



Safeguarding tomorrow: navigating insurance protection

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This year, one of the goals of the Treasury Department is to diversify and grow the assets we have at the BUC, while continuing to nurture and protect our existing assets.

With more than 300 properties in the BUC's portfolio (of which the Seventh-day Adventist Association Ltd is the legal owner, and the conferences and missions are beneficial owners), one of the quickest and easiest ways we can protect these assets is by ensuring that adequate insurance is in place should an unfortunate event such as a fire or flood occur.

It is important that church-owned properties be appropriately valued. This is done by using a property's *rebuilding* cost rather than the market value of the property, as the market value includes the value of the land, which is uninsurable – therefore, the church would be paying an inflated and unnecessary premium for its coverage.

Appropriate insurance cover is not only a denominational working policy requirement, but is also reviewed by our auditors for compliance as they assess the financial risks of the organisation.

The implications of having inaccurate values for your



church could mean:

- If the property is under-insured and the worst should happen, the insurance pay-out may not cover the total costs of rectifying any damage.
- If the property is over-insured, then the mission/conference and its local churches would be needlessly paying too much in insurance premiums.

Our church-owned insurance company, Adventist Risk Management Inc. (ARM), recommends that this revaluation exercise should normally be completed every two-to-five years; and, in between, industry standard indexes (BCIS) are used to update the values on an annual basis to ensure that the values are as accurate as possible to take account of inflation in building supplies and labour.

Since June 2023, with authorisation from the Executive Committee, we have been working diligently to find a national provider able to carry out this exercise across the missions, and have secured a 20% 'bulk buy' discount. ARM is generously covering a third of the total cost, with the missions covering at least a third, meaning that the majority of the cost (at least two thirds) is covered, minimising the impact on local churches. The company that has been engaged to carry out this exercise has also been approved by ARM.

In addition to the building cover, ARM also covers contents and electronic equipment owned by the church. It is recommended that an annual inventory be taken of all the

contents and electronic equipment, and that the cost to replace them be duly noted so that these can be reported easily to ARM should a claim need to be made to replace the equipment in case of a loss.

ARM serves 21 million church members, 88,000 churches, 8,773 schools and 563 hospitals owned by the Adventist Church worldwide through its various insurance policies, so it has eighty years of invaluable industry experience to offer.

With extensive knowledge of the church structure and operations, ARM is able to offer specific policies that other insurance companies might not necessarily be able to provide to the church. One example of this is ARM's free money cover policy, which covers any tithe and offering that might be stolen after it has been physically collected.

While many insurance policies are in place to protect the diverse activities of the church, it is important to remember that the best way to protect the church is to mitigate any risk in the first place, and ARM offers many resources to assist with this on its website: www.adventistrisk.org.

Many of you reading this article serve on church boards, spearhead Pathfinder clubs, or engage in various facets of your church's evangelistic activities. It's crucial to bear in mind that excellence begins from the grassroots level. The more we immerse our members in the comprehensive services and operations of the church, the more effectively we can refine our processes, enhance our services, and project a positive image to the world.