

The Presbyterian Church

Property Trustees



Issue 4

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The true value of property insurance

The Christchurch earthquake graphically illustrated the importance of parishes having church property adequately insured.

Insurance premiums are a major budget item for most congregations. The 'bulk buying' power of the Presbyterian Insurance Fund helps to minimise this cost, but it is important that buildings are insured for their current value. Congregations are devastated when their church or hall suffers major earthquake or fire damage, but if underinsurance results in a payout that doesn't meet the replacement cost, the devastation may be all the greater.

The Church Property Trustees require all Presbyterian-owned properties to be insured for full replacement value, unless specific approval has been given to insure for indemnity value only. Indemnity will be considered only when the building has been identified as surplus to the mission of the Church.

Building costs have tended to increase even in the face of a recession and, if a church has not been revalued for some years,

the sum insured may be quite inadequate.

This year, the Presbyterian Insurance Group engaged a consortium of valuers to provide consistent valuations for all buildings for which the Church Property Trustees hold title. Over the next two years, all properties will be visited and valued.

Parishes bear the cost of the initial physical inspection and valuation of properties, but the Insurance

Group has made arrangements to ensure that these costs are contained.

The real financial benefit will come in subsequent years when the valuers can use "desk-top" revaluations.

The insurance underwriters have recognised the Church's efforts to manage its insurance portfolio responsibly by moderating the extent that they have had to increase premiums.



Church arson on the increase

Within the Presbyterian Church, a Category 1 historic church in Christchurch, a church hall in Hastings, and a church camp amenities block near Timaru have all been destroyed or significantly damaged by arson within the last year.

Fire service statistics show that, of all fires involving church property, 50% are arson attacks. Arsonists rarely take any fuel to the fires they light, but will set fire to whatever is handy, with wheelie bins being a handy target. At St John's Hastings, a wheelie bin was ignited below a church hall window, resulting in an almost total loss, with some \$800,000 of damage. At Christchurch's St Paul's Trinity Pacific, a mattress was put against the wooden front doors of the church and set alight. Once the fire penetrated the building, it spread rapidly through the interior, causing over \$3 million damage.

Assembly appoints new trustees

Individual trustees for the Church Property Trustees are appointed by the General Assembly.

At the recent Assembly, the following were confirmed as trustees:

Chris Elliot (Christchurch)
Paul Fenton (Wellington)
Brian Milne (Te Horo)
Ian Russon (Wellington)
Paul Westbury (Wellington).
This brings the Trustees' numbers up to the full 20.

3 ticks to protect your church

- ✓ secure wheelie bins away from buildings
- ✓ upgrade door and window security
- ✓ check buildings frequently

who to contact

Presbyterian Investment Fund, property matters and general Trustees' enquiries:
Heather McKenzie,
ph 04 381 8290 or email
heather@presbyterian.org.nz.

Beneficiary Fund:
contact Ashley Goss, at Aon Consulting, ph 04 819 4052 or email
ashley.goss@aon.co.nz.

Insurance: contact Russell Bell at Aon, ph 04 819 4004 or email
russell.bell@aon.co.nz.

P.I.F. interest rates

The interest rate currently paid by the Presbyterian Investment Fund on parish deposits is

5.25%

The Trustees review this rate each month, and changes can be seen in the Church Property Trustees section of www.presbyterian.org.nz

Interest is credited to accounts quarterly.

Funds are available on call, though advance notice is required for withdrawals over \$250,000.

The PIF is open to parishes, but not to individuals.