



Quarterly Insight into Current Insurance Concerns for Churches

the *steward*

What is a Normal Winter & How to Prepare?

As this issue of *The Steward* arrives we are in the throws of winter, which means different things to different readers. That is the difference between climate and weather. We usually make our plans around climate. It governs the types of clothes we buy and cars we drive, and it also influences our maintenance efforts. Many of us remember severe winters from childhood, but even currently we experience big swings in weather from one year to the next. In fact, the next disaster may be only a week away, and we might do something about it with urgency, if we could see over that 7-10 day horizon.

Because we can never be sure about weather, we need to make preparations based on climate and it's never too late to do something. Sometimes the worst winter weather occurs close to spring, when snowfall might be wet and heavy and result in roof collapse, the most dangerous of winter losses. In a recent winter one of our churches suffered a roof collapse in its meeting area only

hours after the pastor cancelled a meeting due to bad weather.

It's not too late for maintenance and to make plans for severe weather. Here are some important items:

- Clean gutters and downspouts to assure that water cannot back up on a snow covered roof. This is especially important on flat roofs where water may pond and infiltrate through the slightest defects.
- When it's cold outside, search for drafts at perimeter walls that may freeze pipes. Close the drafts and insulate the pipes. Foam pipe insulation is available at home improvement stores (drain pipes if a building will be vacant for a while).
- Assure heating is operational in vacant buildings and check daily during severe freezing events. Do not permit any area to drop below 40 degrees F.
- Assess where snow accumulates in greater amounts than normal snow-

fall. Have a plan for removal of excessive snow by making arrangements with a contractor in advance of need.

- Where there is a dry pipe fire sprinkler system, be sure it is completely drained. Dry pipe systems are pressurized with air; when air pressure drops (when a pipe has burst at a low spot where water remained) water will begin flowing. If you don't have central station monitoring of your sprinkler system, water will flow until you return. Oops!
- In your snow removal plan, include clearing around fire hydrants serving your building.
- Correct drainage where water ponds near foundation walls.
- After heavy snowfall on flat roofs, watch for sagging or deflection of ceilings and drop ceiling grids – evacuate the building when this condition is found and until the cause is remediated.

Social Media Test for Boomers

If you are a “boomer,” odds are you are “home free.” Your children are in their 30’s or older. But pity them – their children are, or will soon be, breaking into their teens. Life is not as simple as “back in the day” thanks to social media. Just to let our “boomer” readers know how far things have gone, we want to challenge you: Do you know what these applications do? Have you even heard of them? We’ll give you a pass if you have heard of them. You are some hip grandparents if you also know what they do., but if you re still thinking: “facebook?” you are behind the times. We encourage you to get on-line and google “What does Snapchat do?” or “What are the dangers of Kik?”

Snapchat – permits sending photos to a selected group that can be viewed for only 1-10 seconds. Teens are taking comfort in this, sending explicit photos, but not realizing images can be saved with a screenshot. Sextortion may fol-

	Heard of it?		Know what it does?	
	Yes	No	Yes	No
<i>Snapchat</i>				
<i>Kik</i>				
<i>Pinger</i>				
<i>Ask.fm</i>				
<i>Tumblr</i>				

low, a favorite tactic of predators.

Kik – an instant messaging platform coveted by kids with smart phones. Activity doesn’t show up on phone records. Most parents don’t even know it exists. Users are identified by a username that cannot be verified. There is no way to assure age appropriate images/messages.

Pinger – also a messaging platform that permits users to conceal their identity. Records of transmissions not kept. It has been used for bullying and stalking. The sender can open and close accounts using different phone numbers making it difficult to trace the source.

Ask.fm – facebook on steroids with no



rules and no accountability. One research source says, “As a back-channel for after-school chitchat that can stay anonymous, the app often exacerbates offline drama and has been linked to a handful of teen suicides.” – <http://news.cnet.com>

Tumblr – a blogging site where users can get into heavy or unhealthy subjects. A teen can search subjects such as suicide and get linked to images or blogs on the subject. Such blogs may, for example, glorify dangerous behaviors.

Instagram – a photo/video clip sharing site. This is similar to **vine**. Both provide some level of control by allowing users to determine their connections.

Parents should pay close attention to applications on their children’s phones and computers and take necessary steps to protect their children. Talk to other parents about this subject. Your children may be engaged in unknown risky behavior.

Control Ice Flow

Each day the writer walks past the delivery docks of the Cleveland Tower City complex. Apparently the housekeeping crew makes every effort to assure that floors are kept clean through a regular schedule of cleaning. Then they take the floor scrubber to the docks and attempt to empty the filthy contents into a floor drain. But much of the water flows out of the dock and onto the public sidewalk outside where it freezes. It’s a three foot wide toboggan run to the street.

You may unconsciously do the same

when you are shoveling your sidewalks and parking lots. You may have downspouts emptying onto sidewalks. Your surface water may be flooding across sidewalks. Wherever snow is melting and flowing across sidewalks and parking lots during the day, it may freeze overnight and create a slip/fall hazard.

There is more to think about when shoveling and plowing than simply pushing snow out of the way. You need to think about where you put it. If you hire a commercial plowing service, you must



give them direction. Snow should not be stacked at the most convenient place. It should be stacked at the lowest possible elevation so that when it melts, the melt water cannot flow back across walking surfaces. You want walk and drive ways to be dry when the sun comes out and temperatures rise.

Check Your Call Agreement

Coordination of benefits required

Unlike most employees in the U.S. who do not have a specific employment contract, clergy are usually employed by a letter of call, or call agreement. Recently, in researching disability benefits, we have discovered disconnects between a standard call agreement and disability benefit plans that are usually a part of the compensation package.

It is important that call agreements take into account the requirements of workers compensation law and your pension board's short term and long term disability plans. These plans are structured to provide economic incentives to return to work and, therefore, are written to prevent "double dipping." In other words, one cannot be better off financially while not working than while working. Intended or not, language found in a call agreement may be more generous than disability benefit plans will permit. This shortcoming may place an unintended financial burden on the church/employer, not to mention the souring of relationships that may follow

an employment contract dispute.

When an injury or illness results in disability, there must be "coordination of benefits" to assure that only the intended benefit is paid. If an injury is work related, then workers compensation will be the primary benefit. Short and long term disability benefits will be reduced by the amount of the workers compensation benefit, though they are subject to minimum benefit payments. But most important, the church cannot continue to pay salary past the workers compensation or disability plan waiting periods. That is "double dipping" and may result in reduction in the workers compensation or disability benefits.

So we ask: Do your call agreements match the terms of your benefit plans? Be sure to consult with your insurance agent and your pension board to be sure you understand how these benefits are coordinated. Then you may wish to revise the letter of call to reconcile it with the actual benefit plan.



Beware the Vacant Church: Frozen Pipes

It's not uncommon for a church or middle judicatory to have ownership of vacant buildings. Insurance policies impose restrictions, and higher rates, on coverage for vacant buildings unless certain steps are taken to assure their safety.

While fire, theft and vandalism are notable hazards of vacancy, the hazard that will go unnoticed longer is water. Insurance policies will generally require that building heat be maintained or that plumbing systems be drained. Special care must be taken for fire sprinklers depending on whether it is a "wet pipe" or "dry pipe" system.

When buildings are kept heated, pipes can still freeze if exposed to frigid air when routed through exterior walls or exposed to freezing drafts. The flow of water prevents freezing, but once water is not flowing for several days, pipe contents may freeze, expand and cause pipes to burst.

Other kinds of leakage through roofs, walls and foundations can occur because of maintenance issues. Such leakage occurring over a period exceeding 14 days will also be excluded. There are also limitations on the occurrence of mold.

So don't let your vacant buildings get "out of sight, out of mind." They need to be inspected frequently. When things go bad, they go very, very bad. They never get better; they always get worse.

lessons from a loss >>>

How to protect your bus glass

A church recently had a glass claim on an older 15 passenger bus. Safelite Auto couldn't do anything; they couldn't handle odd sized glass. The church then called three local glass dealers to no avail. Because the church is in a resort town, there are a lot of RV dealers in their area. RV's have lots of odd sized windows. One referral led to another and the church found someone who could help. He advised them that since they did not have the *bus conversion company metal plate* still on the vehicle he'd have to measure and order the glass. That little metal plate has all the information that would help a glass dealer find the correct windows.

Bottom line message: If you have a bus conversion, be certain that you have the *conversion company identifying plate* still attached to the vehicle. Take a picture of it and file it away. Check your papers when you purchase your bus to see if any of the conversion company information is included. Many churches buy these vehicles in used condition, and don't think of this.

Sixty Days Notice

We previously covered the subject of employment termination (Fall, 2011). In that issue we touched on “progressive discipline” and the importance of legal counsel involved where practical. We’ll remind you again that Donald Trump TV-style terminations are not always realistic. While “employment at will” applies to some employment, “safe” termination dictates an orderly process and good business judgment.

Recently, we encountered a different twist in the conundrum: the intersection of the call agreement, church by-laws and state labor laws. It would be typical that a call agreement has a provision for termination with notice. Either party can terminate the arrangement by giving the other advance notice. Most agreements contain termination agreements that permit a parting of ways.

However, for church leadership to initiate a termination it must first have authority which means the board must look to its by-laws. As often as not, the latter documents will say how to hire the pastor, but they may be silent on termination. One way or another, the board is looking at a congregational vote, which

involves additional steps and time. While the board might like to give 60 days notice, it may take another 60 to get authority. Once a vote takes place affirming a termination, the board might be anxious to end the relationship. But strictly speaking, the notice clock may have just started. In addition, some states have labor laws that dictate how and when final salary and accrued benefits are to be paid.

We would like to believe that the First Amendment protects a church in such matters. After all, church law generally permits a church to terminate a pastor for any reason. However, the trend is that judges are more willing to get involved in cases that involve “neutral principles of law,” such as contract performance. And it is unclear whether local statutes regarding termination and severance apply to clergy.

Without a doubt, sorting all of that out will require legal counsel. It is essential to reconcile the requirements of (1) the employment contract, (2) by-laws and (3) state labor laws. Proceed carefully.

ask Carl >>>

We get questions from our participants who are looking for answers about risk management. A recent one from Tom Cofer, St. John’s UCC in Michigan City, IN is about playgrounds and fencing.

First, we want to refer you to the document on our website: “Playground Design CPSC Pub. 325” www.insuranceboard.org/safety_solutions/youth_activity.aspx

While it does not address fencing, it focuses on the equipment and design factors of great importance.

Here are some important considerations regarding fencing. The simplest and most obvious consideration is to prevent chil-

dren from chasing a ball or otherwise running from a play area into a street or parking lot. This may be satisfied by a screening fence rather than a perimeter fence. A common 3-4 foot height is probably sufficient. And it will certainly cost less than full perimeter fencing. If you wish to share your playground with the surrounding community, you may wish to leave it unfenced. But you should post signage stating your rules and hours of operation. Community outreach also imposes a higher burden of maintenance since your playground is an *a priori* “attractive nuisance.” Pay attention to design and maintenance. Security cameras might be added if you



The Steward is the joint effort of:

Carl J. Kotheimer, Director Loss Control & Claims and
Elizabeth Vance, Marketing & Communications Coordinator
www.InsuranceBoard.org

claims corner >>>

Carl Kotheimer, Director Loss Control & Claims

216.736.3244

Cy McFarlin, Manager Claims Administration

216.736.3265

Alison Hanna, Claims Analyst

216.736.3250

Mark Zimmerman, Claims Analyst

216.736.3276

File a Claim Online www.InsuranceBoard.org

already have CCTV. If your playground is in an isolated space that is not easily viewed and could invite illegal activities or provide isolation to a predator, then fencing (and a lock) is in order so that the area is clearly “private use” only. The height of fencing in this situation will depend on whether you want to simply discourage trespassing or absolutely prevent it.

In general, you will need to reconcile the physical layout of your playground, accessibility and outreach objectives. If you cannot provide a safe place for community activity, then you may have to scale back on outreach in favor of security.