

Navigating Auto Coverage for Catholic Organizations:

Trends and Best Practices

For Catholic organizations, vehicles are not just a means of transportation, but a tool of ministry, service, and connection. Vehicles play a critical role in advancing the mission of religious communities and their institutions, from religious community members traveling for the ministries they serve, taking students to and from school, to delivering food, supplies, and outreach to communities. Appropriate auto coverage for such autos is a sign of good risk management practices, good stewardship, and responsibility.

Securing the adequate amount of auto coverage is becoming increasingly complex. Catholic organizations are often faced with unique risks like transporting children, operating an aging or mixed fleet of autos, and having a mix of volunteers, staff and religious drivers with varying degrees of experience and age factors. Additionally, religious institutes may have vehicles under their policy from ministries like schools and nursing homes that the congregation does oversee. These factors require a specialized risk management strategy in accordance with operational needs as well as missionary-based missions.

Adding to these issues are the pressures of a transforming insurance climate. Premiums continue to rise across the industry due to inflation, increasing accident severity, and supply chain difficulties affecting repair costs. At the same time, evolving state and federal regulations call for greater attention and scrutiny, so it is more critical than ever that Catholic organizations stay alert and proactive in their auto coverage strategy.

This white paper explores key trends affecting auto coverage for Catholic entities and outlines best practices to help administrators, risk managers, and directors of finance make informed decisions. From coverage options review to implementing driver safety programs, we provide the insights you need to protect your people, your assets, and your ministries.



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Auto insurance premiums have been increasing steadily over the last few years, with commercial auto premiums increasing **11.3% on average in 2023 alone** (MarketScout, 2023).

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Full Coverage Vs. Auto Liability

When evaluating Catholic institution auto coverage, one of the most fundamental choices is whether **full coverage** or **auto liability only** is desired. Being knowledgeable of the distinction between these two types of coverage—and the implications of each—can help religious institutions make informed, mission-driven choices.

Understanding the Coverage Types

Full coverage typically includes both **liability and physical damage protection**, i.e., **collision** and **comprehensive coverage**. Liability coverage typically protects against bodily injury and property damage to other people involved in an accident when your driver is at fault. Collision coverage pays for damage to your own vehicle involved in a collision, while comprehensive coverage protects against non-collision events like theft, vandalism, fire, or natural disasters (Insurance Information Institute, 2023).

Auto liability covers only injuries or harm that your driver causes to other individuals or their property.

Pros and Cons for Catholic Organizations

PROS	CONS
Full Coverage • Offers more protection to vehicles of an organization. • After any deductible, can save an organization from out-of-pocket expenses after an accident or any other covered event. • May be required if a vehicle is leased or financed. Auto Liability Only • Lower premiums. • For vehicles with low market value or limited use.	Full Coverage • Higher premium costs. • May not be cost-effective for older vehicles with low market value. Auto Liability Only • No financial protection for damage to the organization's own vehicle. • You face greater out of pocket expenses if your vehicle is damaged and needs repair.

Full Coverage Vs. Auto Liability

Key Variables to Determine

In deciding between liability only and full coverage, Catholic institutions must consider the following key variables:

Vehicle Age: Older vehicles depreciate quickly and are less economical to cover on a full coverage basis. When a car's market value is significantly lower than the level of comprehensive and collision premiums, liability only may be more practical.

Vehicle Condition: A well-maintained vehicle will last longer and may merit continuous full coverage.

Financial Reserves: One needs to establish whether the organization possesses sufficient reserves or contingency funds to offset a total loss. If, for example, a vehicle that has liability only coverage is totaled, the community will need to pay for repair or replacement out-of-pocket. This can be a significant financial burden, especially for smaller parishes or ministries with limited budgets.

Use and Mission Impact: Consider the vehicle's purpose in your ministry. Routine use transporting students, seniors, or for outreach into the community means that an underinsured loss will stop critical services.

Selecting the right coverage mix is not just an economic decision, it is a risk management strategy that strengthens your organization's ability to serve. A thoughtful strategy, founded on both financial responsibility and mission readiness, will have your vehicles adequately covered.

Limits on Auto Liability

Liability limits are the maximum dollar value a coverage provider will pay for damages or injuries an organization causes to others in an accident. For Catholic organizations, the selection of the proper liability limits is critical to safeguarding the institution's assets and mission.

Understanding Liability Limits and Their Importance

Minimum state-required limits may be insufficient to protect an institution against suits or major claims. Inadequate limits can expose institutions to out-of-pocket costs, particularly where there are numerous or severe injuries or property damage.

Evaluating Adequate Coverage Limits Based on Organizational Needs

Catholic organizations need to consider:

- The quantity and type of their fleet of vehicles.
- The level of passenger transportation (children, elderly, etc.).
- The level of exposure based on frequency and distance traveled.
- The value of assets they need to protect.

Industry Benchmarks and Recommendations

Experts recommend a minimum of \$1 million in auto liability insurance, especially for organizations that transport groups or have more than one vehicle (Insurance Information Institute, 2023). Umbrella or excess liability insurance to provide additional protection beyond primary limits is highly recommended. Taking advantage of a risk pool such as our Risk Pooling Trust, can provide excess limits on Auto Liability at very reasonable cost based on the law of large numbers and group purchasing power.

Deductibles

How Deductibles Affect Premiums and Overall Cost Management

Deductibles are the dollar limits an organization will pay out-of-pocket prior to coverage applying. Higher deductibles typically translate into lower premiums, offering an option to manage costs upfront.

Strategies for Selecting the Appropriate Deductible Amounts

- Take stock of the organization's reserves and determine how much it can pay per occurrence.
- Review the past claims history—if claims are low frequency and low severity, a higher deductible might be useful. There may be considerable cost savings with higher deductibles.

Balancing Financial Risk and Cost Savings

An ideal approach balances affordability against risk tolerance. For example, a deductible of \$2,500 might mean significant premium savings, but could be budget-busting for a small parish or ministry.

By periodically consulting with your Account Manager, organizations can revisit deductible choices in light of shifting circumstances—such as budget changes, claims history, or the addition of new vehicles. This ongoing review helps ensure that deductibles remain both cost-effective and practical, aligning coverage with the organization's evolving needs.

Rate Increases

Trends in Auto Insurance Rate Increases

The national average cost for full coverage car insurance is 3.39% of the median annual household income (Bankrate, 2025). This is up 12% in 2024, meaning drivers are spending an extra \$289 per year, or \$24 per month, on their car insurance.

Why Insurance Premiums Increase

- Greater cost of parts and labor.
- Price of vehicles are increasing.
- Increased driving and accident frequency due to distracted driving.
- Larger legal settlements and jury verdicts.

How to Counter Premium Increases

- Maintain a favorable driving record and implement a driver safety program.
- Have policies reviewed regularly and consider bundling coverages.
- Partner with a faith-based risk pooling program, such as the Christian Brothers Risk Pooling Trust, or a company knowledgeable about religious institutions' unique exposures.

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Claims Issues

Typical Auto Coverage Claims and How to Address Them

One of the most frequent causes of claims in Catholic organizations is **driver negligence**, especially among volunteers or elderly drivers. Risk is also heightened when these organizations fail to adequately screen their drivers, offer regular scheduled safe driver training, and manage their fleet exposures by employing a formal fleet risk management program.

Steps to Streamline Claims Processing

- Implement a clear, documented claims reporting process.
- Designate an internal claims coordinator or a fleet manager who is dedicated to the task.
- Partner with a company that has faith-based claim support and a sense of awareness of ministry needs.

Best Practices for Minimizing Claim Severity and Frequency

- Implement behind-the-wheel screening and yearly motor vehicle record (MVR) screenings.
- Offer frequent driver training (live, on-demand, or virtual).
- Assign responsibility for a staff member to review all claims, monitor driver behavior, and search out repeat offenders to intervene accordingly.
- Develop and implement a formalized fleet management program that monitors every driver and vehicle used for the transportation services of the ministry.

Services

Member institutions that commit to regular driver education are eligible for **credits off the cost of their auto coverage**. In the 10-year period from 2015 to 2024, the Christian Brothers Risk Pooling Trust has returned **more than \$1 million back to its members**.

Risk Management Resources Offered by Christian Brothers Risk Solutions

- Risk management review and/or customization of sample religious community driver policies.
- Over **1,000 drivers** took advantage of either live or module-based training sessions in 2024.
- **1,500+** behind-the-wheel driver screenings conducted in 2024.
- A robust claims monitoring and **risk alert process** to flag at-risk drivers.
- Newsletters featuring safety tips and claims data insights.

Christian Brothers Risk Solutions Driver Training Programs and Fleet Safety Initiatives

- Recommends **driver training every 2 years**, regardless of driver age.
- Over the past 10 years, Christian Brothers Risk Solutions has provided live training sessions for **15,267 drivers**.
- Christian Brothers Risk Solutions offers **8–10 virtual sessions per year**, plus customized training for individual members.
- Encourages promoting transportation policy awareness among community members.
- Recommends supplementary training through AARP or local driving schools.

Technology Solutions for Monitoring and Improving Driver Behavior

- Annual Motor Vehicle Record checks help assess and track driver history and assist with determining eligibility/hiring qualifications for new drivers.
- Digital tools help manage fleet data, track training progress, and log claims for future analysis.

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Older Drivers: Behind the Wheel Observations, Safe Driver Training and Risk Management

Catholic organizations typically have a diverse staff of drivers, such as older religious members, volunteers, or staff members over 65 years of age. Even though most older drivers are careful and experienced, age-related changes can increase driving risks, making **safe driver training** an important safety measure.

Christian Brothers Risk Solutions offers a Behind the Wheel Driver Observations Program to help determine at-risk religious drivers. This program gives safe driver suggestions and recommendations for at-risk drivers, including the possibility of requiring a more comprehensive driver medical exam or recommending that the driver no longer drive. The program works to foster safe driving behavior that can eradicate injury to drivers as well as other motorists on the road.

The Importance of Training Drivers Over 65

As individuals age, they can exhibit slower reaction time, impaired vision or hearing, and limited cognitive processing or mobility. These can affect safe driving—especially when driving in new places or carrying passengers. Drivers 65 years and older are the cause of 66% of all auto claim collisions and 71.8% of all dollars spent.

Average Claim Cost by Age Group:*

Ages	
56-65	\$7,548
66-75	\$8,576
77-85	\$9,167
86 and older	\$19,193

*Data from a 10-year (2015-2024) loss run from Christian Brothers Risk Pooling Trust.

Behind-the-wheel observations provides the opportunity to:

- Reassess driving capacity in naturalistic environments.
- Reaffirm defensive driving techniques.
- Identify early indicators of declining ability.
- Offer constructive criticism in a supportive environment.

Christian Brothers Risk Solutions strongly advocates the utilization of a fleet risk management approach to manage their auto risks. This approach should require all drivers to attend safe driver awareness training every two years and higher risk drivers to take part in behind the wheel driver observations to help guarantee the safety of the individual and the broader community.

Older Drivers: Behind-the-Wheel Training and Risk Management

Statistics on Auto Insurance Claims Among Drivers Over 65

- According to the Insurance Institute for Highway Safety (IIHS), older drivers **ages 70 and above experience a higher crash frequency per mile than middle-aged drivers**, particularly in multi-vehicle crashes (IIHS, 2023).
- The National Highway Traffic Safety Administration (NHTSA) stated that in **2021, older drivers accounted for 20% of all motor vehicle fatalities** and that intersections and left-hand turns were areas that were most troublesome for them (NHTSA, 2022).
- A study from the Insurance Research Council (IRC) found that **auto insurance claims frequency begins to rise significantly after age 65**, increasing the financial and operational risks for organizations reliant on senior drivers (IRC, 2022).

Best Practices for Managing Older Driver Risk

- Require regular **behind-the-wheel assessments** and **medical clearance** for driving. Over the past 10 years, Christian Brothers Risk Solutions has conducted more than 14,000 behind-the-wheel observations.
- Offer special training with a focus on general issues related to older drivers.
- Invite enrollment in **Driver Safety programs** or similar refresher courses.
- Intensively monitor older driver claims and address patterns of at-fault driving through retraining or role reassignment.
- Maintain **open lines of communication** about safety matters to encourage an atmosphere of concern over criticism.

Faithful Stewardship Through Safety

Proper training and testing of older drivers shows concern for the well-being of the community. It is a balancing of respect for older members with active risk management, safety, and mission integrity .

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Christian Brothers Risk Solutions is one of the largest risk management providers for Catholic organizations—offering broad coverage with generous limits at lower costs to safeguard our members and their ministries.

Conclusion

Guiding Catholic organizations to find the best vehicle coverage requires a blend of mission-driven stewardship and smart risk management. From choosing between full coverage and liability only policies to setting the right liability limits and managing rate increases, each choice impacts an organization's fiscal well-being and ability to serve.

Summary of Key Takeaways and Best Practices

- Broad protection at a higher price is offered by full coverage, while older or less necessary vehicles may be able to get by with liability only coverage.
- Vehicle age, condition, and loss-absorbing capacity of the organization must be considered when making decisions about types of coverage.
- Proper liability limits must be chosen, deductibles managed, and driver safety programs adopted to minimize financial risk.
- Prioritizing training, screening, and accountability in fleet operations minimizes claims and maximizes safety performance.

Encouraging Proactive Risk Management and Auto Coverage Planning

A proactive approach guarantees Catholic organizations are not only in regulatory compliance but also living their mission by protecting those who serve and are served. Christian Brothers Risk Solutions makes this possible by offering tailored resources, training, and expert guidance.

Next Steps for Catholic Organizations to Optimize Auto Coverage

- Conduct a fleet and policy review with Christian Brothers Risk Solutions or a trusted advisor.
- Set up a standard training and driver monitoring program.
- Review risk exposure and coverage annually.
- Engage stakeholders in learning about the importance of fleet safety as a ministry priority.

About the Author

Chad Kunkel is the Managing Director of Christian Brothers Risk Solutions. With more than 30 years of experience in the insurance industry, he has led teams and programs focused on underwriting, sales, and risk management. A graduate of the University of Illinois at Urbana-Champaign, Chad combines industry expertise with a commitment to service, helping members protect their ministries with confidence.



Contact us at **800.807.0300** or **RiskCustomerService@cbservices.org** to learn how we can help your mission with its auto coverage needs.