



Religious institutions can no longer consider themselves safe from potential litigation. However, you can prepare for the possibility of being involved in a lawsuit so, that should it occur, you don't lose everything. Umbrella liability protection provides the extra shelter your church or non-profit organization needs to be completely covered.

The purpose of Umbrella insurance is to provide additional liability coverages that go beyond the other liability limits. Umbrella liability policies are typically available in coverage amounts ranging from \$1 million to \$10 million.

How much is enough?

Unfortunately, there is no exact science when it comes to determining the appropriate level of liability insurance coverage, but you may need more liability insurance than you think. For example, standard commercial policies usually provide \$1,000,000 worth of liability coverage, but in today's society it's not unusual to hear of \$2-million, \$10-million, and even \$20-million liability judgments. If someone is injured at your facility, or if you cause a serious accident, it is possible that you could be hit with such a judgment. Without an umbrella liability policy, a large judgment against you could cost your organization a substantial part of all of the assets you now have. Perhaps it's best to consider such factors as the following:

- What amount of assets does your organization have?
- Does your organization travel to foreign countries where even your base limit of liability may not apply due to exceeding the defined coverage territories?
- Does your organization frequently transport members or guests?
- Is your organization well known so that you might be a more likely target for a lawsuit (i.e., do you give the appearance of having "deep pockets")?

The amount of coverage you should have depends on the factors mentioned above, as well as your risk tolerance and your financial ability to weather a liability judgment.

Could Your Church Afford it if...

- While making business calls, your minister collides with a vehicle, injuring three children, and the mother files a multi-million-dollar lawsuit against your church?
- A volunteer, while replacing ceiling fixtures, topples from a ladder and sustains a life-long back injury, resulting in a \$1.5 million judgment.
- While a 6-year-old boy is in Sunday School class, a partition falls on him.
Award Given - \$1,800,000.
- A camp counselor runs a stop sign and hits another car broadside. One person is seriously injured; two persons have minor injuries.
Award Given - \$1,750,000.

If your church would have to dip into investments or sell land or property to afford the above, you need an Umbrella policy.