The United Methodist Church

North Carolina Conference – Southeastern Jurisdiction

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MEMORANDUM

From: Sharon E. Strother, Conference Treasurer

Date: January 8, 2003

RE: Worker's Compensation Insurance

To Whom It May Concern:

The purpose of this document is to serve as notice of the North Carolina Conference's position on local church Worker's Compensation Coverage. Local church employees (including the pastor) are not covered under the NC Conference Worker's Compensation policy. Employers are required by law to carry worker's compensation insurance if they have three or more regular employees. It is our opinion that churches with less than three employees should also carry worker's compensation coverage.

We have contacted CIGNA, our current health insurance provider, and questioned them regarding if they would cover medical claims resulting from a work-related injury. Their response was that "if a bill came in to CIGNA that stated it was work related, CIGNA would deny the claim indicating that the participant should file with their worker's compensation carrier. If CIGNA did not know the claim for an injury was work related, they would pay the claim, but would have the claim investigated for any third party involvement."

Local churches should keep in mind that health costs are only a portion of the total potential worker's compensation claims. There are also other potential claims, such as lost salary. If a church has no coverage and there is a work-related injury, the local church would be responsible for all health claims as well as any other claims such as lost salary. To that end, we recommend that all local churches, regardless of size, carry Worker's Compensation Insurance to cover their employees. Contact your insurance carrier for specific information regarding your worker's compensation coverage.

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