



America's Premier Broker
 representing faith based
 organizations for
 30 years.
 800-645-6100

First Quarter 2007

**Protecting Your Church:
 Ideas for Loss Prevention**

PREVENTING SEXUAL MISCONDUCT

Hopefully, your organization will never have to face the emotional and financial devastation of sexual misconduct. But instead of relying upon hope and trust, there are a number of proactive measures and programs that every organization can implement to help prevent sexual misconduct from occurring and minimize the risks associated with an incident.

Obviously, the effects of sexual misconduct can devastate the victim and the victim's family. But the damage does not stop there. Just one incident of sexual misconduct can destroy the trust, credibility, and reputation of an organization for years. Adding further pain to an incident of sexual misconduct are the legal costs of a lawsuit, which can ruin an organization financially.

Please continue reading below to find more information related to sexual misconduct and to learn more about effective sexual misconduct prevention procedures.

Sexual Misconduct Statistics

While statistical information regarding child sexual abuse varies substantially, here are a number of dramatic findings reported by the National Committee to Prevent Child Abuse:

- Approximately 900,000 incidents of child abuse are reported per year, with 10 percent of those being sexual abuse.
- It is believed that less than 10 percent of sexual abuse cases are ever reported to authorities, so the actual incidence of sexual abuse each year is much greater than reported.
- The most common abusers of children are acquaintances of their victims.

- Sexual abuse occurs among all groups of society in rural and metro areas, and regardless of race, education or socioeconomic status.
- Child advocates commonly claim that one in four women and one in seven boys are sexually molested before their 18th birthday.

GuideOne Insurance Co., a leading church underwriter, reports startling claims statistics:

- There are 15 to 20 new claims of sexual misconduct per month.
- Approximately 200 sexual misconduct claims are pending at any one time.

In addition, media sources have reported that:

- The Catholic Church in the United States has paid over one billion dollars in child abuse claims over the past decade.
- Out of court settlements paid by Dioceses in sexual abuse cases have exceeded \$100 million in several instances.

Sexual Misconduct Prevention Procedures

Every organization that works with the public should have an official policy in place to help prevent sexual misconduct before it occurs. The following preventive measures are general guidelines only.

1. Screen employees and volunteers.
2. Establish organizational policies and procedures.
3. Educate staff, children, and parents.
4. Develop the best program for your organization.

1. Carefully Screen Employees and Volunteers

The first step in preventing sexual misconduct is to thoroughly screen the backgrounds of employees and volunteers. Legitimate workers will not be offended, and the process often scares off unwanted individuals. To

screen staff members, organizations can take the following actions:

- Complete a criminal record background check. Require individuals to complete a screening application. This is in addition to a typical job application. The screening application asks about previous employment, experience with children, references, criminal record information, and other pertinent details Diligently verify all information provided and check references.
- Consider requesting fingerprints and photographic identification.
- Resolve any irregularities before a candidate begins work.

Hub International can provide you with access to reputable screening services at a reduced cost.

2. Establish Organizational Policies and Procedures

As a second line of defense, organizations should establish written policies and procedures for its employees and volunteers. Once policies and procedures are established, they must be communicated effectively to the staff, and the rules have to be consistently enforced. Here are several examples:

- Require six months of service before a worker has direct involvement with or supervises children.
- Include the proper ratio of adults to children. Require a minimum of two, non-related adults to be present with children at all times.
- Hold all activities for children in central, highly visible locations.
- Do not allow activities to take place in private rooms, offices or isolated parts of a building. Keep all remote areas, such as closets and unoccupied rooms, locked.
 - Have a responsible supervisor randomly monitor all children's activities. Supervisors should make frequent, unannounced visits.
 - Establish an action plan for suspicious behavior and to report complaints.
 - Establish counseling guidelines for ministers and staff members Have windows installed on doors where activities and meetings take place, or leave doors open if there are no windows present.

3. Educate Staff, Children, and Parents

An educational program offers your organization a third important line of defense against sexual misconduct. Education can be targeted toward employees, volunteers, parents and children to help everyone

identify and avoid potentially dangerous situations. Effective education can include courses such as the following:

- Training courses for all staff members — All employees and volunteers should complete an initial training course on how to properly work with children and adolescents. This course should be repeated once or twice a year.
- Have a written disciplinary policy.
- Research and train on your state procedures about reporting sexual abuse claims.
- Safety courses for children and parents – Children can be taught to understand the difference between good touching and bad touching. And parents can learn about the organization's policies to prevent sexual misconduct.

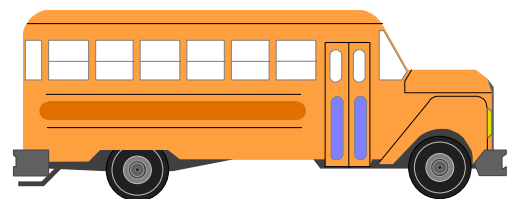
4. Develop the Best Prevention Program for Your Organization

Through effective employee and volunteering screening, internal policies and procedures, and education, your staff can develop or further enhance its sexual misconduct risk management program to address the organization's specific needs. As a result, the entire organization and everyone it serves will be even safer from the nightmare of sexual misconduct.

For additional details about sexual misconduct prevention:

- Consult with an attorney.
- Become familiar with state laws.
- Talk with a Hub International House of Worship Risk Management Specialist.
- Contact one of the many public agencies dedicated to stopping sexual abuse.

If needed, add additional liability insurance coverage to your organizations' current policy. This can help protect an organization from legal liability, including defense costs, arising from sexual misconduct.



DID YOU KNOW THAT HAVING AN AUTO ACCIDENT IN MEXICO IS A FELONY?

Does your ministry have an outreach program to Mexico? Every month, thousands of missionaries,

church members, youth groups and volunteers cross the border into Mexico using a church van, bus or privately owned vehicle. Not having the proper insurance creates more than a financial exposure, but a criminal offense as well.

Compounded by differences in Mexican law, auto accidents and medical emergencies can become a costly and bureaucratic nightmare. Napoleonic Code is the foundation for Mexican law, which assumes guilt over innocence. If you are involved in an auto accident it is a felony, regardless if you are at fault or not. Authorities may detain you and impound your vehicle until their investigation can determine who was at fault. Furthermore, you are required to prove your financial responsibility at the scene. This can be in form of cash or an auto insurance policy issued by a recognized Mexican insurance company. Mexican authorities do not recognize US and Canadian Insurance companies.

Mexico's current legal requirement for liability is US\$20,000 for property damage and bodily injury combined. When you purchase a policy, we recommend selecting the highest limit of liability coverage available, which is generally \$300,000. Always add the optional Legal Assistance (with guaranteed bond), Emergency Medical Assistance and Roadside Assistance. If the insurance company you are working with does not offer these important coverages, find another company.

Many travelers to Mexico are misguided in believing their current US/Canadian policy affords adequate protection. It does not. While some (not all) insurers may offer coverage in Mexico, it is for physical damage to your car only and is restricted to 10 or 25 miles across the border. Coverage for "civil liability" is not provided and even if it were, it would be of no benefit if a Mexican insurance company does not issue the policy.

Mexican auto insurance policies are quite different than what we are accustomed to in the US and Canada. They are usually written on a "named peril" basis, covering only the perils listed, such as collision, fire and total theft. Vandalism and partial theft are almost always excluded and must be purchased and added to the policy. A policy offering optional "all risk" coverage is recommended. Cost of repair is limited to an hourly rate, so it is important to buy "Increased Cost of Repair" coverage so the policy can pay a higher rate per hour than lower Mexican labor rates.

Unique as it is, not understanding how Mexican insurance works can be a real nightmare. For

example, if you are towing a trailer and the trailer is not listed on the Mexican auto policy, all coverage is void...even on the vehicle you are driving! So if you cause an accident, not only are you uninsured, but you have just committed a felony and can expect to have the vehicle and trailer impounded while you spend time in jail. If you have an accident while under the influence of alcohol – no coverage – the policy is void.

Selecting a financially strong and reliable Mexican insurance company is imperative. If this all sounds a bit complicated, your best option is to work with a reputable insurance broker who understands how Mexican insurance works and which insurance companies offer the best coverage to protect you and those involved in your ministry. The "buy it at the border" policies may not provide the protection you need and could leave you or your church group stranded in unfamiliar territory, literally.

Hub International's House of Worship Division has a Mexican Auto Insurance Program that offers all of the optional benefits described, placed with highly recognized and stable Mexican insurers and we've made it simple for you to secure insurance protection online, anytime you need it. We have several insurance programs available where you can get your quote, pay the premium and print your policy right from your computer. Daily, monthly and annual policies are available and you can compare the coverage and cost instantly, making it easy to select the best policy for your needs. From start to finish takes less than 5 minutes. **You, members of your family or congregation can use this service to purchase Mexican Insurance for personal or vacation trips to Mexico as well, anytime.** For more information, visit our website at www.hubhouseofworship.com or call 800-645-5900, ext. 5960.

If you would like to consider a proposal of costs and coverages for church insurance, or if you have questions regarding your present coverage with any insurance company, please call our 800 number and we will do everything possible to assist and protect your ministry.

◆ ◆ ◆

This material is for informational purposes only. It is not intended to give specific legal or risk management advice, nor is any suggested checklists or action plans intended to include or address all possible risk management exposures or solutions. You are encouraged to retain your own expert consultants and legal advisors in order to develop a risk management plan specific to your own activities.

You can receive future copies of this quarterly newsletter at no cost, by mail or email, just call the toll free number below.

WE WILL EARN YOUR TRUST...

Members of your church share in the vision of your ministry and support your activities with tithes and offerings. This commitment requires due diligence and care in how the funds are allocated. We would like the opportunity and privilege to participate with you in being good stewards of the funds entrusted for the work God has called you to do. Allow us to design a comprehensive insurance and risk management program that meets the specific needs of your ministry at the most competitive cost available. There is no obligation, so please call us today.



**HUB International of California
House of Worship Division**

6101 W. Centinela Avenue, Suite 210
Culver City, CA 90230

P: 800-645-6100 • F: 310-568-9098

www.hubhouseofworship.com