

# Church Insurance Market Intelligence Center

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## Carrier Financial Strength Profiles

Public Record | Source-Linked | Date-Stamped

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Prepared by Crex Commercial Insurance

*Disclaimer: Inclusion of any carrier does not imply wrongdoing, recommendation, or suitability. All information is drawn from publicly available sources with direct links to originals. Ratings and market conditions change. Verify current status before making decisions. This document is for educational and stewardship purposes only.*

## How to Read This Document

This Market Intelligence Center compiles publicly available information about insurance carriers that serve churches and religious organizations. It is organized to help church leaders, board members, and finance committees understand the financial posture of carriers in this market.

### Understanding AM Best Ratings

AM Best is the oldest and most widely recognized credit rating agency specializing in the insurance industry. Their Financial Strength Rating (FSR) reflects an insurer's ability to meet its ongoing policy and contract obligations. Churches should understand what these ratings mean in practice.

Rating	Category	What It Means
A++, A+	Superior	Strongest financial position
A, A-	Excellent	Strong financial position
B++, B+	Good	Adequate financial position
B, B-	Fair	Marginal financial position
C++, C+, C, C-	Marginal/Weak	Vulnerable financial position

### Understanding Outlooks

An outlook indicates the direction AM Best expects the rating to move. A "Negative" outlook means the rating may be downgraded. A "Stable" outlook means the rating is expected to hold. "Under Review with Negative Implications" is the most urgent signal — it means a downgrade is actively being considered.

### Understanding Carrier Types

**Specialty Mutual Carrier:** A company formed specifically to insure churches. Owned by its policyholders. Has no parent company backstop. When losses exceed reserves, the mutual itself must find capital or reduce operations.

**Program Manager / MGA:** A managing general agent that designs and underwrites church insurance programs on behalf of a larger carrier. The policies are backed by that larger carrier's financial strength. Example: Glatfelter writes church policies on AIG paper.

**Commercial Carrier (Selective):** A large insurance company that writes church business as part of a broader commercial portfolio. These carriers choose which churches to accept and may tighten or expand their appetite based on market conditions.

## Market Summary: At a Glance

The following table summarizes the current public financial posture of carriers active in the church insurance market. Detailed profiles follow.

Carrier	Type	AM Best FSR	Outlook	Backing Entity
Church Mutual	Specialty Mutual	A (Excellent)	Negative	Standalone
Brotherhood Mutual	Specialty Mutual	B++ (Good)	Negative (LT ICR)	Standalone
GuideOne	Mutual / Platform	A- (Excellent)	Stable	Bain Capital / Mutual Group
Southern Mutual Church	Specialty Mutual	B++ (Good)*	Rating Withdrawn	Standalone
Glatfelter Ministry Care	Program / MGA	A (Excellent)	Via AIG carrier	AIG
Great American	Commercial	A+ (Superior)	Stable	American Financial Group
The Hartford	Commercial	A+ (Superior)	Stable	Hartford Financial Services
USLI	Commercial	A++ (Superior)	Stable	Berkshire Hathaway
Philadelphia (PHLY)	Commercial	A++ (Superior)	Stable	Tokio Marine Group
Nationwide	Commercial	A+ (Superior)	Stable	Nationwide Mutual
The Hanover	Commercial	A (Excellent)	Stable	Hanover Insurance Group
AmTrust	Commercial	A (Excellent)	Stable	AmTrust Financial Services
Liberty Mutual	Commercial	A (Excellent)	Stable	Liberty Mutual Group
Chubb	Commercial	A++ (Superior)	Stable	Chubb Limited

\* Southern Mutual Church Insurance was downgraded to B++ in October 2024 and simultaneously withdrew from AM Best's interactive rating process.

## Tier 1: Church-Dedicated Specialty Carriers

These four carriers were built specifically to insure churches. Together they have historically covered the vast majority of church insurance policies in the United States. Between 2023 and 2025, all four experienced financial pressure from converging factors including severe weather losses, reinsurance cost increases, and rising claims severity. Their current positions vary significantly — the individual profiles below reflect where each carrier stands today based on the public record.

### Church Mutual Insurance Company, S.I.

AM Best Financial Strength Rating	Outlook
<b>A (Excellent)</b>	<b>Negative</b>

#### Company Overview

**Founded:** 1897 | **Headquarters:** Merrill, Wisconsin | **Structure:** Stock insurer (policyholders are members of parent mutual holding company)

Church Mutual is the largest insurer of religious organizations in the United States. They also serve nonprofits, human services organizations, camps, schools, and colleges. They are licensed in all 50 states.

#### AM Best Rating History

**March 2025:** AM Best affirmed FSR of A (Excellent) with NEGATIVE outlook. Removed from under-review status. Cited "very strong" balance sheet but noted challenges from increased claims costs, social inflation, and catastrophic events. [[insurancejournal.com/news/midwest/2025/03/06/814520.htm](https://insurancejournal.com/news/midwest/2025/03/06/814520.htm)]

**August 2024:** AM Best placed under review with negative implications the Long-Term Issue Credit Rating of bbb+ (Good) on Church Mutual's \$40 million, 9.5% surplus notes due 2044. [[news.ambest.com/newscontent.aspx?refnum=260203](https://news.ambest.com/newscontent.aspx?refnum=260203)]

**2024:** AM Best had previously placed Church Mutual's full ratings under review with negative implications, indicating serious concern about financial trajectory. [[news.ambest.com/newscontent.aspx?refnum=256764](https://news.ambest.com/newscontent.aspx?refnum=256764)]

#### What Churches Are Experiencing

Church Mutual has undertaken significant portfolio actions that are directly affecting church policyholders across the country:

**Texas:** Church Mutual dropped over 1,000 churches heading into 2024, according to communications the company sent to policyholders. (Source: Christian Chronicle, January 2024)

**Louisiana:** Church Mutual no longer offers property coverage in the state of Louisiana. (Source: Religion News Service, July 2024)

**National Non-Renewals:** Churches with no claims history are receiving non-renewal notices. One Houston church that had never filed a claim was dropped; replacement coverage cost \$80,000/year, up from \$23,000. (Source: Religion News Service, July 2024)

**Company Statement:** "We do not take nonrenewal decisions lightly and it represents a small percentage of our overall portfolio. For us to remain financially strong, viable and best able to serve our mission, we need to mitigate the severe impact catastrophic weather has had — and

will continue to have — on our bottom line." — Pam Rushing, Chief Underwriting Officer (Source: Religion News Service)

### Key AM Best Language

*"In the past few years, many property and casualty insurers faced multiple challenges — increased claims and claim costs, a challenging judicial environment in some states (social inflation) and catastrophic events that produced a record number of claims." — AM Best, March 2025*

### Source Links

**AM Best Press Release:** March 2025 Rating Affirmation [[businesswire.com/news/home/20250305091330/en/](https://www.businesswire.com/news/home/20250305091330/en/)]

**Insurance Journal:** March 2025 Coverage [[insurancejournal.com/news/midwest/2025/03/06/814520.htm](https://www.insurancejournal.com/news/midwest/2025/03/06/814520.htm)]

**Religion News Service:** July 2024 — Church Insurance Crisis [[religionnews.com/2024/07/10/how-a-perfect-storm-sent-church-insurance-rates-skyrocketing/](https://www.religionnews.com/2024/07/10/how-a-perfect-storm-sent-church-insurance-rates-skyrocketing/)]

**Christian Chronicle:** January 2024 — Non-Renewal Impact [[religionunplugged.com/news/2024/1/25/flood-of-insurance-cancellations-wreaks-financial-challenges-for-churches](https://www.religionunplugged.com/news/2024/1/25/flood-of-insurance-cancellations-wreaks-financial-challenges-for-churches)]

## Brotherhood Mutual Insurance Company

AM Best Financial Strength Rating	Outlook
<b>B++ (Good)</b>	<b>Negative (LT ICR)</b>

### Company Overview

**Founded:** 1917 | **Headquarters:** Fort Wayne, Indiana | **Structure:** Standalone mutual

Brotherhood Mutual is the second-largest U.S. provider of property and casualty insurance to Christian churches and related ministries. They serve more than 67,000 customers including churches, Christian schools, camps, colleges, and mission organizations. They also operate MinistryWorks, the largest payroll service specializing in Christian ministries.

### AM Best Rating History

**April 2024:** AM Best DOWNGRADED FSR to B++ (Good) from A- (Excellent). Long-Term ICR downgraded to "bbb+" from "a-". FSR outlook revised to stable; Long-Term ICR outlook is negative. Cited erosion in surplus, deteriorating risk-adjusted capitalization, elevated leverage, and volatility in reserve development. [[businesswire.com/news/home/20240411209850/en/](https://businesswire.com/news/home/20240411209850/en/)]

**January 2019:** AM Best previously downgraded Brotherhood from A (Excellent) to A- (Excellent). Cited decline in risk-adjusted capitalization and instability of loss reserves following significant reserve strengthening in 2018. [[insurancejournal.com/news/midwest/2019/01/17/515089.htm](https://insurancejournal.com/news/midwest/2019/01/17/515089.htm)]

### What Churches Are Experiencing

**Rate Increases:** Texas Department of Insurance data shows Brotherhood Mutual fire and allied lines rates increased 30.6% for 2024, with an average increase of 20.4% since 2019. (Source: Christian Chronicle, January 2024)

**Underwriting Tightening:** Management has introduced wind and hail deductibles in coastal areas, significant rate increases, a quota share reinsurance arrangement, and tighter underwriting guidelines. (Source: AM Best, April 2024)

**Denominational Impact:** Multiple Baptist and evangelical denominational networks that had long-standing relationships with Brotherhood Mutual are reporting rate shock and coverage restrictions. (Source: Baptist Standard, July 2024)

### Key AM Best Language

*"The ratings downgrade reflects erosion in the company's surplus position and correlating risk-adjusted capitalization, as measured by Best's Capital Adequacy Ratio (BCAR), elevated leverage metrics, and volatility in its commercial multi-peril, liability and commercial auto reserve development. Erosion in Brotherhood's capital was primarily driven by a progressive deterioration in underwriting earnings." — AM Best, April 2024*

### Source Links

**AM Best Press Release:** April 2024 Downgrade [[businesswire.com/news/home/20240411209850/en/](https://businesswire.com/news/home/20240411209850/en/)]

**Brotherhood Mutual:** Financial Ratings Page [[brotherhoodmutual.com/financials-ratings](https://brotherhoodmutual.com/financials-ratings)]

**Baptist Standard:** July 2024 Coverage [[baptiststandard.com/news/nation/perfect-storm-leads-major-insurers-to-drop-churches/](https://baptiststandard.com/news/nation/perfect-storm-leads-major-insurers-to-drop-churches/)]



## GuideOne Insurance Company

AM Best Financial Strength Rating	Outlook
<b>A- (Excellent)</b>	<b>Stable</b>

### Company Overview

**Founded:** 1947 (as Preferred Risk Mutual) | **Headquarters:** West Des Moines, Iowa | **Structure:** Mutual carrier — operational platform now managed by The Mutual Group (Bain Capital)

GuideOne is the third major church specialty carrier. They serve religious organizations, nonprofits, and human services businesses. In 2023, GuideOne experienced significant financial pressure, leading to an AM Best review with negative implications. The company secured a \$200 million capital infusion from Bain Capital Insurance, and AM Best subsequently removed the under-review status and affirmed an A- (Excellent) rating with a stable outlook. GuideOne's current financial position reflects that recapitalization.

### AM Best Rating History

**Early 2024:** AM Best removed under-review status and affirmed A- (Excellent) with stable outlook following \$200 million capital infusion from Bain Capital Insurance. Noted that balance sheet strength is strong but operating performance is marginal. [[carriermanagement.com/news/2024/03/12/259860.htm](https://carriermanagement.com/news/2024/03/12/259860.htm)]

**July 2023:** AM Best placed ratings under review with negative implications due to "significant decline in surplus and risk-adjusted capital ratios." Noted GuideOne was seeking capital solutions. [[insurancejournal.com/news/midwest/2023/07/17/730982.htm](https://insurancejournal.com/news/midwest/2023/07/17/730982.htm)]

**December 2017:** AM Best downgraded GuideOne from A (Excellent) to A- (Excellent) and assigned negative outlook. Cited material downturn in operating results, material losses in capitalization, and substantial adverse reserve development. [[carriermanagement.com/news/2017/12/08/173872.htm](https://carriermanagement.com/news/2017/12/08/173872.htm)]

### The Bain Capital / Mutual Group Restructuring

In December 2023, Bain Capital Insurance invested \$200 million into GuideOne through the creation of The Mutual Group, a new insurance services platform. This transaction fundamentally changed GuideOne's operational structure:

**What Changed:** Bain Capital acquired GuideOne's operational platform — underwriting, claims, reinsurance purchasing, and technology systems — to create The Mutual Group. GuideOne remains a mutual insurance company owned by its policyholders, but operations are now managed by The Mutual Group.

**Capital Impact:** The \$200 million went to strengthen GuideOne's balance sheet and surplus position. AM Best noted this "puts GuideOne in a much stronger capital position following significant surplus deterioration."

**What It Means for Churches:** GuideOne's rating stabilized and the immediate financial crisis was resolved. However, the underlying operational challenges that led to the crisis — weather losses, underwriting volatility, reserve deterioration — are now being managed by a private equity-backed platform with different incentives than a traditional mutual.

### What Churches Are Experiencing

**Rate Increases:** Texas DOI data shows GuideOne fire and allied lines premiums increased 8.7% for 2024, with an average increase of 3.8% since 2019. More moderate than Brotherhood but still above historical norms. (Source: Christian Chronicle)

**Capacity Constraints:** As displaced churches from Church Mutual and Brotherhood seek alternatives, GuideOne has experienced application surges. Not all can be accommodated. (Source: churchagent.net)

### Source Links

**Bain Capital / Mutual Group:** December 2023 Announcement  
[[businesswire.com/news/home/20231220456229/en/](https://businesswire.com/news/home/20231220456229/en/)]

**AM Best:** July 2023 Under Review [[news.ambest.com/PR/PressContent.aspx?refnum=33571](https://news.ambest.com/PR/PressContent.aspx?refnum=33571)]

**GuideOne:** Financial Strength Page [[guideone.com/about-us/financial-strength](https://guideone.com/about-us/financial-strength)]

**Carrier Management:** Rating Action Coverage [[carriermanagement.com/news/2024/03/12/259860.htm](https://carriermanagement.com/news/2024/03/12/259860.htm)]

## Southern Mutual Church Insurance Company

AM Best Financial Strength Rating	Outlook
<b>B++ (Good)*</b>	<b>Rating Withdrawn</b>

### Company Overview

**Founded:** 1928 | **Headquarters:** Columbia, South Carolina | **Structure:** Standalone mutual  
Southern Mutual Church Insurance Company serves over 10,800 churches across six states in the southeastern United States. They insure churches of various denominations and have historically focused on the Southeast — a region heavily exposed to severe convective storms and hurricanes.

### AM Best Rating History

**October 2024:** AM Best DOWNGRADED FSR to B++ (Good) from A (Excellent) and Long-Term ICR to "bbb+" from "a". FSR outlook stable; Long-Term ICR outlook negative. SIMULTANEOUSLY, AM Best WITHDREW the ratings because SMCIC "requested to no longer participate in AM Best's interactive rating process." [[businesswire.com/news/home/20241016775398/en/](https://businesswire.com/news/home/20241016775398/en/)]

**February 2024:** AM Best placed ratings under review with negative implications. Cited "declining levels of risk-adjusted capitalization" and "deteriorating underwriting and overall performance trends" driven by "increase in frequency and severity of losses from weather-related events, particularly severe convective storms." [[businesswire.com/news/home/20240229547776/en/](https://businesswire.com/news/home/20240229547776/en/)]

**June 2021:** AM Best had UPGRADED SMCIC to A (Excellent) from A- (Excellent) citing improved balance sheet strength, surplus growth, and strong operating performance. [[insurancejournal.com/news/southeast/2021/06/18/619248.htm](https://insurancejournal.com/news/southeast/2021/06/18/619248.htm)]

### The Rating Withdrawal

*Southern Mutual Church Insurance's decision to withdraw from AM Best's interactive rating process is a significant event. When a carrier opts out of the AM Best process, it means AM Best can no longer conduct its standard interactive review. The company's own website references a Demotech rating and an AM Best rating, but the AM Best interactive rating was withdrawn at the company's request concurrent with a two-notch downgrade.*

Church leaders whose policies are with Southern Mutual Church should understand that the last AM Best interactive rating was B++ (Good) with a negative long-term outlook — before it was withdrawn.

### Key AM Best Language

*"The rating downgrades reflect deterioration in SMCIC's balance sheet strength assessment due to a material decline in surplus as of year-end 2023 and through the first half of 2024."  
— AM Best, October 2024*

### Source Links

**AM Best Press Release:** October 2024 Downgrade & Withdrawal [[businesswire.com/news/home/20241016775398/en/](https://businesswire.com/news/home/20241016775398/en/)]

**AM Best Press Release:** February 2024 Under Review [[businesswire.com/news/home/20240229547776/en/](https://businesswire.com/news/home/20240229547776/en/)]

**SMCIC Website:** Financial Rating Page [[smcins.com/financial-ratings.html](https://smcins.com/financial-ratings.html)]

## Tier 2: Program Managers Writing on Major Carrier Paper

*Program managers operate differently than direct carriers. They design, underwrite, and service church insurance programs, but the policies are issued by — and backed by the financial strength of — a larger carrier. This means the church's claim-paying security is tied to the backing carrier, not the program manager itself.*

### Glatfelter Ministry Care (AIG)

AM Best Financial Strength Rating	Outlook
<b>A (Excellent)</b>	<b>Via AIG</b>

### Company Overview

**Founded:** 1951 (Glatfelter Insurance Group); Religious Practice division added later | **Headquarters:** York, Pennsylvania | **Structure:** Managing General Agent — an AIG company. Policies written on AIG carrier paper.

Glatfelter Ministry Care is a specialized program manager serving churches, synagogues, mosques, temples, and worship centers of all faiths. They operate as part of Glatfelter Insurance Group, which was acquired by AIG in 2018. They are one of the largest program managers in the United States, serving over 30,000 clients across all their niche programs.

### Financial Backing

**Carrier Paper:** AIG (American International Group). Policies are backed by AIG's financial strength.

**AM Best Rating:** A (Excellent) via AIG carrier. AIG is a global insurer with assets and reserves vastly larger than any specialty church mutual.

**Key Distinction:** Unlike specialty mutuals that must fund all losses from their own surplus, Glatfelter's church policies are backed by AIG's global balance sheet. Weather losses in one portfolio do not directly threaten the carrier's overall financial position.

### Church Market Positioning

Glatfelter has positioned itself to write church risks that other carriers are shedding, including older buildings and more complex properties. Their marketing explicitly addresses agents who want to "compete with the big religious carriers." They individually underwrite policies rather than using a one-size-fits-all package approach.

**Coverage:** Property, general liability, professional liability, abuse/molestation, D&O, commercial auto, workers compensation, inland marine, crime. Available in 49 states (all except Hawaii).

**Appetite:** All sizes — from small congregations to mega churches. Notably willing to underwrite older properties and complex risks that specialty mutuals have been shedding.

### Source Links

**Glatfelter Ministry Care:** Insurance Products [[glatfeltermistrycare.com/insurance/products](https://glatfeltermistrycare.com/insurance/products)]

**Glatfelter:** Company History [[glatfelters.com/our-history](https://glatfelters.com/our-history)]

**Insurance Journal:** AIG Acquisition of Glatfelter [[insurancejournal.com/news/national/2018/09/21/502003.htm](https://insurancejournal.com/news/national/2018/09/21/502003.htm)]

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## Tier 3: Major Commercial Carriers Writing Church Business

*These carriers write church insurance as part of broader commercial portfolios. Their financial strength is not dependent on church-specific results. They are selective about which churches they accept, but represent stable, well-capitalized alternatives to the specialty mutual carriers. Availability varies by region, church size, building age, and claims history.*

### Great American Insurance Group

AM Best Financial Strength Rating	Outlook
<b>A+ (Superior)</b>	<b>Stable</b>

**Headquarters:** Cincinnati, Ohio | **Parent:** American Financial Group (NYSE: AFG) | **AM Best:** A+ (Superior), Stable. Affirmed December 2025.

Great American offers a dedicated church insurance program through their Specialty Human Services division. Coverage includes churches, synagogues, temples, seminaries, convents, missions, monasteries, retreat houses, and shrines. They provide an inclusive package policy with property, general liability, professional liability, abuse/molestation, crime, inland marine, and auto. Their financial position is among the strongest of any carrier writing church business.

**Great American:** Financial Strength [[greatamericaninsurancegroup.com/about-us/financial-strength](https://greatamericaninsurancegroup.com/about-us/financial-strength)]

**Great American:** Church Insurance Program [[greatamericaninsurancegroup.com](https://greatamericaninsurancegroup.com) (Specialty Human Services)]

### The Hartford

AM Best Financial Strength Rating	Outlook
<b>A+ (Superior)</b>	<b>Stable</b>

**Headquarters:** Hartford, Connecticut | **Parent:** The Hartford Financial Services Group (NYSE: HIG) | **AM Best:** A+ (Superior), Stable.

The Hartford writes church business selectively through independent agents. They have become more particular about which risks they accept, but remain an option for well-maintained churches with clean claims histories. As a top-tier commercial carrier, their financial strength is not in question.

### USLI (United States Liability Insurance Group)

AM Best Financial Strength Rating	Outlook
<b>A++ (Superior)</b>	<b>Stable</b>

**Headquarters:** Wayne, Pennsylvania | **Parent:** Berkshire Hathaway | **AM Best:** A++ (Superior), Stable.

USLI writes church and religious organization business selectively. As a Berkshire Hathaway company, they carry the highest possible AM Best rating. They are typically more selective on eligibility but represent one of the strongest-rated options available for churches that meet their underwriting criteria.

## Philadelphia Insurance Companies (PHLY)

AM Best Financial Strength Rating	Outlook
<b>A++ (Superior)</b>	<b>Stable</b>

**Headquarters:** Bala Cynwyd, Pennsylvania | **Parent:** Tokio Marine Group | **AM Best:** A++ (Superior), Stable.

Philadelphia Insurance Companies serves nonprofits and religious organizations as part of their broader specialty commercial lines portfolio. Backed by Tokio Marine, one of the largest insurance groups in the world. Available through independent agents.

## Nationwide

AM Best Financial Strength Rating	Outlook
<b>A+ (Superior)</b>	<b>Stable</b>

**Headquarters:** Columbus, Ohio | **Parent:** Nationwide Mutual Insurance Company | **AM Best:** A+ (Superior), Stable.

Nationwide has a dedicated church insurance program offering property, liability, and workers compensation coverage. They market primarily toward larger churches and religious organizations. Their church program includes cyber liability, employment practices liability, and D&O coverage options.

## The Hanover Insurance Group

AM Best Financial Strength Rating	Outlook
<b>A (Excellent)</b>	<b>Stable</b>

**Headquarters:** Worcester, Massachusetts | **Parent:** The Hanover Insurance Group (NYSE: THG) | **AM Best:** A (Excellent), Stable.

The Hanover writes church insurance as part of their commercial lines portfolio. They offer package policies for religious organizations and are distributed through independent agents. A solid mid-tier option for churches that meet standard underwriting criteria.

## AmTrust Financial Services

AM Best Financial Strength Rating	Outlook
<b>A (Excellent)</b>	<b>Stable</b>

**Headquarters:** New York, New York | **AM Best:** A (Excellent), Stable.

AmTrust writes church business and has been one of the carriers absorbing displaced accounts from the specialty mutual disruption. However, industry reports indicate they are experiencing capacity constraints — they cannot accommodate all the churches seeking alternatives. Churches may encounter longer underwriting timelines or selective acceptance.

*AmTrust's AM Best rating is stable, but their church book is experiencing rapid growth from displaced accounts. Capacity constraints may affect availability. This is not a financial concern — it is a volume and timeline consideration.*

## Liberty Mutual

AM Best Financial Strength Rating	Outlook
<b>A (Excellent)</b>	<b>Stable</b>

**Headquarters:** Boston, Massachusetts | **AM Best:** A (Excellent), Stable.

Liberty Mutual writes church business selectively. They remain in the market but have become increasingly particular about what they will accept. Churches with newer buildings, clean claims histories, and strong risk management practices are most likely to qualify.

## Chubb

AM Best Financial Strength Rating	Outlook
<b>A++ (Superior)</b>	<b>Stable</b>

**Headquarters:** Zurich, Switzerland (Chubb Limited); U.S. operations in Philadelphia | **AM Best:** A++ (Superior), Stable.

Chubb will write larger, well-maintained church properties. They are highly selective but represent the gold standard in financial strength for any carrier writing church business. Churches with significant property values, professional management, and strong risk profiles may find Chubb competitive.

## Tier 4: Excess & Surplus Lines Market

*When a church cannot find coverage in the admitted (standard) market, it may end up in the Excess & Surplus (E&S) lines market. This is sometimes necessary but should not be a permanent solution. Understanding E&S helps churches evaluate whether their current placement is appropriate.*

### What Is E&S Insurance?

Excess and Surplus lines insurance is coverage provided by carriers that are not "admitted" (licensed) in the state where the policy is issued. E&S carriers are not subject to state rate regulation, which gives them flexibility to write risks that admitted carriers won't — but typically at significantly higher premiums.

### Why Churches End Up in E&S

**Non-Renewed by Specialty Carrier:** Churches dropped by Church Mutual, Brotherhood, or others often land in E&S if their agent does not have access to alternative admitted carriers.

**Older Buildings:** Properties with aging roofs, outdated electrical or plumbing systems, or historical construction may be declined by admitted carriers.

**Geographic Risk:** Churches in coastal, hail-prone, or wildfire-adjacent areas may have limited admitted market options.

**Claims History:** Recent or frequent claims — even weather-related — can push churches into E&S.

### What Churches Should Know About E&S Placement

**Premium Impact:** E&S premiums are often 2-3x higher than admitted market rates for equivalent coverage. Some churches have reported premiums tripling upon E&S placement.

**Coverage Differences:** E&S policies may have broader exclusions, higher deductibles, and fewer standard coverages than admitted church-specific policies.

**State Guaranty Fund:** Admitted carriers are backed by state guaranty funds that pay claims if the carrier becomes insolvent. E&S carriers are generally NOT covered by these funds.

**Not Necessarily Permanent:** E&S placement should be treated as transitional. Churches placed in E&S should explore admitted alternatives at each renewal. Changes in building condition, claims history, or carrier appetite may open admitted market options.

### E&S Carriers Active in Church Business

Various Lloyd's of London syndicates and domestic surplus lines carriers write church E&S business. These change frequently based on market conditions. The key question for any church in E&S is not which E&S carrier they are with — it is whether an admitted carrier alternative exists that their current agent has not explored.

## Market Trends Affecting Churches

### Why Four Specialty Carriers Hit Trouble Simultaneously

The simultaneous distress of Church Mutual, Brotherhood Mutual, GuideOne, and Southern Mutual Church Insurance is not coincidental. These four carriers share structural characteristics that made them vulnerable to the same converging pressures:

**Concentrated Property Risk:** Church buildings are large, older, and often located in weather-exposed areas. A specialty mutual's entire book is this type of risk — there is no diversification across other lines to absorb losses.

**Reinsurance Pressure:** Reinsurers (the companies that insure insurance companies) raised their rates significantly after 2020-2023 catastrophe losses. Specialty mutuals with concentrated property books were hit hardest.

**Severe Convective Storms:** Hail, wind, and tornado losses have increased in frequency and severity. These are not the hurricanes that make national news — they are the mid-level storms that generate thousands of claims across church portfolios.

**Rebuild Cost Inflation:** Post-COVID construction cost increases mean every property claim costs more to settle. Building valuations lagged reality, increasing the gap between what was insured and what it costs to repair.

**Social Inflation / Litigation:** Broader trends in litigation severity — including abuse claims, slip-and-fall injuries, and employment practices disputes — have increased liability costs across church portfolios.

**Thin Surplus:** Specialty mutuals operate with smaller surplus cushions than diversified commercial carriers. When multiple pressures hit simultaneously, the margin for error disappears quickly.

### What This Means Going Forward

The church insurance market is not "collapsing" — but it has permanently changed. The era of a single specialty mutual handling all of a church's insurance needs with minimal shopping may be over. Churches that understand this shift and engage multiple carriers through a competitive process are consistently achieving better outcomes than those accepting a single renewal offer.

Stable, well-capitalized carriers exist and are writing church business. The question is whether a church's current agent has access to them and is submitting to them competitively.

## What This Means for Your Church

This Market Intelligence Center exists so church leaders can see for themselves what is happening in the carrier market. Every rating, every date, every source is linked. Nothing here is opinion.

### If your church is currently with a Tier 1 specialty carrier:

Review the public record for your carrier. Understand their current AM Best rating and outlook. Consider whether your renewal timeline gives you enough time to explore alternatives if needed. Processing with alternative carriers takes 60-120 days depending on complexity. Starting at 90 days before renewal gives you margin.

### If your church recently saw a premium increase:

A significant increase does not necessarily mean you are with a distressed carrier. But it is worth understanding whether the increase reflects broad market conditions or your specific carrier's financial pressure. Multiple carriers competing for your business changes outcomes.

### If your church was non-renewed:

You are not alone. Thousands of churches have been non-renewed by specialty carriers in the past two years, including churches with no claims history. Admitted-market alternatives exist — including carriers willing to write older properties. You do not have to accept E&S placement if admitted options are available.

### If your current situation seems fine:

That is good news, and a competitive review will confirm it. Strong placements stand up to comparison.

*Whatever your situation, there is a calm path through this. Multiple carriers competing for your business changes outcomes. Complete submissions receive priority treatment from underwriters whose plates are full. The path forward starts with knowing where you stand.*

## Begin Your Early Review

Takes approximately 2 minutes. Does not notify your current agent or carrier.