



# RISK MANAGEMENT REVIEW

## Congregations should review their insurance policies



Many congregations don't realize the importance of good risk management practices until they are faced with a serious and unexpected event. It can range from a church fire to an accident involving a youth group to a blizzard, flood, tornado or other natural disaster that suddenly impacts a congregation or an entire community. What happens next will be determined, in large part, by the careful planning and preparation previously

undertaken by those who are most directly affected by an unexpected, negative event.

One of the ways that congregations can identify, assess, and prioritize risks within their respective settings is to conduct a risk assessment related to their programs and facilities. Many nonprofit risk management organizations, along with major insurers, have booklets with checklists that congregational members can utilize to assess potential risks and then consider ways to minimize the impact of a potentially serious event. These types of checklists are available from various nonprofit organizations dealing with disaster response or from companies like GuideOne, Church Mutual, or a local agent who helps with bundling the congregation's insurance coverage.

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**R**isk management is generally defined as the identification, assessment, and prioritization of risks followed by coordinated and economical application of resources to minimize, monitor, and control the probability and/or impact of unfortunate events.

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## ABOUT THIS NEWSLETTER

*Ready... or Not* is the title of a new risk management guide produced by the Nonprofit Risk Management Center. It is also a phrase which reflects what our newly formed *Disaster Response Network* is exploring within our Northeastern Iowa Synod.

Disaster response as a whole is a multi-faceted approach of planning and preparing for crises of all kinds, establishing various means of mitigating the impact of a crisis, and having in place a variety of means by which individuals, churches, organizations, and communities respond once a crisis or disaster happens.

As the members of our *Network* have started conversation about ways we might help congregations plan for, minimize the impact of, and respond to a given scenario, we have planned a series of inserts for the *Northeastern Star* to assist congregations in planning and preparing for potential crises or disasters.

This month we want to draw your attention to the basic concept of *risk management*; primarily, we want to encourage you to review your congregation's insurance coverage and ensure it is up-to-date.

***Congregations should review  
their insurance policies...***

Members of the synod's *Disaster Response Network* believe that reviewing your church's current insurance policy with a trusted agent may be one of the most important "first steps" a congregation can take in preparing for unforeseen events that can severely impact a local church and its resources. Here are some important matters to include in any risk management review:



1. Protection of church property related to fire, flood, storms, theft, or vandalism
2. Matters of misconduct, as well as protection of staff and volunteers involved in programs, counseling, or work with children
3. Worker's compensation issues related to staff or contractors
4. Computer fraud or cyber-liability related to a church's web page or database
5. Auto coverage for church vehicles
6. Liability matters related to international mission trips

Taking steps within our congregations to minimize risk where possible is a matter of being good stewards and trustworthy witnesses to God's care for all creation. As Melanie Lockwood Herman says in her book, *Ready... or Not: A Risk Management Guide for Nonprofit Executives*, "effective risk management is readily within the grasp of every non-profit..." and "sound approaches to managing an organization in the face of continuing uncertainty is not only worth the effort, it's essential to advancing the missions of the organizations we serve and love."

As you go about assessing the various risks your congregation faces by reviewing its insurance coverage, we wish you God's blessings in advancing and protecting the mission of the church you love and serve!

***From your Northeastern Iowa Synod  
Disaster Response Network.***

**LINKS**

***Ready... or Not: A Risk Management Guide for Nonprofit Executives***

[www.nonprofitrisk.org/store/pub\\_detail.asp?id=227](http://www.nonprofitrisk.org/store/pub_detail.asp?id=227)

**GuideOne Insurance**

[www.guideone.com](http://www.guideone.com)

**Church Mutual Insurance Company**

[www.churchmutual.com](http://www.churchmutual.com)

**DISASTER RESPONSE NETWORK**

The Disaster Response Network organizes resources to help congregations mitigate and respond to disasters and develop disaster plans.



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