Answers to Frequently Asked Insurance-Related Questions

Congregational leaders face a broad spectrum of issues, including learning about, choosing, and remaining compliant with various insurance policies. The following answers to your frequently asked questions about insurance were developed in partnership with the URJ Insurance Committee. We are grateful for their wisdom and expertise. The answers, however, are for informational purposes only, and all congregational leaders are advised to check with their congregation’s counsel and insurance experts before taking action, particularly because many insurance statutes vary on the local, state, and federal levels.

Jump to a particular area of interest by clicking on a topic below, or scroll through to read through all the questions and answers.

- Getting Started
- Employment
- Facilities
- Healthcare
- Liability Issues
- Small Congregations
- Technology

Getting Started

When choosing an insurance provider, what are the best ways to comparison shop? We want to get the coverage we need but are on a budget.

You should consult with one or more local insurance professionals and ask them for proposals. Proposals should be evaluated by comparing premiums, plan designs, the size and quality of network providers, participation requirements, and services provided to participants and the congregation.

I have questions about various types of insurance (building, liability, workers’ comp, et al.). Whom can I contact?

Members of the URJ Insurance Committee are available to answer general questions. Contact the Knowledge Network (urj1800@urj.org) to be connected to a committee member. Please keep in mind, however, that committee members’ responses are for informational purposes only, and congregational leaders are urged to check with their congregation’s counsel and/or insurance professional before taking action.

We are assessing what should be included in our property and casualty insurance policy. Does an “expert-approved” checklist exist?

Yes. See the Insurance Checklist – Identifying Risks document in The Tent for broad suggestions of available coverage and policies.

Employment

Insurance companies often require background checks for any person engaged in activities with children. This might include paid staff members, including clergy, as well as volunteers. Some insurance companies require background
Insurance FAQs

checks for all volunteers, regardless of with whom they interact. What does this mean for my congregation, our coverage, and the protection of others?

Background checks are frequently a requirement for coverage for sexual abuse or molestation. Insurance companies tend to insist on background checks for staff (including clergy) and volunteers working with children, though there may be some flexibility on background checks for volunteers not engaged in activities involving children. Particularly because it is an insurance requirement, it is commonplace for organizations to conduct several levels of background checks. Comprehensive checks include multiple jurisdictions and broad search parameters. Completed background checks should be kept confidential and retained in employees’ and volunteers’ records.

The URJ has entered into an agreement with IntelliCorp to make it easy and affordable for your congregation to perform comprehensive, validated background checks. See this thread in The Tent to learn more about IntelliCorp’s services and pricing.

Our insurance policy requires us to have a child protection plan. What is the purpose of such a plan?
Child protection policies can identify and help abused and neglected children and promote child safety. Enforced polices may help identify the signs and symptoms of various forms of child abuse and neglect. Policies guide everyone to understand who, how, and to whom suspected abuse should be reported. Many states have mandated reporters and child protective agencies that will act on reports they receive. Written policies should be shared with employees and members.

We want to provide retirement savings opportunities for our employees. How can we participate in the Reform Pension Board’s services?
The Reform Pension Board (RPB) provides eligible professionals with a 403(b) pension plan. Information is available online at rpb.org, and you can reach the RPB by calling 212.681.1818 or emailing PensionBoard@rpb.org.

Are congregations obligated to provide unemployment insurance for full-time staff? What about for clergy?
The Federal-State Unemployment Insurance Program provides unemployment benefits to eligible workers who are unemployed through no fault of their own (as determined under state law), and meet other eligibility requirements of state law. Some states exclude coverage for employees of religious institutions if their work is of a religious nature. Employees performing non-religious services are not exempt. It may be possible to voluntarily elect to provide coverage.

Facilities
We are thinking of renting parts of our facilities to secular entities, including secular preschools. What are the insurance and liability implications of doing so?
Many congregations help balance budgets by renting space to outside organizations. Several factors should be considered before entering into rental agreements:

- Security of building during the rental hours
- Whether or not the added income will have an adverse effect on the congregation’s tax exempt status
Insurance FAQs

- Insurance requirements for renters
- Impact of rental on the facilities (i.e., what toll will the renters’ activities take on the facilities?)
- How to ensure the rental does not interfere with or restrict synagogue programs and services

Once these factors are considered, and you and an entity decide to enter into an agreement, it should be codified in writing. Provisions detailing terms of the rental, authorized activities, and responsibility for damages should be included, as well as a provision for the renter to indemnify and hold the synagogue harmless.

When renting our facilities, should we require caterers and others to sign a contract? What kind of insurance coverage should we consider?

Anyone renting the facility or providing goods or services should be required to provide certificates of insurance that include the congregation as additional insureds. Written agreements should be used, and are frequently a requirement for inclusion of an additional insured on an insurance policy.

Coverage limits should be based on the potential for bodily injury and damage to real property and should apply per event. There are various coverages that should be required, such as product liability insurance, liquor law legal liability, contractual liability, and others.

How should we approach natural disaster insurance? What about insurance for terrorist or anti-Semitic attacks?

Congregations have to periodically assess their exposures to various potential causes of loss, potential damage, and the impact on congregational resources. Many areas are experiencing unusual, unprecedented, and unanticipated causes of loss resulting in substantial damages, loss of income, and/or additional expenses. Part of the assessment should include identification and implementation of preventive measures.

A disaster plan should also be created and shared with staff and lay leaders. Disaster plans provide for an immediate response, including securing scared objects, preventing additional damage, plans for notification of members, and continuation of essential services. Local emergency service providers should be consulted on the plan and provided contact information for key responders. (See the Disaster Planning Checklist in The Tent for more.)

With regard to insurance for terrorist attacks, since the attacks on September 11, 2001, there has been a significant change in how terrorism coverage is provided. Some insurance companies will include terrorism coverage as part of their policies, others offer it as an optional coverage with its own premium charge. You should check your policies and consult with your agent or broker about what kind of terrorism coverage, if any, your policy offers.

Healthcare

Does the URJ provide health insurance for its congregations?

No. In order for the URJ to offer an attractive and cost-effective plan, there needs to be a minimum level of interest and commitment from congregational leaders. As URJ leaders studied the feasibility of offering health insurance, they found there was insufficient interest and commitment.
Insurance FAQs

We’re thinking about providing health insurance for our employees. How do we know whom to cover? Do we cover all full-time employees and not part-time employees? What about their spouses/partners/dependents?

Each congregation should decide what is in the best interest of the congregation and its employees. There are federal and state laws that should be adhered to when making the decision. In addition, many insurance companies have participation requirements that need to be considered. Coverage for dependents should be included in the plan, and an administrative policy for sharing the premium costs should be established.

As we develop our budget, we are examining healthcare costs. What’s the trend with regard to employers’ contributions to employees’ coverage?

Over the past few years, there has been a growing trend toward increasing employees’ participation in the cost of healthcare. (This has coincided with changes in plan designs that result in higher deductibles, copayments, and out-of-pocket limits.) Employees are being asked to share premium costs for themselves and/or dependents, with some employers requiring employees to pay up to 100% of the cost, including for their dependents. The Affordable Care Act caps maximum premium contributions from employees at 9.5% of their annual household income. As of June 2015, employers can no longer reimburse employees for the cost of their insurance coverage.

Does the Affordable Care Act (ACA) require us to provide health insurance and, if so, to whom? Are we exempt under a small business exemption? Does the answer change because of our 501c3 status?

The Affordable Care Act does not require businesses to provide health benefits to their workers, but applicable large employers may face penalties if they don’t make affordable coverage available. The Employer Shared Responsibility Provision of the ACA penalizes employers who either do not offer coverage or do not offer coverage that meets minimum value and affordability standards. In 2016, these penalties will apply to firms with 50 or more full-time equivalent employees.

I’ve heard of religious exemptions to the services our plans have to cover; as a religious organization, what is the minimum level of coverage we need to provide? What services do our health plans have to cover?

The Affordable Care Act sets minimum levels of coverage and services for all plans. Information is available on many websites, including healthcare.gov.

Liability Issues

Does the URJ have a sample “release from liability” form? We want to make sure our synagogue is protected from frivolous lawsuits and bodily injury claims (in cases in which the congregation is not at fault).

The URJ does not have such forms, though many are available online. Forms should be reviewed by the congregation’s legal advisors prior to being used.

How can we lower our property and liability insurance premiums while still providing adequate coverage?

One broad tip is that higher deductibles sometimes coincide with lower premiums. You’ll also want to review your coverages and coverage limits. Ensure your coverage limits reflect current exposures and tolerance for risk retention, and update as needed. Furthermore, note that underwriters consider the maintenance and use of property. Keeping your building in good physical condition, which includes maintaining its infrastructure in good working order with regular servicing, is important. Fire prevention plans and suppression equipment is also helpful in reducing premiums. This includes having fire extinguishers; extinguishing systems and vents for all cooking surfaces; burglar, fire, smoke and low heat alarms; and building sprinkler systems.
Insurance FAQs

We started offering drop-in babysitting/childcare during Friday night services. We have been paying our college-age sitters cash, and it has been a fairly casual situation. What are the potential liabilities?

The risks are based on a standard of care for the safety and wellbeing of the people participating in the services offered. Consider the following to determine your congregation’s level of risk:

- Are background checks made on the caregivers?
- Are proper facilities provided?
- Do parents/guardians sign a release or authorization form?
- Has this program been disclosed to the congregation’s insurers?
- How are the sitters trained and/or supervised, if at all?

What should we know about directors and officers (D&O) liability policies? What should our policy cover, and does it vary with congregation size?

A great D&O resource is available in The Tent. It includes general information about liability coverage, as well as examples of when such coverage might come in handy. Coverage under a D&O policy is not subject to the size of the insured. Rather, the size of the organizations and the number of officers/directors is a consideration in the calculation of the premium.

Our new board secretary reviewed our D&O policy. He feels that, compared to policies he’s seen in his work with corporate boards, our policy is severely lacking. Are corporate policies the gold standard?

Not necessarily. Policy forms are designed to recognize significant differences between exposures covered by commercial D&O policies and policies for not-for-profit organizations. In addition, there may be legislation that limits the exposures of volunteer directors and officers. Consult with your congregation’s counsel to determine if the coverage you have is adequate for your congregation.

Small Congregations and Coverage

What suggestions regarding obtaining insurance do you have for leaders of small congregations? Are there special things leaders at small congregations need to consider?

Congregation size does not determine insurance needs; operations and owned/rented property are more important. That said, members of the URJ’s Insurance Committee are available for consultation. Contact the URJ Knowledge Network (urj1800@urj.org), and ask to be connected with a member of the Insurance Committee. In addition, you might consider contacting local independent insurance agents, who can be found through the Independent Insurance Agents and Brokers of America.

Technology

Is there such a thing as Internet insurance? We’re looking for something that would cover our website, email, and social media channels. Should we be concerned with how congregational computers are used, including employees using synagogue computers to use their personal social media accounts?

Cyber liability policies are available, and should be considered to cover these exposures. Appropriate use of congregational computers and networks should be included in personnel manuals and other congregational policy guides. Such guidelines might also include recommendations for appropriate online behavior and other
Insurance FAQs

communications protocols. Use of congregational computers and networks for personal use should be discouraged.

Is there anything insurance-related (like the risk of a cyber-attack) we need to consider when securing digital records, whether financial, membership-related, or otherwise?

There are insurance coverages available, and many are offered as part of a cyber liability policy. If a third party vendor is used (to provide services, store documents, and/or secure your computer system), the terms of the service agreement should be carefully reviewed. Many agreements include provisions that try to eliminate or limit the provider’s responsibility for unauthorized release or access to information, and damage or destruction of data. There are firms that will provide an audit of policies and procedures for storage, access, and security of information on computer systems.