



Risk Control Guide For Ministries

Our insurance serves you so you can serve God.

Serve God



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Risk Control Guide For Ministries

INTRODUCTION

Welcome to the Insurance Board Risk Control Guide for Ministries. This Risk Control Guide has been created to assist ministries by providing safety considerations to prevent a potential and costly accident from occurring at your property or with your people. The property portion of this guide offers safety considerations for buildings and their contents, while the liability section focuses on safety considerations to protect people and their property. Ministries, like any other organization, face a variety of risks that can result in significant financial losses.

This guide is designed to provide best practice considerations for your ministry. It covers a range of topics, including building maintenance, fire safety, security, and emergency preparedness. Additionally, it provides guidance on liability exposures that churches may face, such as slips and falls, sexual abuse, and employment practices.

The goal of this guide is to provide practical advice and actionable steps ministries can take to protect their people, property, and assets. It is important to note this guide is not intended to replace professional advice or insurance coverage. Rather, it should be used in conjunction with the expertise of risk management professionals and insurance agents to develop a comprehensive safety program tailored to the specific needs of your ministry.

By implementing the safety measures outlined in this guide, churches can reduce the likelihood and severity of personal and financial losses from property damage and liability claims, which will ultimately protect their financial stability and mission.

DISCLAIMER:

This communication, along with any attachment, does not amend, extend or alter the coverage terms, exclusions and conditions of insurance policies referenced herein. Policy language is controlling and supersedes. Guidance provided by the Insurance Board does not constitute legal advice; please seek the advice of an attorney if you wish to obtain legal advice.



MANAGING RISK

By taking steps to reduce risk, a ministry can still provide valuable services to its members and community while also protecting its assets and reputation. When it comes to managing risk, there are generally three approaches your ministry can take: **risk avoidance, risk reduction, and risk retention.**

Risk Avoidance:

Risk avoidance is the most conservative approach to managing risk, as it involves completely avoiding any activity or situation that could result in a loss. In the context of your ministry, this might mean avoiding certain events or activities that could pose a significant risk, such as extreme sports or controversial political events. By avoiding these types of activities altogether, a ministry can eliminate the risk of a loss associated with them.

Risk Reduction:

Risk reduction involves taking steps to minimize the likelihood and severity of losses that could occur. In the context of your ministry, this may involve implementing safety procedures, providing training to staff and volunteers, and ensuring that adequate insurance coverage is in place. For example, your ministry may choose to implement background screenings for all staff and volunteers who work with children or vulnerable adults to reduce the risk of abuse.

Risk Retention:

Risk retention includes accepting a certain level of risk and assuming financial responsibility for a loss that may occur. In other words, instead of transferring the risk to an insurance company or avoiding the risk altogether, a ministry may choose to retain a portion of the risk. For example, this may be accomplished through increasing a deductible or lowering coverages to assume more risk. There are some financial risks that cannot be covered by insurance and therefore, are automatically retained. Risk retention comes with a level of financial responsibility; if a loss were to occur that exceeds your ministry's ability to cover it, the financial impact could be significant.

It is important to note that managing risk is an ongoing process and requires regular review and assessment. This allows a ministry to adapt to changing circumstances and emerging risks, ensuring that its risk strategies remain effective over time.



INSURANCE CONSIDERATIONS FOR YOUR MINISTRY

There are many “business” concerns that ministries need to consider to be sustainable. Churches are subject to Federal and State oversight in several areas, including labor law, taxation, judicial precedents, and some insurance. This also may include building and zoning codes for the municipality where the physical building is located. Ministries may need to retain legal counsel licensed in their state to make sure their bylaws, policies and procedures are following state laws. Please note, human resources, employment and labor relations are addressed in the Management Section.

By-Laws:

The by-laws for a ministry serve as a blueprint or guidelines to conduct its affairs and are supplemented by internal policies and procedures, rules of governance, and ministerial objectives.

Board of Trustees / Board of Directors:

Leaders of the congregation who are responsible for representing the interests of the congregation and ensuring the proper utilization and protection of church assets. The Board of Trustees is entrusted with the enforcement of the by-laws of the congregation.

Insurance:

Protects your church, other property structures, and church possessions against natural disasters, unexpected damage, theft, and vandalism. Insurance is not to be used as a maintenance program.

Property Insurance:

Property insurance generally includes real and business personal property, business income, crime (employee dishonesty), and equipment/mechanical breakdown (normal wear and tear excluded).

General Liability Insurance:

This provides coverage for bodily injury and property damage that is necessary for most ministries.

Automobile Liability Insurance:

This is required coverage for vehicle owners. Churches may have a need for “non-owned and hired vehicles,” to cover vehicles rented, or borrowed or personal vehicles used for business purposes.

Directors & Officers Liability Insurance:

This coverage is provided for church leaders regarding their activity as decision makers. This includes coverage for libel and slander.

Employment Practices Liability Insurance:

Covers wrongful acts such as gender discrimination or wrongful termination.

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INSURANCE CONSIDERATIONS FOR YOUR MINISTRY

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Sexual Misconduct Liability Insurance:

This coverage is most important if there are child-serving ministries such as day care, pre-school, nursery services, day camps, or any interaction with children as part of your ministry.

Pastoral & Professional Counseling Insurance:

This coverage is for alleged wrongful acts that arise out of providing or failing to provide counseling services.

Privacy Breach Liability (Cyber) Insurance:

Churches are not immune to cyber threats. Besides the liability issues of a data breach, some states require prompt notification of the individuals whose information was compromised. The penalties for failure to comply can be severe.

Workers' Compensation Insurance:

Every state has a mandatory workers' compensation statute. Some may exempt churches and small employers. Ministries should make sure they are aware of state laws to make sure they are complying with regulations.

Incident Report Form:

An incident report is a form to document all injuries, near misses and accidents involving church facilities, assets, staff, and volunteers.

Checklist:

- Failure to comply with the by-laws may result in lawsuits from those thought wronged by such actions, disenfranchised members of your congregation, or even from visitors or third-party relationships.
- The Board of Trustees should obtain directors and officers insurance which indemnifies the individual trustees and officers for claims resulting from managerial decisions made while serving on the board.
- Board members should be trained to understand their roles and responsibilities.
- An incident report should be completed at the time a potential claim occurs, no matter how minor an injury is. In addition to providing a detailed explanation of what transpired, the report should capture witness statements.
- Understand your insurance coverage and limits. There is more to a policy than just the premium. Review annually.
- Review recommended record keeping guidelines for your denomination.



POLICIES AND PROCEDURES

Your church policies are the essence of what your ministry represents. They communicate to others how your ministry is expected to operate while achieving its mission. They serve as the basis of every rule, procedure and practice that is put into writing. Employees and volunteers are faced with situations where they need your policies to guide them. The most successful ministries are those that have clear, well-communicated policies to serve as a guide for employees and volunteers to follow when specific rules may not apply.

As a first step in developing or revising any existing policies or procedures, including those that apply to managing risk or safety, the Insurance Board recommends ministries develop an overarching mission statement. This can serve as a yardstick against which to measure all policies and procedures to help ensure consistency. Leadership, clergy, employees, and volunteers can use this mission statement as a guide to measure their behavior and make decisions in the best interest of your ministry if they encounter situations where no written rules or procedures may apply. A well written mission statement helps communicate to everyone that your ministry is committed to a culture of safety.





TRANSPORTATION

Transportation needs for your ministry may range from incidental pick-up and delivery to movement of groups of children or volunteers. It is critical for ministries to consider varying levels of ability and needs of the passengers as well as the drivers to ensure the safety of all.

Transportation Policy:

Establish a policy for the use of any vehicle on the church's behalf that details vehicle and passenger safety, driver qualifications, and who can be transported.

Vehicle Logbook:

For every vehicle you own, you must keep a logbook. The use of a logbook for each vehicle permits (1) the last driver to communicate with the next, and (2) the church to plan and verify maintenance.

Vehicle Maintenance:

Instead of waiting for a vehicle to require significant repairs, take a proactive approach. Establish a clear maintenance schedule for each vehicle.

Driver Record:

Ministries should keep an updated record for any person who drives on behalf of the church. Driver Screening: All licensed drivers should be vetted through an MVR check prior to being allowed to drive church owned vehicles OR drive their own vehicle for church business.

Driver Training:

Never assume that experience equates to skill or knowledge of your church's policy.

Use of Personal Vehicles for Church Business:

Documentation of insurance coverage should be required for anyone using their personal vehicle to conduct church business. All personal vehicles being used for church activities should undergo a visual inspection to determine road worthiness of the vehicle prior to approval of use for church activities.

15-Passenger Vans:

Additional precautions and training is necessary for operation. Driver selection and loading procedures are critical!



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TRANSPORTATION Continued

Checklist:

- Drivers must be qualified and approved by the church in advance and maintain the required licenses.
- No person under the age of 21 should be permitted to operate a vehicle for a church activity, even in relief.
- All drivers must acknowledge your standards, regardless of their position within your church, because in an accident, your church may be liable whether the driver is a volunteer or an employee.
- Ministries should communicate your standards regarding: speed, use of cell phones and other technology, pre-trip inspection, vehicle loading, passenger behavior, accident reporting, alcohol use, and self-disclosure of adverse driving history.
- You must set the bar for documentation and hold drivers accountable by their signature. Each driver should log in and out for each use of the vehicle.
- Be certain a copy of the insurance ID card is in each vehicle.
- Drivers should also be expected to inspect the vehicle before and after each use to the best of their ability and record any findings.
- If allowing the use of personal vehicles, consider adding a “hired and non-owned automobile” endorsement to your general liability policy to close any insurance gaps with the driver’s primary insurance. It is critical to verify the vehicle is insured.
- Laws regarding insurance vary greatly among the 50 states. When you travel from state to state, the laws apply according to the state in which the vehicle is being operated.
- Each vehicle should have a copy of a blank accident report. Each driver should be trained on how to complete it and what to do in the event of an accident.
- Drivers should never admit liability or make promises to pay for damage in an accident.
- Drivers should report accidents according to your transportation policy and the church should report it to all applicable insurance companies immediately.



Definitions

1. Abuse Prevention Policy – a set of policies and procedures designed to protect children from abuse or neglect while on church premises or participating in church activities.

2. Access Control – measures taken to control access to church premises, including but not limited to keys, codes, and security systems.

3. Aluminum Wiring – Aluminum wiring, commonly used in older buildings, poses specific hazards that churches need to be aware of to ensure the safety of their facilities and reduce the risk of electrical fires or accidents. Understanding these hazards and implementing appropriate measures can help mitigate potential risks associated with aluminum wiring.

4. Appraisal – the process of determining the value of a particular asset or property that is owned or managed by the church. This could include buildings, artwork, historical artifacts, or any other valuable item that your church may possess.

5. Attractive Nuisance – any feature or condition on the church property that may pose a risk of injury or harm to children. Common examples of attractive nuisances in a church may include playground equipment, swimming pools, or abandoned buildings. The law imposes a duty on property owners to take reasonable steps to prevent children from being harmed by attractive nuisances,

6. Background Screening – a process of verifying an individual's personal, employment, and criminal history to ensure their suitability for working with children or vulnerable populations.

7. Boiler – a closed vessel in which water or other fluid is heated to generate steam or hot water for various purposes, such as heating a building or powering machinery. Many churches utilize boilers to provide warmth for the building and occupants. Proper maintenance and safety procedures for boilers are important to ensure the safety of the church and its members.

8. Building – This refers to the physical structure or structures owned or occupied by your ministry. It encompasses all structures utilized for church-related activities, including but not limited to worship spaces, educational facilities, administrative areas, recreational and social spaces, support facilities, ancillary structures, and outdoor spaces.

9. Building Code – regulations and standards governing the construction, renovation, and maintenance of buildings and structures.

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10. Building Contents / Business Personal Property (BPP) – building contents, within the context of building personal property insurance, refers to the tangible and movable property owned by the church that is located within the insured building(s). This includes but is not limited to: furniture and fixtures, desks, chairs, tables, cabinets, and shelving units, pews, podiums, lecterns, storage units, equipment and electronics, computers, musical instruments, sound systems, recording equipment, appliances and machinery, HVAC systems, boilers, water heaters, ventilation equipment, laundry machines, dryers, religious artifacts, stained glass windows, pipe organs, artwork, and food and kitchen supplies.

11. Bullying – repeated aggressive behavior intended to harm, intimidate, or humiliate an individual or group.

12. Church – the religious organization or institution that owns or operates the property and facilities covered by this manual.

13. Church Property – any physical assets owned or leased by the church, including but not limited to buildings, vehicles, equipment, and supplies.

14. Combustibles – any materials that are present in the church that have the potential to catch fire and contribute to the spread of flames. Proper storage, handling, and disposal of combustibles are important to prevent fires in the church.

15. Coverage – the scope and extent of protection provided by an insurance policy against various types of losses or damages the church may face. This can include coverage for property damage, liability claims, theft, or other types of risks that may arise during the church's operations.

16. Coverage Endorsement or Extension – refers to an additional provision or modification to an existing insurance policy that expands or modifies the scope of coverage provided. It is a legal document that alters the terms and conditions of the insurance policy to accommodate specific needs or circumstances of the insured church organization.

17. Crisis Management – a process of identifying, assessing, and managing potential crises or emergency situations, such as natural disasters, security threats, or medical emergencies.

18. Cyber Breach – a cyber breach refers to unauthorized access, disclosure, or acquisition of sensitive or confidential information stored electronically within the church's computer systems, networks, or online platforms. It involves a breach of the church's cybersecurity defenses, resulting in the potential exposure or compromise of sensitive data.

19. Cybersecurity – measures taken to protect church information technology systems from unauthorized access, theft, or damage.

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20. Deferred Maintenance – the practice of delaying necessary repairs or maintenance on buildings, equipment, or other assets to save money or allocate resources to other areas. Postponing or neglecting routine maintenance inspections or repairs may provide short-term cost savings, but it leads to a variety of long-term risks and costs.

21. Discrimination – unfair treatment or negative attitudes towards individuals or groups based on their characteristics such as race, gender, or religion.

22. Egress – the means of exiting a building or facility in the event of an emergency, such as a fire, natural disaster, or other hazard. In the context of a church, egress is a critical aspect of loss control and risk management, as it ensures the safety and well-being of church occupants in the event of an emergency.

23. Elder Abuse – any intentional or neglectful act that causes harm or distress to an older adult, including but not limited to physical, emotional, or financial abuse.

24. Emergency Protection Plan (EPP) – a written document that outlines the procedures and protocols to be followed in the event of an emergency or crisis situation at a church. The purpose of an EPP is to ensure that church staff, volunteers, and visitors are prepared to respond effectively to emergencies and to minimize the potential for injury, property damage, or loss of life.

25. Employee – a person who is paid for their services to the church, including but not limited to administrative staff, custodians, and pastors.

26. Employee Handbook—a written document that outlines the policies, procedures, and expectations for employees of a church. The purpose of an employee handbook is to provide clear guidance and expectations for employees, to promote consistency in decision-making, and to help ensure compliance with relevant laws and regulations.

27. Employee Practice Liability (EPL) – the legal risks that churches face related to the actions or conduct of their employees. Employee practice liability claims can arise from a variety of situations, including allegations of discrimination, harassment, wrongful termination, or negligence.

28. Environmental Hazards – risks posed by natural or man-made factors, such as weather events, pollution, or hazardous materials, that may impact the health and safety of those on church property.

29. Financial Controls – the processes and procedures that churches implement to ensure the responsible management of financial resources, including donations, tithes, and other revenue streams. The purpose of financial controls is to prevent fraud, theft, or misappropriation of funds and to ensure the proper use of church resources for their intended purposes.

30. Fire Safety – measures taken to prevent, detect, and respond to fires on church premises, including but not limited to fire extinguishers, smoke detectors, and fire drills.

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31. Fraud – intentional deception for personal gain or to cause harm, including but not limited to financial fraud or identity theft.

32. General Liability (GL) – insurance coverage that protects the church from claims or lawsuits for bodily injury or property damage caused by church activities or operations.

33. Harassment – any behavior that creates a hostile, intimidating, or offensive environment for an individual or group, including but not limited to sexual harassment or verbal abuse.

34. Hazard/Risk – any condition or situation that has the potential to cause harm or damage to people or property.

35. Hold Harmless Agreement – a hold harmless agreement, also known as a liability waiver or release of liability, is a legal document that churches can utilize to protect themselves from liability claims arising from certain activities or events. It establishes an agreement between the church and individuals or organizations participating in these activities, outlining the assumption of risk and waiving the right to hold the church responsible for any injuries, damages, or losses that may occur.

36. Hot Work Permit – a document used to authorize and control activities that involve open flames, sparks, or other sources of heat or ignition. In the context of a church loss control manual, a hot work permit may be required when conducting activities such as welding, soldering, cutting, or grinding in the church or on its premises.

37. Incident Report – a document used to report any incident, accident, or injury that occurs on church property or during church activities.

38. Inclusive Language – language that avoids bias and respects the dignity of all individuals, regardless of their race, gender, or other characteristics.

39. Insurance – a financial product that provides financial relief for losses or damages covered by the policy language, less any retentions or deductibles.

40. Insurance Agent – a licensed professional who provides insurance advice and services to the church.

41. Insurance Board – Insurance Board serves churches and related ministries in all 50 states by providing church property insurance and church liability insurance as well as coverages that protect the governing bodies within the denominations we serve and their related ministries.

42. Knob and Tube – is a type of electrical wiring system that was commonly used in buildings constructed before the 1950s. In a knob and tube wiring system, wires are suspended by ceramic knobs and pass through ceramic tubes as they run through the walls and ceilings of a building. Some wiring may not be able to handle the electrical demands of modern technology and may be more susceptible to overheating and starting a fire.

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43. Liability – legal responsibility for damages or injuries that may occur as a result of actions taken or not taken by the church or its representatives.

44. Litigation – legal action taken against the church or by the church, including but not limited to lawsuits, arbitration, or mediation.

45. Mental Health – the state of well-being that encompasses emotional, psychological, and social factors, and includes conditions such as anxiety, depression, and substance abuse.

46. Loss – an accident or other event that creates a material or financial burden upon a business.

47. Loss Control – the measures taken to prevent or reduce the frequency and severity of losses, including but not limited to implementing safety policies and procedures, providing training to staff and volunteers, and conducting regular inspections and maintenance.

48. Natural Disaster – an event caused by natural forces such as hurricanes, earthquakes, or floods, which can result in significant damage to church property and/or harm to individuals.

49. Negligence – failure to exercise reasonable care that results in harm or damage to others, including but not limited to failure to maintain safe premises or failure to properly train and supervise volunteers and staff.

50. Personal Protective Equipment (PPE) – equipment worn by workers or volunteers to protect themselves from potential hazards, including but not limited to gloves, safety glasses, and hard hats.

51. Power Load – the amount of electrical power that is being consumed by the electrical systems and equipment in a building or church facility. Understanding the power load of the church is important to ensure that the electrical system is not overloaded and is operating safely.

52. Plumbing System – the network of pipes, fixtures, and valves that are used to distribute water and manage waste within the church's facilities. This includes systems for fresh water supply, wastewater disposal, and heating and cooling.

53. Premises – the physical location or property where the church operates, including all buildings, grounds, and facilities.

54. Premises Liability – the legal responsibility that property owners or occupiers have for the safety of individuals who enter their property. This includes the obligation to maintain safe and hazard-free premises, and to warn visitors of any known hazards or dangers.

55. Professional Liability (PL) – also known as errors and omissions (E&O) liability, is a type of insurance coverage that protects churches and their staff members from claims arising out of professional services or advice provided. In the context of your ministry, professional liability refers to potential risks and best practices associated with providing professional services within a religious organization.

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- 56. Property Damage** – physical harm to the church’s buildings, equipment, or other property, including but not limited to damage caused by vandalism, theft, or natural disasters.
- 57. Property Insurance** – insurance coverage that protects church property from damage or loss caused by covered perils such as fire, theft, or natural disasters.
- 58. Risk Assessment** – the process of identifying and evaluating potential risks and hazards in the church environment and developing strategies to mitigate or eliminate those risks.
- 59. Risk Management** – the process of identifying, assessing, and controlling risks and hazards to minimize potential losses and maintain a safe environment.
- 60. Safety Audit** – an evaluation of the safety and security procedures and practices in place on church premises, including but not limited to fire safety, workplace safety, and emergency response.
- 61. Security** – measures taken to protect the safety and security of individuals and property on church premises, including but not limited to security cameras, access control systems, and security personnel.
- 62. Sexual Abuse** – any sexual activity or behavior that is non-consensual or involves an individual who is unable to give consent, including but not limited to sexual assault or rape.
- 63. Sexual Orientation** – an individual’s sexual or romantic attraction to others, including but not limited to homosexuality, heterosexuality, and bisexuality.
- 64. Sublimit** – a specific limit or cap on the amount of coverage a church insurance policy will provide for a particular type of loss. The sublimit is a separate limit from the overall policy limit that helps manage risks and prevent excessive losses. It is important for the church to be aware of any sublimit in their insurance policy to understand how it may impact coverage.
- 65. Sump Pump** – a sump pump may be used to prevent flooding or water damage in the basement or lower levels of the church. Proper installation, maintenance, and testing of a sump pump are important to ensure it operates effectively in the event of heavy rainfall or other water-related emergencies.
- 66. Third-Party Contracts** – agreements between a church and a third-party vendor or contractor for goods or services. These contracts can cover a wide range of services such as catering, cleaning, landscaping, or maintenance. In the context of a loss control manual for churches, it is important to ensure that any third-party contracts are structured in a way that minimizes risk and protects the church from any potential legal or financial liability.
- 67. Third-Party Liability** – legal responsibility a ministry may have for any damages or injuries caused by a third-party, such as a vendor, contractor, or visitor. In other words, if someone is harmed by the actions of a third-party while on the premises, the church may be held liable for any resulting damage or injuries.

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68. Vacancy – according to Insurance Board policy language, a church building or facility is considered vacant unless at least 31% of its total square footage used to conduct customary operations is unoccupied or unused. A building vacancy can pose significant risks to a church's operations and can potentially result in property damage, theft, or other types of losses.

69. Volunteer Waiver – a legal document signed by volunteers that releases the church from liability for any injuries or damage that may occur while the volunteer is performing church-related activities.

70. Volunteers – individuals who provide services to the church without compensation, including but not limited to ushers, greeters, and Sunday school teachers.

71. Winterization – the process of preparing a building, including its systems and components for the winter months to prevent damage from cold temperatures, freezing, and other winter-related conditions.

72. Workers' Compensation – insurance coverage that provides benefits to employees who are injured or become ill because of their work.

73. Workers' Compensation Claim – a formal request made by an employee for benefits due to an injury or illness that occurred because of their work for the church.

74. Workplace Safety – measures taken to protect the safety and health of workers on church premises, including but not limited to ergonomic assessments, hazard identification, and personal protective equipment.



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Our insurance serves you so you can serve God.

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