</td>
<td>6,395,473</td>
<td>5,577,641</td>
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<tr>
<td>Reserve for Losses</td>
<td>22,357,143</td>
<td>19,517,500</td>
<td>17,237,998</td>
<td>13,258,692</td>
<td>15,925,339</td>
<td>14,901,145</td>
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<tr>
<td>Net Assets without Donor Restrictions</td>
<td>24,431,731</td>
<td>25,402,371</td>
<td>25,468,727</td>
<td>26,763,223</td>
<td>27,561,251</td>
<td>24,281,502</td>
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<tr>
<td><strong>Total Liabilities and Net Assets</strong></td>
<td>$64,385,196</td>
<td>$57,914,062</td>
<td>$52,974,292</td>
<td>$53,923,927</td>
<td>$54,934,553</td>
<td>$49,263,660</td>
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<tr>
<td><strong>Consolidated Statements of Activities</strong></td>
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<tr>
<td>Program Revenue</td>
<td>$50,759,218</td>
<td>$47,293,847</td>
<td>$44,394,655</td>
<td>$42,592,411</td>
<td>$42,266,805</td>
<td>$43,052,383</td>
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<td>Program Costs</td>
<td>51,729,858</td>
<td>47,360,203</td>
<td>45,689,151</td>
<td>43,390,439</td>
<td>38,987,056</td>
<td>39,544,553</td>
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<td>Change in Net Assets without Donor Restrictions</td>
<td>$(970,640)</td>
<td>$(66,356)</td>
<td>$(1,294,496)</td>
<td>$(798,028)</td>
<td>$3,279,749</td>
<td>$3,507,830</td>
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</tbody>
</table>
COMPANY SNAPSHOTS

PARTICIPANTS

6% INCREASE in participants year over year

End of 2015: 3,870
End of 2016: 4,000
End of 2017: 4,100
End of 2018: 4,300
End of 2019: 4,555

CLAIMS DATA

TOTAL CLAIMS PAID

- 2015: $14.8 million
- 2016: $10.0 million
- 2017: $10.4 million
- 2018: $10.1 million
- 2019: $14.2 million

TOTAL CLAIMS

- 2015: 857
- 2016: 839
- 2017: 819
- 2018: 852
- 2019: 887

YEAR

- 2015
- 2016
- 2017
- 2018
- 2019

SATISFACTION RATE

- 2015: 97%
- 2016: 97.9%
- 2017: 98.3%
- 2018: 98%
- 2019: 96%

END OF 2019

4,555

END OF 2018

4,300

END OF 2017

4,100

END OF 2016

4,000

END OF 2015

3,970

END OF 2014

3,870
Retention Rate:
- 2015: 96.5%
- 2016: 96.7%
- 2017: 96.9%
- 2018: 97.3%
- 2019: 97.4%

Satisfaction:
- 92.8% of members indicated they were satisfied with Insurance Board’s service.
- 95.5% of members surveyed indicated they would recommend Insurance Board to another church.
BOARD OF DIRECTORS

Rev. David Crittenden
Board Chair
Presbyterian Church (USA)

Rev. June Boutwell
Perin West Conference

*Keith H. Bowden, CPCU
Massachusetts Conference

Robert J. Brautigam
Illinois Conference

Andrew Bunn, JD
Secretary
Hawaii Conference

Rev. Dr. LaTunuya (Toni) Bynum
Northern CA/Nevada Region

Rev. Mike Castle
Alliance of Baptists

Duncan G. Draper
Indiana Region

*Rev. Judy Fletcher
Presbyterian Church (USA)

Robert Gabon, CPA
South California/Nevada Conference

Dr. Edith A. Guffey
Vice Chairman of the Board
Kansas/Oklahoma 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. Dr. Diane Weible
North California/Nevada Conference

William (Bill)
G. Whitehead
Massachusetts Conference

Rev. Bill Worley
Pennsylvania Southeast Conference

STAFF

Timothy S. Harris, CPCU
President & CEO

Andrea Gaung, CPA
Senior Vice President & CFO

Farnaz Ansari Berna
Vice President, Marketing/Sales

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

Joe K. Boyd, CPCU, ARM
Director, Underwriting

Lisa Gonzalez
Director, Loss Control

Cindy S. Howell, CIC
Account Executive

Macrina Hummel, CISR
Customer Service Representative

Mark A. Zimmerman, AINS
Senior Claims Analyst

Rob Linson, CPCU, AU
Senior Underwriter

Kieziah McCullough, MBA
Underwriter

Nick Schidowka
Team Lead, Underwriter

Kaili Simmons
Junior Underwriter

Elizabeth Vance
Senior Loss Control Representative

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*Term Expired 2019