

## Insurances

In the same way that natural persons run risks, churches also run risks. It is therefore of great importance to gain knowledge on how to eliminate these risks. One common way is to take out insurances. In this document we describe the different insurance policies that are relevant for you as a church. Taking out insurances remains your own choice, but we strongly recommend it. The relevant insurances for the church are liability insurances (1). Depending on whether the church has its own building, also insurances for the building and other goods (2). Furthermore, legal aid (3) and insurances for the possible employment of personnel (4).

### (1) Liability

Liability can be divided into two types:

Corporate Liability (This can be covered by liability insurance for companies (AVB)).	Directors' liability (A directors' liability insurance policy (BTA) may be taken out for this)
- Damage to persons visiting e.g., service - Damage to personnel for which the employer can be held responsible (employer's liability). - Material and personal injury to third parties by employees/volunteers	- Financial loss due to e.g., mismanagement - Legal process of defense - Property damage is always involved - Recoverable from the private assets of directors

### (2) Damage to building and inventory

When a church or foundation owns a building, the building is usually covered by a building insurance policy. Property insurance is not compulsory, but it is advisable (when financing a property, the bank requires such insurance). The insurance covers fire, storm and water damage and sometimes also covers glass. The building insurance insures the reinstatement value of the building excluding land. Sometimes the reinstatement value is known, in other cases it is determined by an appraiser. Traditional church buildings (with tower) are insurable with a limited number of insurers, but other buildings are easily insurable. There are also some requirements that the insurer generally sets to insure a building. These include an approved electrical system according to NEN standards including a maintenance contract (the most common cause of fire). But also, in professional kitchens there should be an approved extraction system, with a maintenance contract, with sufficient extinguishing agents. When a building is fully rented, these measures can often be realized. However, when an auditorium in a school is used, for example, security is often difficult as anyone can walk in and out. Things that are not covered by inventory insurance are improvements to the building that have been made by the tenant. For example: a new kitchen, new floors, new wall etc. In these kinds of situations, a tenant's interest insurance can be taken out to make sure that in case of a fire not only the owner of the building is compensated but also the tenant.

### **(3) Legal expenses insurance**

Even in church circles it unfortunately happens that we have to deal with legal disputes that arise among ourselves, with personnel, or with suppliers or construction companies. In order to cover these kinds of risks, legal assistance insurance for businesses can be taken out.

### **(4) People in paid service to the church**

People are often employed by churches, foundations or other organizations. As an employer, this creates a greater responsibility than when people are not employed. As an employer, you are responsible for, among other things:

- Correct working conditions (employer liability)
- Continued payment of wages in the event of absence of the employee due to illness
- Liability when an employee participates in traffic for the employer. (Not covered in the AVB)
- An employer must ensure optimal and safe working conditions, so an RI&E must be present. This is a Risk Inventory and Evaluation in which the conditions are brought into focus. Think of: desks, chairs, safety of the workplace etc.
- As an employer, there is a legal obligation to continue payment of salary for 2 years in case of illness. This means that the employer is obliged to continue to pay 70% of the salary for two years.
- If the employee is still ill after 2 years of illness, this will be transferred to the UWV
- To cover the financial risk of absenteeism, absenteeism insurance can be taken out, which usually includes a health and safety service and support for all obligations during the period of illness.
- An employer is liable for the employee/volunteer when he/she participates in traffic. For example, if an employee/volunteer has an accident during a "business trip" and damage occurs, the employer is liable. An Employee Indemnity Insurance, a Wegam or Wegas insurance offer coverage for the financial consequences of this risk.