

LOSS CONTROL MANUAL



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Our insurance serves you so you can serve God.
Serve God



LOSS CONTROL MANUAL

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INTRODUCTION

Our Loss Control Manual (LCM) is organized into major areas of activity, providing a working document to help develop a comprehensive safety program. If you are a member of the church's Board of Trustees (BOT) you have direct input on the activities of the church, and as a result, a direct responsibility to manage the risk and protect the church. Managing a church property and its many activities is no simple matter. We hope this Manual makes it easier.

Loss control is a continuous process of research, experience and education—and is also a part of your covenant with all other participants in the program. Each church has a responsibility to:

- Insure to full value.
- Maintain property and grounds to minimize damage and protect attendees.
- Professionally manage church ministries and business affairs.
- Inform Insurance Board of changes that may affect coverage and report claims in a timely manner.

The LCM contains guidance for getting started with your safety and protection stewardship as well as technical information regarding specific areas of concern: People, Property, Transportation, Youth Activities and Management.

When it comes to managing risk, you have a few options:

- **Avoid** – Not always an option. Your church is committed to certain activities, so you must find a way.
- **Transfer** – Sometimes you can hire it done, or transfer risk under a written contract. You might do it in a lease, facility use agreement or vendor contract.
- **Minimize** – That is, reduce the likelihood that something bad can happen.
- **Mitigate** – Once something bad happens, keep the “damage” to a minimum.

The LCM focuses on Minimizing and Mitigating. Whether you operate in committee or individually, the major areas of risk and likely divisions of responsibility include, at least:

- SECTION 1: PEOPLE – Injury prevention and safety training
- SECTION 2: PROPERTY – Buildings and church property
- SECTION 3: TRANSPORTATION – Vehicle use and driver selection
- SECTION 4: YOUTH ACTIVITIES – Special concerns for youth centered activities
- SECTION 5: MANAGEMENT – Church operations and employee management

Some of these overlap, but we created manageable pieces so you can get something done. Think of them as steps:

- **Process** – How do you get things done? Do you have a process written down or a flow chart? Who is in charge? Who has direct responsibility? How are decisions made?
- **Training** – Are special skills or knowledge required? How is training conducted? How are records kept? Do volunteers have the needed skills and training?
- **Inspection/Audit** – How do you make sure that all is well or what needs “fixing?” Who is checking? Who shares the result?
- **Remediation & Resolution** – How are problems fixed? Are there budgets? Who approves the fix and the expenditure? How is the fix verified? Who shares the information?

We will review these steps in each Section. Depending on the size and complexity of your congregation, a very simple approach may apply, or something more complex. In some cases it may be as simple as one person taking the initiative (with approvals along the way). In other cases budgets and planning will be involved. Some projects may take weeks and others may take months.



YOUTH ACTIVITIES

DAY CARE, TRIPS AND CAMPS

4 - YOUTH ACTIVITIES

4-1

PROCESS 4-1

Youth ministry is a major element of church activity. Parents rely on their church to provide leadership, supervision, and a safe environment. They expect professionalism and that risk to your children be minimized.

A “Child” is anyone under the age of eighteen. Children lack the education, experience, and judgment to manage risk. Several types of church activities specific to children include day care, nursery schools, mission trips, playgrounds, and camps.

The major areas of safety specific to children include:

Activity	Risk Management Concerns
Day Care & Nursery Schools	Regulatory compliance, negligent hiring, negligent supervision or training, neglect, physical and sexual abuse, parental permission, and transfer of custody
Mission Trips	Sexual abuse, negligent selection of chaperones and volunteers, transportation, driver qualification, age appropriate activities, parental permission, and transfer of custody
Playgrounds	Design and construction standards, maintenance, security, and supervision
Camps	Negligent hiring or selection of volunteers, negligent supervision or training, physical or sexual abuse by staff or other campers, parental permission, custody, age appropriate activities, design and construction standards, maintenance, and security

As in other activities of the church, it is necessary that your church’s governing Board explicitly assign responsibility. Depending on the size of child centered programs, you may hire a professional to assure both regulatory compliance and a high level of skill in protecting the interests of children.

Day Care & Nursery Schools

Day Care operations are increasingly subject to state regulation. When your church decides to operate a day care, or nursery (even if only for church members) it must be prepared to operate it strictly as a regulated business. There are a number of risk management concerns applying to day care and nursery schools, and loss control methods commonly used to address them.

The initial step when implementing loss control best practices is development of an abuse prevention policy. This policy should be adopted by the church as a whole and written to include your day care operations. The focus of the abuse prevention plan should be on the importance of personal behavior and personal responsibility in abuse prevention. The abuse prevention plan should include the following items:

- Code of conduct with youth;
- Policies for working with youth that address physical contact, verbal interactions, one on one interactions, off site contact, electronic communications and gift giving;
- Screening and selection;
- Training;
- Monitoring and supervision of employees; and
- Responding to policy violations.

The most critical step in loss control is careful selection, screening, and background checking of employees and volunteers. Today it will be hard to find a professional organization that does not do background checking of prospective employees and periodic checks of current employees. It is fundamental “due diligence.” Churches typically require self-disclosure by volunteers and require that volunteers be church members for at least six months to be qualified to work with children. Background checking of employees who have contact with children should be repeated at least every three years. Casual employees and volunteers should be checked before each seasonal hire.

The basic training obligations for day care, beyond the routine daily care and education programs, are daunting. The following are minimum areas of concern:

- Prevention of neglect and sexual misconduct
- Supervision of health needs of individual children
- Safety and security of the facility and equipment with respect to children
- Transfer of custody of children to authorized guardians

State statutes on mandatory reporting of known or suspected abuse of minors. When day care operations are run by others, your church still has fundamental obligations as a landlord. Because young children cannot be “negligent,” it is your church’s and the day care operator’s obligation to provide a safe environment. That means a high standard of care for the maintenance of your facilities.

Tenant Day Cares

If a church permits use of its facilities for another organization or person to operate a day care business, the church must establish an arm’s length relationship to include a written lease containing provisions (1) that the church is held harmless and indemnified for acts and injuries arising out of the day care operation; (2) for proof of insurance for general liability, professional liability, sexual misconduct liability, automobile liability (if vehicles are used) and workers’ compensation for its employees that names the church as an additional insured; (3) a requirement that insurance policies name the church’s trustees, officers, directors, employees, representatives, volunteers and agents as additional insureds; and (4) for verification of licensing of the business entity and staff according to state laws. Consult an attorney to assure compliance with statutes and suitable contractual protections for the church.

Even when a tenant conducts day care operations, your church must be satisfied that risk management concerns are fully addressed for several important reasons: the children of your congregation are likely attending the program; your church’s name will be associated with anything that goes wrong at the day care; and in the event of claims for injury, it is likely that claims will be made against both the day care operator and your church.

Mission Trips

Mission trips, by their nature, require transportation and lodging considerations. Because collaboration with other organizations may be involved, there may also be contractual and insurance considerations. Add children to a trip, no matter where or the duration, then all of the considerations of youth ministry must be added to the planning. When children are physically isolated from parents and home, they are less able to call for help when they are in distress.

To begin, the screening and background checking of volunteer chaperones and leaders (including parents) is paramount. Anyone who is in a position to have their background checked must also be trained regarding your organization’s safe church procedures and abuse prevention. Trips also entail all of the considerations outlined for day care:

- Prevention of neglect and sexual misconduct
- Supervision of health needs of individual children
- Safety and security of the facility and equipment
- Transfer of custody of children to authorized guardians
- State statutes on mandatory reporting of known or suspected abuse of minors.

In the area of safety, trips may involve challenging athletic activities or the use of power equipment:

- Are planned activities age-appropriate?
- What is the reputation of the sponsoring facility or organization?
- Are parents aware of the risks and have they provided permission releases?

It may be that older children are permitted to be un-chaperoned at some times. While juveniles may not always be held responsible for the acts, state laws may impose financial responsibility on their parents. While your church is not responsible for deliberate wrongful acts of children in your custody, parents have expectations that your church has perfect supervision of their children at all times. Especially while doubling as mission trip participants, chaperones must give first priority to their supervisory role.

When foreign travel is involved, another level of planning is involved: emergency medical evacuation and repatriation. When a life threatening injury or illness occurs in a foreign country, parents may have expectations their child will be evacuated to the U.S. for treatment. Additional insurance may be necessary.

When collaborating with other organizations in mission activities away from the home community, it is desirable that the host organization be clearly and contractually in charge of the mission activity. In this way, in the event of an accident involving volunteers or others, it is clear whose operation is responsible. Your church must endorse and subscribe to the safety routines of the host as a minimum. In some situations you may wish to shift risk to the host through a contract. Or your church may have individual participants apply or enroll with the host organization, rather than through your church. This may make it clearer to the (parents of) participants that they are participating in an activity of the host, not your church. It is as likely that a host organization will require releases of individual participants and/or parental permission.

Dormitories and Temporary Lodging

Trips away from home may require lodging in a number of standard and improvised lodging arrangements, from hotels and camp cabins, to “camping out” in a school gym or church hall. Any of these arrangements require thought and planning regarding the safety, well-being and security of participating children. Chaperones must be prepared to manage the whereabouts, feeding, bathing and sleeping of children, mindful of the ages and sex of participating children.

Trip organizers must have advance knowledge of the character of sleeping and bathroom facilities and plan how they will provide security, privacy, and dignity when conditions are less than ideal. Planning may require sufficient numbers of both male and female chaperones and training of chaperones regarding two-adult supervision in some circumstances.

Established church camps, on the other hand, generally employ clergy and other professionals to manage these issues. Consulting with camp managers in your area may help you anticipate needs and plan your extended mission trips.

Playgrounds

Playgrounds are intended to invite and entertain children. Young children lack fear, experience, and judgment and may use playground equipment in ways that adults never could have imagined. Therefore, the design and layout of a playground is a project for professionals. Considerations include: accessibility, age separation, conflicting activities, sight lines, signage and labeling, age appropriate equipment and surfacing materials. When planning a new playground consideration should be given to the financial means to maintain it and who will be responsible to inspect and repair it years later.

Over time, the design and construction of a playground will become obsolete. Materials and surfaces commonly used only a few years ago may now be considered unsuitable. Children are without liability when injured at a playground. Defenses such as “assumption of risk” and “contributory negligence” do not apply. Therefore, creating a playground is a commitment to build it right, maintain it right, and then tear it down.

Related to playgrounds is the popularity of rollerblades, skateboards and bicycles. New legitimate competitive sports have evolved around these “toys.” They may be used in ways and in places that adults have never dreamed, to include on stairs, railings, and retaining walls. Abrasions, contusions, sprains, broken bones, and head injuries are routine. Each church should carefully consider whether these activities should be discouraged on church property.

Certain insurance coverages pertain to youth activities including:

General liability—Some insurance coverages that pertain include: the basic form of liability insurance, general liability, provides coverage for bodily injury and property damage resulting from the ordinary accidents that occur at an insured location, or as a result of an insured business operation. However, a basic policy such as this will likely exclude acts of sexual misconduct or abuse, or injuries that arise out of professional activities, such as counseling. Considering the financial risks associated with even an assertion of abuse or neglect, general liability insurance is not sufficient to protect your church, day care, or camp.

Sexual Molestation Liability (SML)—SML coverage picks up where general liability leaves off, especially when children are involved. Even an unfounded allegation of abuse can result in six figure legal defense costs, a sufficient consequence to financially ruin an important ministry. Where this coverage exists, leaders and managers must actually read the policy and understand important limitations and responsibilities for reporting possible incidents.

Professional Liability—Coverage for professionals is varied and tailored to specific professions such as doctors, lawyers, and attorneys. A day care operation may have a “professional” exposure when it provides counseling, administers medications or is caring for special needs children. While a specialized “day care liability” policy might address some exposures, there are likely limitations. When licensed social workers, nurses and similar professionals are employed, they may have an expectation that professional liability coverage be provided.

TRAINING 4-2

4-2

In the matter of caring for children, your church cannot rely upon notions of “common sense.” Because parents have high expectations of organizations that lead and supervise child centered activities, there is no substitute for a strict and documented training process for employees and volunteers, including parents in volunteer roles. Training does not have to become an overwhelming burden, but your church must provide knowledge, standards, and guidance.

The following are some specific subjects to be covered in appropriate depth for the circumstances:

- **Training of employees**—In addition to the routines of custodial care, employees must be trained in regard to health risks, privacy, pick-up and drop-off procedures and other issues regarding the safety and security of children.
- **Prevention of neglect and sexual misconduct**—Additional training is required regarding boundaries, specifically rules and procedures designed to prevent actual sexual exploitation or allegations of misconduct. That is, part of the training objective is to protect the reputations of employees and the organization by assuring knowledge of, and disciplined use of, procedures.
- **Supervision of health needs of individual children**—When the youngest children are in care and when children are isolated and remote (trips), obtaining knowledge of health and dietary needs, and permission to authorize treatment is fundamental. Everyone must know the rules and procedure to avoid and respond to health episodes in addition to the routine matters of sanitation.
- **Safety and security of the facility and equipment**—Each employee must understand that personal initiative and discipline in regard to physical conditions and the security of buildings/playgrounds is part of the job description.
- **Transfer of custody of children**—Strict practices at pick-up and drop-off time must be trained and enforced. Procedures must be clear in a time when custody of children may or may not be shared.
- **State statutes on mandatory reporting of abuse**—Each state has requirements for mandatory reporting of suspected abuse of minors. Because abuse may include everything from neglect to physical or sexual abuse, employees must be trained to recognize signs of abuse and how to report internally.
- **Emergency response & evacuation**—Considering child-caretaker ratios in pre-schools and day care filled with small children, staff must be trained in evacuation procedures and response to other emergencies such as tornadoes. Part of the process will involve continued security of children at another place and reunion of children with their proper guardians.

Certain challenges are encountered every day; managers and staff probably know what to do. Where there is risk that is encountered infrequently, it is easy to become complacent. If you have never personally known a case of abuse, you may begin to believe it is not a risk that needs managing. Frequent re-training is the means to assure current active knowledge of critical skills.

SafeConduct™ Fundamentals (& Services)

While the term “safe church” has been used for many years to describe programs to protect children from abuse, Insurance Board has adopted the term SafeConduct™ to refer more broadly to organizational conduct and personal behavior which have an impact on adults and children alike. Clergy and lay leaders “guide” and “lead” in ministry.

Every relationship is defined by the quality of conduct. From the ethics of adult relationships, to fair uses of power, mutual support among peers, nurturing of trust and tolerance, and defense of vulnerable individuals, our conduct defines us as individuals and leaders.

Organizational conduct, including your safe church program, must begin with the creation of a policy and a set of procedures appropriate to your ministries. On the one hand, your policies must be comprehensive, while you must also be able to “live” them every day. At the highest level, your church must address issues such as boundaries for clergy and staff, sexual harassment, tolerance around race and sexual orientation, bullying and stalking and the potential for child abuse. How these programs are executed affects your church’s reputation.

Conveniently, principles that have been developed for prevention of child sexual abuse can be applied broadly to all areas of SafeConduct™. These principles include:

- **Screening** and selecting clergy, employees and volunteers.
- **Guidelines for interaction** between individuals, adult and child alike.
- **Monitoring** behavior and nurturing.
- **Creating safe places** for ministry.
- **Responding** to inappropriate behavior, breaches in policy and allegations and suspicions of child abuse.
- **Training** in policies of SafeConduct™ generally and sexual abuse prevention in particular.

When your congregation takes its first steps to create its safe church policy, it is beginning an important journey, one filled with challenges, revelations, satisfaction and rewards.

To support your church, Insurance Board has created the SafeConduct™ Workbench, a suite of resources and services you can directly apply in policy development and execution. Go to www.InsuranceBoard.org, then to Safety Resources to find these resources:

- **Know Your Score! Self-Assessment Tool**—The online and interactive self-assessment will help you take inventory of current policy, define additional needs and find sample policy language.
- **Armatus Training Suite by Praesidium**—Online training services are provided at no cost to all denominations served by the Insurance Board, whether or not currently participating in the insurance program. (United Church of Christ, Disciples of Christ, Presbyterian Church USA, Alliance of Baptists, Evangelical Lutheran Church in America, and Reformed Church in America)
- **Background Checking by Praesidium**—Several background checking levels are available to all denominations served at a negotiated rate. The cost is subsidized by 50% for those participating in the IB insurance program.
- **Reference Resources**—To assist in policy development, reference documents and links are provided which include sample policies.
- **Webinars**—Live and recorded webinars regarding policy development, interaction guidelines and related subjects.
- **Have a Question? On-call Consultation or email us at LossControl@InsuranceBoard.org.**—Loss Control at Insurance Board can assist you directly to provide solutions to matters of policy and specific incidents that may arise at your church.

INSPECTION/AUDIT 4-3

The responsibilities associated with caring for the children of others are extraordinary. The numbers of children and their individual needs add complexity. Managers must rely on others to get the work done. There is little room for error. Parents and children trust your day care operation to return the children safely. A regular program of self-inspection, audit, and improvement is an essential component of risk management. While state regulations and audits may apply specifically to day care, they may not cover all that is expected by parents; and some activities may not be specifically regulated.

Consider the variety of issues associated with youth-facing programs, and the level of independent judgment and observation required by every employee or volunteer, each looking after the needs of a much larger number of individual children. A structured audit program that includes employees in the process can double as training, and accelerate response and improvement to found deficiencies.

Checklists are available on our website, InsuranceBoard.org. Given the variety, size and importance of youth programs, the checklists may not cover every detail that is possible or needed. But they should generate discussion. Where problems are identified, the person in charge must take the initiative to bring them to resolution.

REMEDATION & RESOLUTION 4-4

4-4

While youth ministry serves the interests of children as customers, it is answerable to parents and guardians for the quality of services. Public companies submit to annual independent financial audits, report results and conduct stockholder meetings. You should expect to be accountable and to report your status to parents and guardians at regular intervals.

While reporting of routine problems may not be necessary, your quarterly and annual report to parents might include:

- Status of licenses and renewal (for regulated operations)
- Changes in management staff
- Changes in processes, especially those with a parent interface and those intended to respond to known problems
- Events/plans intended to improve risk management including training efforts.

Especially in the area of regulated day care operated by the church, a higher level of reporting and accountability is owed to the Board of the church. The Board will be unable to fulfill its fiduciary responsibilities without knowledge of the details of youth ministry including identified problems and proposed solutions.

REFERENCES AND RESOURCES 4-5

4-5

- Faith Trust Institute - resources on child abuse, clergy abuse, domestic violence, sexual violence - FaithTrustInstitute.com
- SafeConduct™ Resources - Prevention of sexual abuse, abuse prevention training and background checking. SafeConduct™ Workbench - InsuranceBoard.org
- Handbook for Public Playground Safety, Consumer Product Safety Commission - cpsc.gov/cpscpub/pubs/325.pdf
- National Resource Center for Health and Safety in Child Care and Early Education - State regulations for child care facilities - nrckids.org/STATES/states.htm
- Preventing Child Sexual Abuse Within Youth-Serving Organizations: Getting Started on Policies and Procedures, Centers for Disease Control and Prevention - cdc.gov/ViolencePrevention/index.html
- Skate Park Design and Facts, City of Stockton, CA - StocktonGov.com/parks/skating/skatedesign.cfm
- American Camp Association - State Regulations Database - acacamps.org/publicpolicy/regulations

Contact us with questions
InsuranceBoard.org