



Adventist Risk
Management[®], Inc.

...our ministry is to **protect** your ministry[®]

Surrounded by Risk

- Natural Disasters
- Physical Injury
- Child Abuse Allegations
- Financial Loss
- Criminal Actions
- Personal Injury
- Employment Liabilities
- Governmental Actions

It Has Happened...

- Accidental Injuries
- Wrongful Deaths
- Paralyzing Injuries
- Sexual Assaults
- Defamation Lawsuits
- Natural Disasters
- Third-Party Property Damage Claims
- Internal Theft

Potential Impacts

- Loss of Assets
 - Human Resources
 - Physical Resources
 - Financial Resources
- Lives and Reputations Damaged
- Loss of Confidence in Church Leadership
- Loss of Membership

Risk Management Is...

- The process of *directing, organizing* and *controlling* the *activities* and *resources* of an organization in order to *minimize* and *prevent* the adverse effect of accidental losses.

Risk Management Is...

Risk Identification

- Analyze Risks, Hazards and Values

Risk Control

- Prevention, Minimize or Avoidance

Risk Financing

- Insure, Retain or Transfer

Risk Identification



- Find potential risks
- Assess activities and special needs
- Be alert for changing conditions
- Make informed decisions to implement safeguards

Risk Control Is...

- Avoidance of the risk
 - Do not undertake
 - Transfer to someone else
- Minimization of the hazard
 - Detailed evaluation and planning
 - Compliance with Regulations and Safety Standards
- Prevention of the risk
 - Protective equipment and training
 - Change the activity to prevent loss

Risk Financing

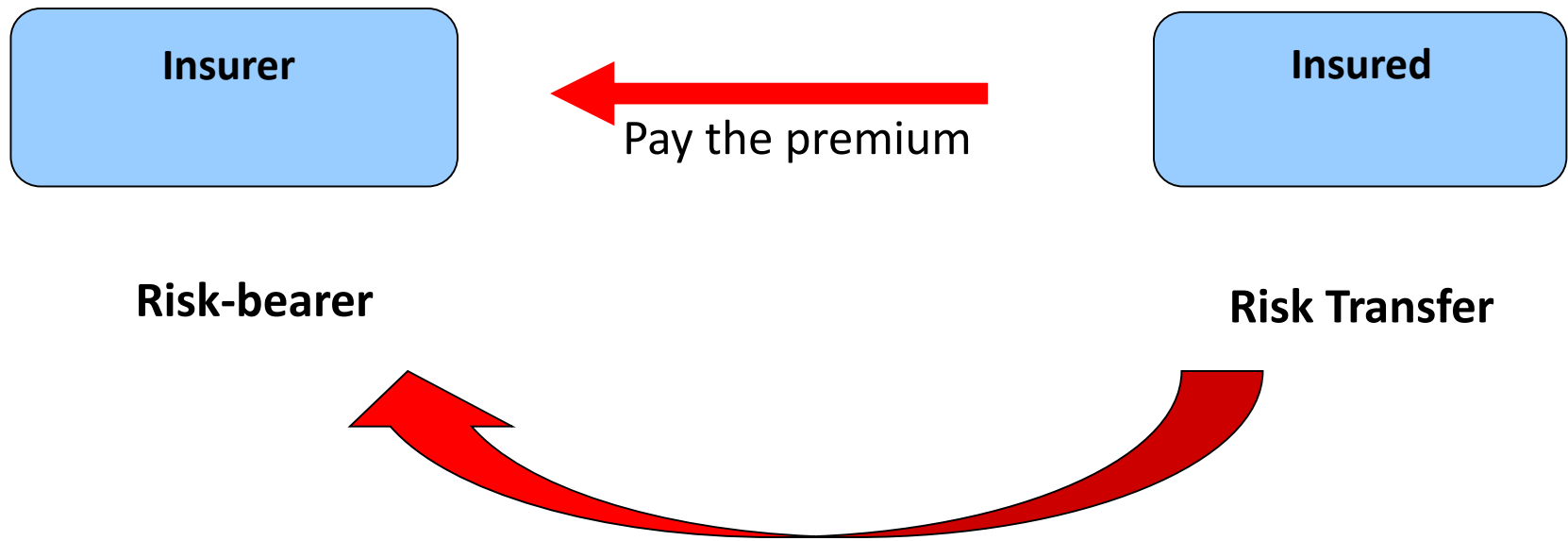
- Determine what level of risk the organization can afford to retain or needs to transfer elsewhere.
 - Self insure your own exposure
 - No coverage available
 - Deductibles
 - Transfer your exposure to financial loss to someone else
 - Insurance contract or Legal contract
 - Voluntary transfer-Hold harmless agreements

What is Insurance?

- A system by which a risk is transferred by a person, business or organization to an insurance company, which reimburses the insured for covered losses and shares the cost of losses among all insured policyholders.

-How Insurance Works, Insurance Institute of America

How Insurance Works



The Insurer will provide payment of loss to compensate the Insured, as long as events fit the terms and description given in the policy.

What is Insurable?

- Insurable Interest – Ownership or responsibility to care for
- Fortuitous – Accidental events, not intentional actions
- Indemnity – Assuming liability on behalf of others

Key Insurance Terms

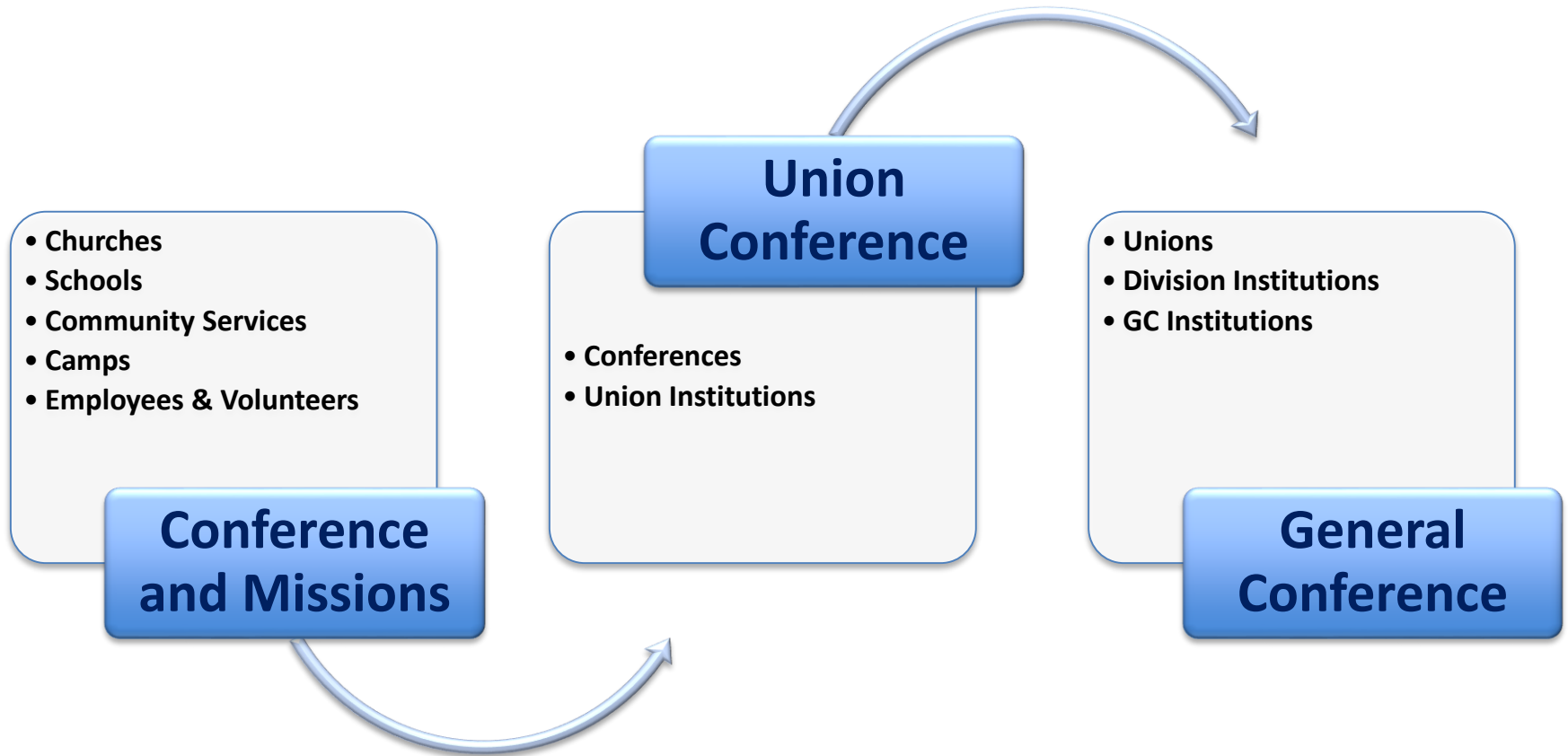
- Limit – Maximum amount a policy will pay
- Deductible – Amount of loss that the insured incurs before the insurance company will pay.

Governance – Denominational Relationships

Interlocking Relationships



Ascending Liability



Relationship Between the Local Church and Conference

- Local church is not a separate legal entity
- Actions of local church board members, employees and volunteers may bind the conference
- Actual and apparent authority
- Local actions can and do have a direct legal impact on the conference

How Local Church Actions Can Impact Legal Issues for Conferences

- Selecting unsuitable volunteers
- Failing to supervise volunteers
- Selecting and maintaining church vehicles
- Hiring their own employees
- Entering into contracts that bind the Conference
- Renting property
- Allowing use of church owned property for non-church related activities without proper safeguards

Top Causes of Legal Action for Non Profit Organizations

- Donors
- Failure to Disclose
- Discrimination
- Harassment/Humiliation
- Retaliation/Whistle blower
- Breach of Contract
- Failure to hire or promote
- Defense Costs

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www.adventistrisk.org

The screenshot shows the website's homepage with a navigation menu (Home, Insurance, Employee Benefits, Forms, Prevention, About Us, News, Staging) and a search bar. The main content area features a 'claims reporting service' banner with a '24/7' call to action and a 'Ministry of Risk Management Video' player. Below this are sections for 'SOCIAL' (with Facebook, Twitter, and YouTube icons), 'FORMS' (listing Claims, Healthcare, and Personal Risk), 'PREVENTION' (with a 'Don't be caught unprepared' message), 'THE 7 CAMPAIGN' (encouraging support for stopping child abuse), 'TESTIMONIALS' (featuring a quote from Bob Folkenberg Jr.), 'LATEST NEWS' (with a 'Sojourners Bureau Resource Launched' link), and 'NEWSLETTER & MEETINGS' (with a 'Solutions newsletter' subscription button). The footer includes the Adventist Risk Management logo and the tagline '...our ministry is to protect your ministry®'.

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