



Quarterly Insight into Current  
Insurance Concerns for Churches

**CONFIDENTIAL**

## Is Your Church Protecting Confidential Information?

Similar to a business, churches obtain confidential information that needs to be protected in order to keep their members, employees, and church safe. A church faces possible legal liability if it permits disclosure of confidential information. Confidentiality is defined as “having another’s trust or confidence; entrusted with secrets or private affairs.” Some examples of confidential information include:

- Notes taken by pastor/church counselor
- Member’s contribution records
- Human resource information, such as personal demographic data, medical information, and social security numbers
- References you obtain when hiring
- Minutes of board meetings at which sensitive issues are discussed

It is the responsibility of church leadership to protect and safeguard confidential and sensitive information. One important aspect of this is to limit access to those who have a need to know. Here are some precautions which can be taken to reduce such exposures:

- Develop a confidentiality policy. This should include expectations for those exposed to sensitive information and how to deal with inappropriate inquiries.
- Require employees and volunteers to sign a confidentiality agreement, in which they agree that they understand their responsibility to protect information.
- Train employees and volunteers on the importance of protecting confidential information. This can be incorporated into their training/orientation.
- Keep confidential information in a locked, fireproof file and give the keys to a designated person, such as a senior pastor or treasurer (depending on the type of record involved).
- Take measures to protect information stored electronically such as not sharing passwords and limiting access to those who need to know.
- Protect information as a need to know. For example, if the board dismisses a staff member due to a confession of misconduct, the pastor and board must recognize that public disclosure can result in legal liability.
- Develop a covenant of confidentiality each year by the church board. This means that board members sign a covenant agreeing not to disclose any confidential information shared during board meetings without the unanimous consent of the board. This highlights the importance of protecting information and also reduces the legal risk to the church in the event that a board member leaks confidential information.
- Of course if one or more board members refuses to sign, they must be excused from any discussion of confidential information, period.
- Steps must be taken to ensure proper disposition of a pastor’s confidential counseling notes in the event of the sudden death or incapacity of the pastor.



## Basement Flooding, Water Damage & Control

BY: Don Adoryan, Industry Consultant  
The Hartford Steam Boiler Inspection and  
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While most organizations realize that building flooding and subsequent water damage can be the result of natural catastrophes, they are not the most frequent cause. Frequently, flooding and water damage are caused by individual events such as plumbing leaks, blocked drains, pump failures, foundation leaks, and other individual events. While you cannot predict an accidental event, you can prepare. Churches present unique circumstances where some locations are vacant except days of worship/special events. Some locations are large facilities with daily staff, but portions of the building are infrequently used. Whatever the operational schedule is for the

facility, it is important that each facility is prepared to deal with accidental water leakage and accumulations. We suggest a daily walk through. In addition:

- Check Drains - Internal building drains should be checked daily to make sure that no debris is blocking drain openings. Roof drains and gutters should be checked once every 3 months.
- Sump Pumps - Check sump basin for debris. Monthly, check operation by manually filling the sump basin and observing operation of the pump. Annually, have the sump pump pulled for cleaning and inspection of controls, float assembly and pump housing.
- Insulation of Equipment - Steam, condensate, hot water and drain piping should be checked for proper insula-

tion to retain heat thereby slowing the freezing process in the event electric power or building heat is interrupted.

- Pipe Inspections - Water supply, steam, condensate, hot water and drain piping should be checked for leakage and repaired promptly. A leaking pipe will never self repair.
- Exposure To Freezing Temperature - Equipment rooms should be evaluated, looking for water supply, drain, steam or condensate return pipes that are more likely to be quickly subjected to freezing temperatures. An example would be piping that is located near fresh air intake openings. Piping should be relocated, or better insulated, but never block the fresh air intake.

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# + Does Your Church Have a 15 Passenger Van?

Research conducted by the National Highway Traffic Safety Administration (NHTSA) has prompted safety advisory warnings about 15-passenger vans. There are now restrictions on selling such vans to organizations that intend to use them for transporting children. This is primarily because the risk of a rollover crash is greatly increased when 10 or more people ride in these vehicles. These vehicles have a high center of gravity and as more passengers are seated the van becomes less resistant to rollover. Additional weight raises the vehicle's center of gravity and causes it to shift rearward, making for very dangerous handling characteristics, particularly in emergency situations. Furthermore, placing any load on the roof also accentuates the rollover danger.

The following recommendations are made by NHTSA:

1. Fewer than 10 occupants.
2. Load occupants from front-to-back.
3. Have a written safety belt policy and have the driver enforce it.
4. Absolutely nothing loaded on the roof.
5. Van drivers should be well rested.
6. Drive cautiously (maintain a speed that is safe under the conditions, and be especially careful on rural and curved roads).
7. Inspect tires once a week for wear and proper inflation, to reduce the risk of a blowout. Correct tire size and inflation pressure information can be found in the owner's manual and on the door pillar.
8. If the van's wheels drop off the roadway, gradually reduce speed and steer back onto the road when it is safe to do so.
9. Only use drivers who have received specific training on the use of 15-passenger vans and are properly licensed.
10. Keep the van's gas tank as full as possible.

Additional information on 15-passenger vans safety can be found on their website, at [www.nhtsa.dot.gov](http://www.nhtsa.dot.gov).

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- Prepare For Forecasted Freeze - During and after freezing temperatures the facility should be toured to ensure proper operations, and that no damage has occurred. If power and/or heating service is out for 3 or more hours during sub freezing temperatures someone should be on site as the services are restored or as soon as possible. As the building warms any pipes that froze and ruptured will now start to thaw and leak, and need to quickly be secured in order to minimize water damage.
- Water Sensing Devices - Consider installing a water sensing device. These electronic devices are becoming readily available at a cost of about \$100, and can notify a smart phone. Similar devices are available for temperature monitors.
- Monitor For Water - If you have an existing fire/burglar alarm monitoring system check to see if your provider can add water and temperature sensing devices.
- Foundation Issues - Inspect foundation for areas of leakage and take action to repair leakage areas or provide a means for water removal at the source of leakage.
- Exterior Drainage - When conducting construction, land grading or landscape projects, consider water drainage. Once these projects have been completed, special attention should be given to ensure proper water drainage is occurring.
- Sturdy Plumbing – Water is actually an abrasive substance, but on a microscopic basis. The vinyl water supply lines to faucets and toilets wear from the inside, hidden from view. But if a leak occurs when the building is not occupied, a significant amount of water will be released. Stainless steel braided hoses have a rubber inside, but are much sturdier than the vinyl hoses. Also, the nut on each end should be steel rather than plastic. Consider getting on a program of changing-out vinyl water supply lines with the much sturdier stainless steel option.
- Preplan Water Extraction – When a leak occurs, the first thing to do is to stop the source of water if it is safe to do so, i.e. operating boilers may first need to be shut-off. The second thing to do is get a water extraction company to the location as fast as possible. Your building cannot wait because mold and wicking of water up the walls won't wait. Research and select a professional water extractor now, before a leak occurs, and make sure everyone knows who to call!



# To Submit or Not to Submit?

BY: Alison Hanna, Sr. Claims Analyst  
Insurance Board

Did you ever wonder: “Should I submit this claim, or should I wait? What happens if I submit the claim and it is under the deductible? Can filing a claim that in the end has no payout affect anything?”

These are all good questions, so let’s address them beginning with *whether or not you should submit a claim.*

Sometimes we are faced with difficult situations, and we need to talk with someone, a person who knows our business and what the pros and cons may be of a situation. When it comes to insurance claims for your church, there is no better person to talk with than your agent. You should feel comfortable telling your agent what is happening within your church, and be able to turn to him/her when you are having doubts about submitting a claim.

All insurance agents are required to be licensed in their particular state, so they are a great resource for a general understanding of insurance, and the insurance claims process. All Insurance Board agents are uniquely qualified to handle church insurance questions, and address issues specific to your many ministries. They can explain to you the benefits of submitting a claim. For example, submitting a claim allows you to receive an official answer from the insurance company while creating a permanent record of the incident.

Which brings us to our next two questions: “What happens if I submit the claim, and it is under the deductible?” “Can filing a



*claim that in the end has no payout affect anything?”*

When you submit a claim it becomes part of your loss history record permanently, and it is reflected as an additional claim regardless of your deductible. However, within the Insurance Board program, a claim with \$0.00 paid has no impact on the rating of your church.

On the other hand, if you are looking to place insurance elsewhere, other companies reviewing your history may consider the claim as part of your loss history when pricing your account.

Additionally, while submitting a “below deductible” claim has no direct impact on your church, there is an impact to the Insurance Board program.

When a claim is submitted, there is a handling fee charged to the Program to investigate and adjust the claim whether or not there is ever an actual payment. These fees amount to tens of thousands of dollars to the IB every year which does affect you indirectly by affecting our ability to maintain services or provide new services to you such as:

- Subsidized electrical inspection services
- Free abuse prevention training services
- Subsidized background checking
- Property valuation services
- Risk management services on-call
- Complimentary webinars and on-site seminars
- Free resources

Therefore, if you have a claim and you are in doubt about what to do, or if you think the claim may be below your deductible, talk to your agent BEFORE submitting the claim. S/he will help you make the right decision for your church.

Your agent’s contact information can be found on your invoices and your Memorandum of Insurance, or you can visit our website: [www.InsuranceBoard.org](http://www.InsuranceBoard.org) and click Find an Agent.



**INSURANCE BOARD**  
Partners in Protection

UCC + Disciples + Presbyterian

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File a Claim Online:

[www.InsuranceBoard.org](http://www.InsuranceBoard.org)

*The Steward* is the joint effort of:

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