

The Steward

SUMMER 2015

Quarterly Insight into Current
Insurance Concerns for Churches



Take a Few Laps!

Around Your Church, That Is

Welcome to your summer workout! Seven laps around the church. It's time to check. It takes a little focus to do a thorough inspection. You can't just stare at the facades. You need a system. We are grateful a risk management professional who has provided a system that we will show you here. Put on some comfortable shoes. We're going to do some laps.

Lap 1 – Inspect your roof. Bring binoculars if your roof is high. Check for missing or loose shingles, debris or anything unusual about the surface. Look at chimneys for missing mortar or bricks. Look for debris and blocked drains on flat roofs. Carefully examine the attachment of metal flashings to walls. Evaluate surface conditions and take note of excessive standing water. Take pictures.

Lap 2 – Inspect your gutters and downspouts. Look for missing or damaged sections, debris or signs of water overflowing the gutters.

When were they last cleaned? Did you have large icicles last winter that may have pulled gutters away from the building? Are downspouts flowing freely or overflowing at ground level close to walls?

Lap 3 – Inspect your overhangs. Make sure there are no animals or birds nesting there. Sealing them out permanently can be a challenge. Be sure they have left before sealing.

Lap 4 – Inspect your siding, including masonry. Make sure there are no holes or damage. Look for soft spots on wood siding, which indicate water intrusion or poor drainage. Even brick can deteriorate this way. Note vining plants that can do damage, especially to old, soft mortar.

Lap 5 – Inspect your windows inside and out for proper operation, rot, and gaps. Check sills especially under the sash and where they join storm windows. You might poke around with an awl or screwdriver. Though paint may

appear intact, it may be rotting underneath.

Lap 6 – Inspect your doors from inside and out for operation and gaps. Frost may impair operation, and water may cause swelling. Emergency exit doors need to work easily, and not be blocked.

Lap 7 – Check your foundation, noting cracks, voids near walls, or water accumulation. Verify that downspouts are freely flowing into storm drains or routed away from foundation walls.

Now you have a list. Next, you will need to set priorities and develop a budget. You must decide whether the work will be done by licensed contractors, maintenance staff or volunteers. We recommend that you keep elder volunteers and employees off ladders. Recognize that "more caulk" is a very temporary solution to conditions requiring more substantial repair.

And just to be clear, we want to emphasize one point: if you have flat roofs, it is critical that you inspect drains for blockage, especially if you have trees nearby, including pine trees. If water can "pond" on your flat roof, it will find any defect to intrude to your interior.



Lightning and Surge Protection!

When it comes to losses of electrical and electronic equipment, few events can match the destruction caused by surges (transients). These phenomena are responsible for about 50% of our electronic equipment failures today. Each year churches unnecessarily incur millions in repair costs and disruption of services resulting from voltage surge-related electrical failures. Voltage surge protection devices are a proven way to reduce these failures and prolong the life of electronics.

An electrical transient is a short, high energy impulse that is imparted on the normal electrical power system whenever there is a sudden change in the electrical circuit. The most obvious source is from lightning. These surges can also enter your premises through internet cable and telecommunication lines. However, numerous studies have shown that exterior sources account for only 20% of all electrical surges! The remaining 80% can be accounted for by culprits within a facility. Known

sources of transients within a church include everyday things such as fax machines, copiers, air conditioners, and elevators. In each case, the normal electric circuit is suddenly exposed to a large dose of energy that can adversely affect electronic equipment.

A surge protection device (SPD), also known as a transient voltage surge suppressor (TVSS), is designed to absorb and divert high-current surges to ground and bypass equipment, thereby limiting the voltage that is impacting the equipment.

In order to be the most successful in preventing equipment damage, surge protection must be properly sized and grounded. Because the surge protection is supposed to divert surge energy to ground, it is very important that your electrical system be properly grounded. Anything less than a proper ground may cause surge energy to be diverted throughout the building, with potentially hazardous effects. It is highly recommended to utilize a

qualified, licensed electrician to ensure that an SPD is properly installed. It is also key to think of your surge protection in terms of zones: the first zone is at the main breaker, where the most robust SPD is placed to divert surges coming from external sources such as lightning; the second zone is within the church at panel-boards and branch circuit panels; the third is at the outlet, point of use.

For more information on surge protection including choices and industry standards, contact HSB hot-line at (1-877) 610-4128. Ask for Bulletin #431, HSB's Recommended Practice for Surge Protection at Commercial, Institutional and Industrial facilities. Bulletin #431, along with many other helpful loss prevention documents, can also be found on our website at: www.hsb.com

Article provided by: Don Adoryan, Industry Consultant

The Hartford Steam Boiler Inspection and Insurance Company

PREVENT FALLS NOW!

The Insurance Board claim experience is exclusively that of our participating churches. It does not include other kinds of properties or businesses. As we look at injury claims, distinct patterns emerge which reflect the demographics of who is coming and going from our churches.

We see a pattern of more serious claims among elderly guests. This causes us to ask why. Considering the variety of activities on our church properties, are only the elderly attending? We think not.

But there are distinct factors that bear on the injury results. One source tells us that older people slip no more than young people, however, reaction time of older guests is reduced by 50%. And the time to recover from injury is considerably longer.

Another major impediment for older adults is vision, not just in the sense of reading the words on this page, but more subtle issues of contrast, glare and depth perception. Lighting that is bright enough for a 30-year old is not nearly bright enough for the elderly. Excessive noise and echoing can also be a distraction to older adults.

It's now mid-summer and you should be thinking about the higher level of activity coming after school starts. What will you be doing to protect older guests? We have two simple strategies: visibility and friction.

Visibility:

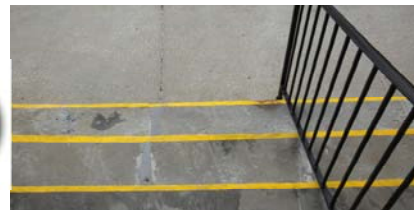
- Improve contrast, as on stair treads and curbing.
- Reduce glare.
- Improve color schemes -- Avoid shades of blue, blue on green and blue on black
- Gradual transition in lighting levels: sanctuary to narthex to street.

- Remove clutter – less is better.
- Warning signs

Friction:

- Install slip resistant flooring, use slip resistant finishes.
- Eliminate tripping hazards – loose thresholds, wobbly pavers, protruding furniture
- Stair treads tight and slip resistant
- Careful use of mats in good condition.
- Aggressive spill clean-up
- Put out “wet floor” sign

Try this test: Find your darkest sunglasses and smudge them a bit. Find your i-Pod and crank up some music you find really annoying. Take a walk through your buildings, indoors and out, at dusk. Take notes and set an agenda to improve it all before Labor Day.



**Top View
of Two Sets
of Stairs**



**Do You See a
Difference?**

Now imagine you have balance/vision problems.
How safe do you feel on these steps?





Defamation: Know the Facts

The following is an excerpt from Church Law & Tax Report, a publication by Christianity Today. You can find the complete article at: www.ChurchLawAndTax.com.

Recently in Louisiana, a former pastor sued his church and board members, and the court found them guilty, of defamation. Members of the church board had gone to the bank to get information and found there was a \$50,000 Certificate of Deposit. When asked, the pastor was unable to identify its source. He was then asked to step down, although he repeatedly claimed that he had not stolen money and that the CD didn't belong to the church. The pastor sued, alleging the board members defamed him

by accusing him of improperly using church funds and embezzlement of church funds (by purchasing the CD with church funds for his own use). He also alleged that board members called him a liar and a thief in front of members of the church. A trial court awarded the pastor \$196,228 for back pay, \$120,246 for pastoral annual payment loss, \$79,795 for loss of benefits, plus costs and interests, and damages of \$150,000. Finally, the pastor had sued some of the church board members personally, and they

were found liable as well.

Ministers are public figures and can't be defamed unless it was done with "malice," which means that the person who made the statement knew it was false or made it with a reckless disregard as to whether it was true or false. The court ruled that three things are necessary to for defamation: 1. a defamatory statement which is false; 2. the statement is communicated to a third party and; 3. it harms the person's reputation.

In conclusion, to protect your church and yourself, any derogatory comments (especially of criminal acts) may pose a liability and should be reviewed by an attorney before making them public. Also, if the non-privileged words are communicated to even one person it can be considered defamation.

Nikki Della Vella Joins the Insurance Board

The Insurance Board recently named Nichole Della Vella as Vice President, Marketing and Sales. Nikki will be located in the company's national office in downtown Cleveland.



Her career includes positions of increasing responsibility within insurance over the past 11 years, from front-line sales at Liberty Mutual, where she built and maintained a book of business totaling more than \$4,000,000 in premiums and representing multiple lines of property-casualty coverage across a variety of business sectors, to Senior Business Development Manager at AIG where Nikki was active in AIG's Community Service Team and was recognized as a member of AIG's High Potential Leadership Team; a distinction earned by AIG's top internal talent.

Nikki brings to the IB a solid background in insurance sales from AIG. In addition, Nikki has large broker experience at Arthur J. Gallagher, where she was responsible for a book of business generating \$900,000 in revenue (or roughly \$9,000,000 in insurance premiums).

As Vice President of Marketing & Sales for the IB, Nikki will lead the marketing, sales, and distribution strategies. "I am excited that Nikki has accepted our offer to join the Insurance Board," said Tim Harris, Insurance Board President and CEO. "She is a highly regarded industry professional, and I know that she will greatly enhance our efforts to capitalize on opportunities to grow our business, cultivate and maximize our agency relationships, and expand upon our mission to serve churches in the denominations we serve."



CLAIMS CORNER

Cy McFarlin, Manager, Claims
216.736.3265

Alison Hanna, Sr. Claims Analyst
216.736.3250

Mark Zimmerman, Claims Analyst
216.736.3276

File a Claim Online:
www.InsuranceBoard.org

The Steward is the joint effort of:
Mary Lammermeier, Manager, Loss Control
and Elizabeth Vance, Manager, Marketing
& Communications
www.InsuranceBoard.org