

Annual Meeting
11/11/24
Executive Board
09/24/24
Finance Committee and Administrative Support Committee
09/23/24

Item of Consideration: Recommendation for Texas Baptist Insurance Program

Highest Authority For this item: Annual Meeting

Originating Source: Executive Leadership

Background: To assist Texas Baptist churches through collaboration in a captive insurance pool

The current property insurance environment for Texas Baptist churches is difficult at best, and dire for many. These circumstances have prompted Executive Leadership to explore potential solutions, including forming a captive insurance pool. Administered through a new corporation (yet to be formed) which will be under the control of the BGCT, the insurance pool would function much like a coop. We believe the benefits of this pool will include stable coverage, competitive rates and deductibles, stronger incentives, and more ministry investment.

In addition to a separate corporation, legal requirements will include the initial capitalization of an insurance reserve of at least 25% of the first year's premiums. Because this amount will not be fully known until policies are issued, an estimated range must be utilized. With anticipated initial participation of 300-700 churches, Executive Leadership is prepared to have the required funds available for the initial capitalization. (Current estimates for this capitalization range from \$1.5 to 5 M.) These funds are currently available and will not hinder current ministries nor plans in our immediate future. The strengthening of the required reserve and the return of the initial investment to the Convention is anticipated through future earnings of the insurance pool.

A feasibility study specifically for the Texas Baptists Insurance Program is currently underway and will be critical in determining our next steps. Approval for this recommendation must ultimately come from the messengers of the Annual Meeting in accordance with EB Policy 401.

Recommendation:
We recommend forming a new corporation, funding the required capitalization, and the authorization of Executive Leadership to take all necessary steps to successfully implement a Texas Baptists Insurance Program for property & casualty, liability, and similar insurance coverages, subject to the Executive Committee's approval of the feasibility study recommendations.