

Conference-wide Workers Compensation Group

Adopted

WHEREAS Workers compensation insurance is required and administered by the State of Ohio, and

WHEREAS churches have to pay a percentage of their annual payroll to the Bureau of Workers Compensation, and

WHEREAS churches have had to pay fees to third party administrators (TPA) to join a group to reduce their Workers Compensation payments and handle claims, and

WHEREAS churches have been expelled from a group after a claim of less than \$700, and

WHEREAS pastors are covered by workers compensation only if the local church elects to cover the pastor, and

WHEREAS churches are bombarded annually with solicitations from worker compensation TPAs,

THEREFORE BE IT RESOLVED that the Council on Finance and Administration in conjunction with a third-party administrator establish an equalized workers compensation group comprised of all the local churches of the West Ohio Conference, all employees and pastors of those local churches, and all conference and district employees.

FURTHER BE IT RESOLVED that all costs associated with the group be paid through the conference apportionment, not to exceed \$40,000 per year; there shall be no direct billing to the local church except by the State of Ohio.

RATIONALE

Workers Compensation Insurance is the cheapest insurance a person can have. Although it covers lay church workers, it only covers pastors if the church elects to do so. Most, but not all churches cover the pastor. The benefits are great. For example, if a pastor is killed or injured in an automobile accident while making a pastoral call, workers compensation pays for the lost salary and all medical expenses.

By being in a workers compensation group, a church can save up to 85% of the annual premiums charged by the State of Ohio. But there is a point of diminishing returns. In small churches especially, the fees charged by the TPA are more than the minimum fee charged by the State of Ohio.

Other churches have been a part of the voluntary groups sponsored by the conference, but have been excluded from the group after the most minor of claims.

West Ohio Conference has the opportunity to form a group for Workers Compensation that would encompass all employees and pastors. Churches would not have to enroll pastors; it would be done automatically through the conference treasurer's office. If a church had a claim it could not be thrown out of the group. The normal administrative fees would be paid through apportionments so the local church would not be billed by the TPA.

This proposal will ensure every employee and pastor of the conference is covered, while eliminating much of the paperwork and expenses required by local churches.

QUESTIONS AND ANSWERS

Q: Isn't the pastor automatically covered under Workers Compensation?

A: No. The pastor is only covered if the church elects to do so and completes the required forms for the Bureau of Workers Compensation (BWC). With this proposal ALL pastors and deacons appointed in the West Ohio Conference would be automatically covered.

Q: Would this apply to part-time pastors?

A: Yes. Any pastor receiving a salary from a local church, district, or conference office would be covered.

Q: Would employees of Wesley Foundations and Campus Ministry units be covered.

A: Yes, they would be included.

Q: Will this save my church money?

A: In most cases it will. If the church is already part of our voluntary Workers Compensation group they will save the \$25 fee for joining an association and the minimum \$65 fee to the TPA. The new group would not charge the individual church a fee; it is paid by the conference at less than half of the amount churches are now paying. If the church has never elected to include the pastor, they will now have to pay for that coverage, but at a lower rate than they otherwise would have to pay.

Q: Will my church still have to pay the BWC?

A: Yes (death and taxes). However, by being in a group, the church would receive a discount up to 85% of the single church rate.

Q: What happens if, God forbid, we have a claim?

A: The TPA would assist the church in filing the claim, attend hearings at the BWC on behalf of the church, and guide the church through the process.

Q: If my church files a claim will our rates go up?

A: Probably, but the church would still be in the group and receive a discount; the discount might not be as high as it would be without a bad claim experience, but it would be lower than if the church were on a single policy. The church would not be booted from the group merely because it had a claim.

Q: Could my church opt out of the group?

A: No. Since the fees are paid through apportionments, all churches would be mandated into the group. Just as no church can be removed for filing a claim, no church can opt out of the group.

Q: Have there ever been any large claims for pastors?

A: Yes. Several years ago a West Ohio pastor was killed in an automobile accident while on his way to a wedding rehearsal. The church had opted to include him on Workers Compensation a few months earlier. As a result his widow continues to receive payments from the BWC.

Q: Will this proposal prevent the treasurer from being flooded with BWC literature and solicitations from other TPAs?

A: Alas, no. But the treasurer will know they can be discarded.

Q: When would this be effective?

A: The BWC works on a state fiscal calendar, one year in advance. We would have to start work immediately for it to go into effect on July 1, 2009.