In a recent issue of Claims Journal, the cover article, “The Next Liability Explosion” caught my eye. The article detailed the top ten risks to watch for in liability (as opposed to property losses). These trends were developed from a review of litigation throughout the United States. As I read further I wondered how many of the top ten applied to the Seventh-day Adventist Church. Not surprisingly, eight of 10 did.

1. FOOD SAFETY – At first you might find this to be a strange one for the church. Stop and think about the number of meals served every day in schools, hospitals, potlucks, other cafeterias, and large gatherings. In the United States, the Centers for Disease Control estimates that one in six people get sick from contaminated food. Three thousand die annually. Food preparation is a threat to both life and health. Precautions are required and when standards are not met, liability related to health and death is present.

2. INTELLECTUAL PROPERTY – It is interesting to note that this is also a potential problem in the church through improper use of another’s intellectual property. This ranges from the use of unlicensed hymns on the screen during church services, to using artwork in presentations that
one has downloaded from the Internet (not everything on the Internet is in the public domain), to making copies of artwork for the local church bulletin. The church is not immune from these kinds of lawsuits. With a little care and attention they can be prevented. In 2011, the average intellectual property dispute for cases under $1 million found litigation costs average almost $916,000 if the case went to trial. That is without any damages.

3. PROFESSIONAL LIABILITY IN HEALTH CARE – Adventist Risk Management (ARM) has not faced this problem in the United States, because the church’s U.S. health systems are large enough to handle their own professional liability issues. ARM does provide this coverage to hospitals in other parts of the world. While lawsuits in some countries settle for much less than in the United States, currently the trend for settlements is escalating in many other countries.

4. CYBER ATTACKS – Cyber liability is a growing reality of liability for all types of organizations, including the church. Liability can happen through a wide variety of means. Examples include the loss of a laptop computer containing private information, attacks from outside the church’s systems through hackers, and malware or viruses that become implanted on a church system and then cause damage to other systems they connect with. The costs associated with such losses, even those such as losing one’s laptop, can be millions of dollars. ARM has been working to address this growing challenge through provision of cyber liability coverage for church organizations.

5. ENVIRONMENTAL – At first you may not think of the church as being involved in environmental issues. With the amount of land church organizations own worldwide, this can be a difficult challenge. Thorough understanding of the history of the property the church purchases is a good first step to addressing this. Furthermore, as owners of the property, careful practice to avoid polluting the air and soil is mandated. Many church organizations have had underground storage tanks (UST) on their property for use of heating oil and gasoline. Care must be given to test for leakage and the removal of the tanks. In many countries, such as the United States, USTs are registered and the government tracks all such locations. The use and removal of USTs must be carefully conducted in compliance with regulated procedures.

6. DIRECTORS AND OFFICERS – When a person accepts a position (paid or volunteer) to serve in a leadership or governance role for the church, they must take their assignments seriously. It is unfortunate that the church has faced losses and lawsuits related to the lack of diligence on the part of governing committees. Aligned with this problem are the challenges in oversight of activities at all levels of the church to include embezzlement of church funds at the local congregation level by those who are charged with handling the money for the congregation.

7. EMPLOYMENT PRACTICES – Again this topic impacts the church in many ways. Wrongful termination actions, poor hiring practices, and discrimination all have made their way into church lawsuits. Each church organization must have in place good hiring and discipline practices for its employees. Organizations at the local conference level and higher levels of administration should have access to competent legal counsel by attorneys who are licensed to practice in the local jurisdiction.

Falling under the coverage for employment practices is sexual molestation by employees or volunteers, which has been a challenge to churches throughout North America and around the
world. This is not a unique challenge for the Seventh-day Adventist Church. However, ARM is pleased to assist the North American Division with the progressive steps taken to address this challenge. Careful screening and other protocols that have significantly addressed this issue have helped to provide a safer place for children to worship and take part in activities such as Pathfinders and other social events. One must remember that pedophiles are usually looking for opportunities to impose their criminal conduct on children. Thus, it is not so much that churches breed pedophiles, as it is that pedophiles are looking for places where children frequent and churches, school, and organizations like Pathfinders are primary targets.

8. SOCIAL MEDIA – With growing interest in social media comes increased liability. The liability can range from related intellectual property concerns (see discussion above), to defamation, libel and slander, to issues of breach of privacy. Before a congregation or organization launches into the area of social media, carefully crafted policies and protocols must be considered and implemented.

**MOST RIDICULOUS LAWSUITS OF 2012**

**THE U.S. CHAMBER INSTITUTE FOR LEGAL REFORM’S (ILR) SURVEY OF THE MOST RIDICULOUS LAWSUITS OF 2012:**

1. Intoxicated Florida driver pleads guilty to manslaughter, then sues victims he killed.
2. Michigan woman’s files $5 million suit for the leftover gas in her repossessed car.
3. 13-year-old Little Leaguer sued by spectator who got hit with baseball.
4. Maximum security inmate who went to jail with five teeth sues prison for bad dental care.
5. Anheuser Bush sued for longneck bottle used as weapon in bar fight.
7. California restaurateur sued for disabilities act violations in parking lot he doesn’t own.
8. Colorado man wins $7 million blaming illness on inhaling microwave popcorn fumes.
9. $1.7 billion suit claims City of Santa Monica wireless parking meters causing health problems.
10. Bay Area parents sue school after their son was kicked out honors class for cheating.

**FROM CLAIMS JOURNAL | WINTER 2013**

ARM claims history merits adding a number nine to this list for the church – Personal Injury.
This is a broad category of liability ranging from slip and falls on church property, to injuries during activities at summer camps, to injury and death-related auto accidents. The church is involved in owning and operating a wide variety of properties and automobiles. Some of the activities, such as at summer camps, are inherently risk-prone. The church has a responsibility to its members and visitors to take all necessary precautions to prevent these injuries whenever possible. This is accomplished through good safety procedures to maintain properties, putting in place appropriate safety controls on activities, and assuring that proper supervision is given to all the work and social activities of the church.

The key reason we need to be safety-minded to prevent these liabilities is not merely to save money. Rather, we want to be sure to safeguard the people who attend our services, take part in our activities, and entrust their children to our care and keeping. Further, the resources that are distracted to address liabilities that result from incidents are never recouped, whether they are lost lives, injured persons, loss of mission fulfillment, or loss of funds that could be used to advance the work of the church. Adventist Risk Management is here to help you: Our ministry is to protect your ministry. Let us know how we can assist you.

By Bob Kyte,
President of Adventist Risk Management®, Inc