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Quarterly Insight into Current Insurance Concerns for Churches

# the **steward**

## HB 435 Pennsylvania

(New PA Requirements for those who work with Children)

In an effort to better aid in the prevention of child abuse, the state of Pennsylvania has signed a bill requiring employers to conduct background checks for any “reporters” (which includes **paid professionals as well as unpaid volunteers who “are persons aged 18 or older with direct contact with children: the care, supervision, guidance or control of children, or routine interaction with children”**). The bill became effective December 31, 2014. Requirements include:

- Training: Beginning November 14, 2014 all **EXISTING** mandated reporters (employees only) are required to participate in a 3 hour Mandated Reporter Training at [www.reportabusepa.pitt.edu](http://www.reportabusepa.pitt.edu). This is required to be completed by June 2015.
- Background Checks (these are required by the state to be checked every 3 years):
  - PA State Police Criminal Background Check (\$10)
  - PA Child Abuse History Clearance (\$10)
  - FBI Clearance via Fingerprints (Approximate \$28.75 via PA State Police or its authorized agent). \* Note FBI clearance is **not necessary** if the position is an **unpaid volunteer AND has been a PA resident continuously for past 10 years, AND reporter signs a disclaimer** affirming no other states would prohibit selection as a volunteer.
- Hiring Requirements: Employers are not allowed to hire or approve an applicant if their criminal history record information indicates the applicant has been convicted of a felony offense within the five year period immediately preceding verification.
- Employee/Volunteer Responsibilities: If an employee or volunteer is arrested for or convicted of an offense that would constitute grounds for denying employment or participation in a program, the individual must provide the organization/company with a written notice not later than 72 hours after the arrest, conviction or notification that he/she has been listed as a perpetrator in the statewide database.

For information to access Pennsylvania required background check requirements and instructions on how to obtain these clearances, see the state website: <http://www.dhs.state.pa.us/findaform/childabusehistoryclearanceforms/index.htm>

Background check requirements vary from state to state, so it is important to be knowledgeable of the requirements for your state. The Insurance Board, through its vendor Praesidium, provides background check services and abuse prevention training to churches and related ministries within the denominations we serve. More information will be provided as available. For questions on the IB services visit our website at [www.InsuranceBoard.org](http://www.InsuranceBoard.org) or contact Mary Lammermeier at the Insurance Board at 216.736.3248.

# Slip Safety and Candle Awareness!

We are in the thick of winter with the Christmas holidays behind us, but Easter is right around the corner. A few important issues you should be thinking about for your church right now: candle safety and clearing ice and snow. Here are a few true scenarios which were unfortunate, but let's learn from others' past mistakes.

## Candle Causes Fire in Church

Five candles were lit on an advent wreath, which was of flammable construction consisting of Styrofoam and dry greenery. At the end of the last service, a volunteer whose task it was to extinguish the candles forgot to do so. The following morning, a church employee discovered that a fire had occurred and burnt itself out, but had caused extensive damage to the ventilation system and furnishings throughout the church. Soot and smoke were transported throughout the church via the ventilation system and the heaviest damage was to the sanctuary area. The church was not protected by a sprinkler system, smoke detectors, or a central station alarm. Damages exceeded \$59,000 and the church was closed with services interrupted until it was cleaned sufficiently.

Lessons Learned: Churches should consider having a sprinkler system and smoke detectors installed with a central station alarm. This would ensure that someone was notified about the fire, so that the fire department could have responded quickly. Also, they should have double checked to ensure that all candles are extinguished. When using candles, the National Fire Protection Association (NFPA) recommends that you keep them at least 12" away from anything that can burn. Always use candle holders that are sturdy, that won't tip over and place them on uncluttered surfaces. NFPA statistics show that candles account for 8% of all property damage in church and funeral properties.

## Slip and fall on Ice

A person (non-member) was walking on a sidewalk in front of a church and claimed that they had slipped and fallen on ice, causing them to fracture their kneecap and elbow, requiring extensive medical treatment. The church claimed that they had removed the snow earlier that day and also that the city was responsible for sidewalk snow removal. The injured person claimed that snow and ice fell from the church's



steeple onto the sidewalk, and had melted and refroze. Typically, the church cordoned off this section of the sidewalk when it became icy; however, this was not done the day of the incident. The injured person's claim was settled at \$400,000.

Lessons Learned: Responsibilities of sidewalks varies by municipality – confirm what the statutes are in your city. The church had procedures for removing snow and ice, but they did not follow them the day of the incident. Routine self-inspections should be conducted to evaluate any exposures for water (including snow and ice melt) to ensure it is draining away from building parking lots and sidewalks to a safe location.

## Food Allergy and

Food allergies and intolerances have increased dramatically in the US in recent years. I know all about this, as my son (15 years old), my aunt (69 years old), and my sister (39 years old) all have significant food intolerances. An allergy can be severe and life threatening, where the immune system responds as if the food is harmful. A food intolerance is not as severe, but can cause all types of digestive problems and physical ailments, due to the inability for their body to digest the food normally. According to the CDC, the number of kids with food allergies increased 18% from 1997 to 2007.

The eight foods which make up the majority of all serious allergic reactions in the United States include milk, eggs, fish, crustacean shellfish, wheat, soy, peanuts, and tree nuts.



## Intolerance Awareness!

So, what can you do to protect the children, church and community?

Here are some recommendations:

- When food will be served to children for an event, let the parents and children know in advance so that they can plan accordingly and bring alternative foods if need be.
- If a child or parent says that they cannot eat something, believe them and don't try to pressure them.

- When possible, stick to individually pre-packaged foods, which include labelling information listing the ingredients.
- Encourage good hygiene and frequent hand washing.
- Do not allow children to share food with one another.
- Enjoying food together is an important part of life, but taking the focus off it in churches and church related activities could reduce the risk.
- When a trip is held requiring a release signed by a parent or guardian, an attorney should review it and ensure that if food is being provided that sufficient verbiage is included to address potential food issues.

# When Lightning Strikes!

All areas of the U.S. are exposed to lightning strikes, but taller buildings, such as churches with spires or steeples and properties located at hilltops are especially at risk. Geographic location can also increase risk. According to the National Oceanic and Atmospheric Administration (NOAA), the highest frequency of cloud to ground lightning is in Florida between Orlando and Tampa. High humidity combined with high surface temperatures are main contributors. Also, the western mountains, Gulf of Mexico westward to Texas, and Atlantic coast are at higher risk. Factors increasing risk include:

- Prior lightning damage
- Structures in isolated areas, on top of hills or near a large body of water
- Structures in area with frequent thunderstorms
- Buildings with trees overhanging the roof
- Buildings constructed with a metal, stone or brick chimney, with metal ridge vents or aluminum siding
- Buildings with no surge protection

A lightning protection system can safely direct electrical currents to ground, consisting of a lightning rod and/or surge protection. Any system should be installed by a licensed electrician in accordance to UL and NFPA standards. Lightning rods are rods of pointed copper or aluminum that are placed on roofs to direct currents to the ground, instead of through the building's plumbing or electrical system. They don't attract lightning, but provide a preferred path of low resistance for currents to travel to the ground.



Sensitive electronic systems, such as worship sound systems, phone systems, computers, electric pianos and organs are susceptible to damage caused by lightning strikes and their resulting power surges. For the highest level of protection, UL listed surge protectors can be installed on electrical service panels. To protect specific electronic pieces of equipment, UL listed transient (plug-in) voltage surge suppressors can be installed. Keep in mind that most plug-in type surge protectors use a component known as an MOV, which wears out with use. Thus, you will have to replace your plug-in surge protectors periodically. If you do use this type of surge protector, look for the following:

- UL 1449 Suppressed Voltage rating of 330 V
- Two or three stage suppression
- Clamping response time on the order of nanoseconds is good, picoseconds is better
- A warranty – especially one that will replace equipment in the event of a failure
- Higher quality units, with indicator lights that show when they are functioning.

## Spamming, Spoofing and Cyber Threats

Because our Insurance Board e-mail is a business account with lots of security on it, the spam filters rake out quite a volume of nasty stuff. We are given the opportunity to cull through it and decide what is “real.” Recently I have seen a big increase in a new tactic of thieves to get into our computers. It's called “spoofing.”

For example, I will see an e-mail from [accounting@insuranceboard.org](mailto:accounting@insuranceboard.org) which I know to be a fake address. I don't open them. Then there are the ones from addresses such as [reply@irs.gov](mailto:reply@irs.gov), suggesting I haven't paid my taxes. I delete them promptly and never open them. These communications prey on our curiosity or our hurried tempo. They do so by “spoofing” addresses that look familiar enough that we open them, but beware the “Trojan horse.”

Cyber-crime has reached the level that we have received claims for such events. They are covered under the “crime” part of your IB package. The policy will cover the loss resulting from “computer fraud.” The IB program also provides coverage for “security & privacy liability” that might arise from a computer security breach.

This past summer, a church in Iowa (not an IB church), fell victim to a cyber crime that depleted the church of \$680,000! Besides basic financial controls, your church should add controls to lessen the likelihood it will be victimized through the internet. Verne Hargrave, who presented "Fraud in the Church: High-Tech Style," at the National Association of Church Business Administration's annual conference in Washington, D.C. offered these tips for avoiding an attack like the one in Iowa:

- **Dedicate a stand-alone computer for electronic banking.** It should not be used for anyone's personal use at any time! Limit its online activity to banking only, and keep its antivirus and firewall protection updated.
- **Limit administrative rights.** Only those with specific authority for financial activity should have access.
- **Change passwords.** These need to be changed regularly, and preferably with a combination of upper- and lower-case letters, and one numeral and one symbol.
- **Don't e-mail files.** Use secure connections for any electronic file transfers.

In a few words, take security seriously, however inconvenient you may feel it is. If you are a member of your church board, ask questions about computer security – it's part of your fiduciary responsibility.

## To Post or Not To Post Your Sermon

Texting, tweeting, YouTube, Facebook and the internet are the “new norm” for families who are active, mobile, and often worlds apart. For many churches, the use of the internet and social media is becoming the norm to inform congregants and capture new members.

While the dangers of social media are well-known with respect to predators, less heard about are the risks around “intellectual property” to include music, art and literature. While there is a “religious service exemption” for copyrighted materials, the use of the material outside the sanctuary is not covered, in particular, transferring material to web pages. Here is what happened.

A lady wrote a poem. It became a hit, especially at funerals and memorial services. She created an internet business around the poem and added related writings and products. It is quite alright to quote the poem as part of a religious service. However, some churches published the poem on their websites. After the Insurance Board received two claims from the author regarding said poem, an investigation has determined that she employs staff to find and enforce copyright violations, and demand compensation. She is entitled to enforce her copyright.

Recently, a pastor asked about putting sermons on YouTube. She explained that her sermons commonly contain quotations of others’ copyrighted materials and musical performances. While we support the use of social media to further the interests of the church and its ministries, we have advised her to purge them of copyrighted material in the authorship phase if she wishes to post them on-line.

If sermons are to have a life past the sanctuary they must be e-Ready! e-Safe! e-Legal!

## Do You Have Volunteers at Your Church?

By: Alison Hanna, Sr. Claims Analyst

Volunteers provide a valuable service to churches. They do many things; and they do it for free. The nature of volunteering is the giving of your time to help someone with a task, but this comes with risk. Volunteers may become injured during that task, and if injured, s/he may be “viewed” as conducting work in the course and scope of church business (even if it is without pay).

Volunteers injured while doing church business may be entitled to file a claim against your liability and workers’ compensation insurance. Why? Because in some states, workers’ compensation benefits are extended to volunteers who are in the course and scope of church business. The only way to truly know if a claim will be covered, is to file it with your workers’ compensation carrier.

Every state is different and knowing what state gives benefits to volunteers is not always clear, so filing a workers’ compensation claim helps define this process and provides an answer you may not be able to get from contacting your state’s Department of Workers’ Compensation (<http://www.riskvue.com/rbstates.htm>).

Going through the process also allows your workers’ compensation insurance to do the investigation, and make a decision with the assurance that the always-changing laws are taken into consideration. In the end, the volunteer will have a written coverage decision which will be useful for his/her liability claim, his/her healthcare insurance, and (for those who participate) Medicare/Medicaid.

If you have any questions, please just email [ahanna@InsuranceBoard.org](mailto:ahanna@InsuranceBoard.org).



**INSURANCE BOARD**  
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*The Steward* is the joint effort of:

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### Mary Lammermeier Joins IB

Please welcome Mary Lammermeier our newest employee, Manager, Loss Control. Mary brings to the IB a solid background in insurance and

loss control. Her career includes jobs at Aetna, Continental Insurance Company, AIG, and at Sherwin Williams where she instituted a number of safety and loss control best practices.

In her role at the IB, Mary leads and develops the loss control initiatives for the churches and analyzes valuable claims data to help further the company's mission. “We are very pleased that Mary has accepted our offer to champion the loss control initiatives of Insurance Board,” says VP of Insurance Operations Dave Nelson. I’m pleased to welcome her aboard.”

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