

Does our ministry have coverage for losses due to COVID-19?

Many ministries are inquiring whether they are covered for claims arising from the novel coronavirus (COVID-19).

Hypothetical claims questions cannot be answered. The facts presented in a hypothetical situation cannot contemplate all of the different facts of an actual claim situation. Our company's claims analysis also needs to account for what's happening in each community regarding COVID-19 and the guidance given by local, state, and federal officials, which is changing rapidly. Each claim scenario is different, and each ministry's policy is unique.

The following points are important to keep in mind:

- The applicability of insurance coverage is determined at the time an incident occurs and is subject to applicable policy terms, conditions, limitations, limits, and exclusions.
- If your ministry believes it has experienced a loss due to COVID-19, we encourage you to submit a claim to our company's Claims Department. This can be done by contacting your local agent or filing a claim through [My Account](#). The Claims Department will evaluate the facts of the claim and your ministry's policy in order to make a coverage determination. (Please note: submitting a claim does not mean the loss will be covered).

We've prepared a general overview about what insurance potentially may or may not cover:

Ministry Interruption

Business income and extra expense coverage is intended to address the loss of earnings and extra expenses which are incurred resulting from damage to property. Our company's coverage for business income, donations, and extra expense is subject to various terms, conditions, exclusions and other limitations. For coverage to potentially apply, it would require:

- The interruption of ministry operations because staff members have contracted COVID-19 (prior to any government-imposed closure of the facility); or
- The complete interruption of ministry operations in response to a civil authority order prohibiting access to ministry premises.

Proactively Canceling Activities

As a social distancing measure to help prevent the spread of COVID-19, ministry leaders may decide to proactively cancel services, camps, trips, classes, or other ministry related activities. While this is a good risk management measure, there would not be coverage available for loss of earnings and donations, as well as extra expenses resulting from the voluntary cancellations.

Liability Coverage

If ministry attendees were to claim they became infected with COVID-19 while attending church or other ministry activities, ministry attendees would need to show negligence on the part of the ministry as the cause of the infection for the ministry to be liable. General liability coverage may provide a legal defense to



a ministry that is sued, as well as pay for court judgments arising out of such a lawsuit if a third-party claimant alleges that the ministry was responsible for his or her sickness. (Note: Liability coverage, like property coverage, will be subject to the policy terms, conditions, limitations, limits, and exclusions). A finding that the ministry is liable would be improbable because an individual would have difficulty establishing that the virus was acquired on the ministry's property or as a result of the ministry's operations. It also should be noted that the potential existence of the virus in any public setting is widely known and that voluntarily attending a gathering would be considered an assumption of the risk.

As ministries seek to resume normal operations by gathering in person, it's important to follow good risk management practices. Brotherhood Mutual understands many faith-based organizations believe the effectiveness of ministry is enhanced when people are able to gather together. We generally recommend that ministries comply with all state and local laws, ordinances, and executive civil orders related to the pandemic. Acting contrarily to such requirements could increase a ministry's risk of liability and might be considered a material change in risk that could result in changes to the ministry's policy. Many have asked about the applicability of Brotherhood Mutual's exclusion for the "willful harm or the violation of any local, state or federal criminal ... statute." This exclusion would likely not apply to losses which result from the failure to follow executive civil orders related to COVID-19. However, coverage is determined at the time of loss and based on the specific terms, conditions, limitations, limits, and exclusions of the policy at the time of loss.

Similarly, medical payments coverage included with the general liability policy likely would not be available for COVID-19 related claims due to the improbability that an individual would be able to establish that the virus was acquired on the ministry's premises or as a result of the ministry's operations.

Workers' Compensation Coverage

Workers' compensation coverage is designed to cover employees' work-related injuries and occupational diseases. It is important to note that many states have workers' compensation statutes that exclude coverage for ordinary diseases of life (e.g. cold, flu, etc.).

Mission and Foreign Travel

Faith Ventures has posted a Q&A for its travelers on its website. Visit www.faithventures.com/coronavirus-information.

Carrying Out Our Company's Mission

This is a challenging time for ministry leaders as they review governmental directives, implement appropriate safety measures, and most of all, continue to advance the Kingdom. Brotherhood Mutual remains committed to assisting ministries by offering relevant, up-to-date risk management resources at www.brotherhoodmutual.com/coronavirus and fielding a wide range of pandemic-related questions from ministry leaders.

IMPORTANT NOTES

References to insurance coverages are intended to help readers better understand how these coverages might apply. No insurance coverage provided by Brotherhood Mutual is offered or modified in any way through the descriptions conveyed above. Coverage for actual claims will be based on applicable policy documents applied to the individual facts of an actual claim event.

Posted 03/25/2020 – Updated 05/18/2020