



LETTER FROM THE PRESIDENT

At Southern Mutual Church Insurance, we understand the spiritual obligation to our churches. Our churches want to remain accessible to those seeking comfort in times of need – to literally leave the doors open.

At times, though, churches need to protect themselves so that they may continue to serve their communities. The protection can come in the form of employee handbooks that make sure everyone receives the even-handed treatment required by law. It can come by setting up proper equipment and procedures to ward off damage from natural occurrences such as hurricanes or lightning storms. This edition of Gatekeeper offers our churches advice on how to go about doing this.

These days, many churches also are concerned about protection from theft and security during services. Our churches have heard about incidents in South Carolina and other states, and they fear that it can happen to them, too. Some churches have established security teams and policies. Others have called seeking advice on how to proceed.

We encourage our churches to give thoughtful consideration before making any changes in procedure or security, particularly if firearms are an issue. We have talked extensively with law enforcement about a number of issues facing our churches and how they can go about taking care of themselves and their congregations. In this edition of Gatekeeper, we are sharing with you what we have learned.

These are not easy decisions but these are not always easy times. At Southern Mutual, we pledge to be a resource for our churches on security and a range of other issues. I urge you to call us at 1-800-922-5332 if you need help.

Robert Bates, CPCU, CRM, CIC, AIS

President & CEO
Southern Mutual Church Insurance Company

Turn to SMCI for Growing Needs



Southern Mutual pledges to be there for policyholders in their time of need, whether they are recovering from a fire or growing to meet a growing congregation's needs.

That is why we are happy to offer mortgage loans of up to \$300,000 for expansion, renovation or remodeling. We offer competitive rates, and we can have the check in your hands in less than six weeks.

Call 800.922.5332 and talk with Donna Baughman in our Mortgage Loan Department to learn more.

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Our Promise To You: Our Rates Will Not Rise for 3 Years

The world can be full of surprises – storms, theft or vandalism, fire, even litigation. Southern Mutual Church Insurance believes one place you should not find surprises is your insurance bill. That is why we offer rates that are guaranteed the same for three years on our Commercial Package Policy. Call us today 800.922.5332 to learn more.

Payment Is A Click Away



At Southern Mutual, we like to make things easier for our churches. That is why we offer a simple, online payment system for policies that will transfer the money directly from your church's checking account.

Simply go to our home page, smcins.com, and click on the "online payment" link near the top right side of the page. The instructions on that page will walk you through the process.

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Keeping Your Congregation Safe



There is a reason the most sacred part of a church is called a sanctuary. It is a place of safety, a place of worship, devotion and love.

But even sanctuaries are not immune from secular problems such as crime. That is why many churches choose to be proactive about protection, just as Christians are advised in 1 Peter 5:8 to "be self-controlled and alert."

Protection can include anything from crime prevention through environmental design to creating security teams and policies. With thoughtful consideration, churches can craft policies that reduce risk and keep sanctuaries safe.

Churches should start with a risk assessment, said Major Chris Cowan of the Richland County, South Carolina, Sheriff's Department. He has talked to hundreds of religious organization about safety. The assessment should examine where the church could be vulnerable and what steps should be taken to address these concerns.

Churches should consider physical challenges such as landscaping that makes it easier for wrong doers to conceal themselves, or windows and doors that need to be more secure. Building structure could be a factor as well, and something as simple as stationing an usher at an entrance can help.

Next, the church should create a written policy. Seek guidance from someone with a military or law enforcement background to help. Establishing a church security team responsible for everything from policies to implementation could be a part of this. The team's duties could also include armed security or establishing patrols during services or day care hours.

Regardless of the church's decision to use armed security, safety policies need to be in place so everyone will know what to do in all types of emergencies, from a missing child to a tornado, Cowan said. Doing so decreases the risk of an incident as well as the risk of legal liability should something happen, he added.

When it comes to armed security, weigh the benefit versus possible cost of increased risk. It is a question every church must carefully think through.

Local law enforcement and emergency services agencies can be an invaluable free resource to churches looking to create policies. We at SMCI also stand ready to assist. Contact us at 800-922-5332 if you need more information.

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Being Smart About Money Matters

Intelligent money handling is about more than balancing the books. It is also about creating checks and balances that ensure the church's money is used as intended.

Sadly, the community of trust can be exploited when only one person handles all finances.

Here are some tips for avoiding breaches:

- Make sure two members count and confirm collections and other revenue.
- Conduct the counting in a secure room – no collection envelopes should be opened in any other place.
- Require two signatures on all checks
- Perform credit checks on anyone handling money.
- Conduct an annual independent audit.
- Have different people responsible for handling funds and reconciling accounts.
- Create policies for business and travel expense that outline what will be reimbursed and the procedure for doing so.



SMCI Is There When We're Needed

When a catastrophic freeze blanketed the South last January, our churches suffered over \$3 million in damage, mainly from water gushing from burst pipes. It was a time that tested the staff at SMCI. We are pleased that so many churches were thrilled with our prompt service.

“There is nothing that I can think of that this company could have done to make our water damage any easier. They were on site, helping us make decisions in a very timely manner. We could not ask for a more cooperative and helpful person. ... We would give your company an excellent plus rating.” – Haven of Rest Baptist Church, York, South Carolina

“Every aspect of this claim was handled in a professional and timely manner. All repair service personnel used to correct the problems were satisfied in the manner it was handled.” – Faith Baptist Church, Estill Springs, Tennessee

“We could not have been more pleased with the way this claim was handled for us – from beginning to end! Everything was handled promptly, courteously and professionally – with little effort on our part. ... We've had other companies wanting to quote us on insurance – we could not even begin to think about changing companies after how well y'all took care of us.” – Poplar Springs Baptist Church, Lavonia, Georgia

Keeping your congregation safe *continued*

GUNS IN CHURCHES

Gun laws vary from state to state. Here is a rundown for the region SMCI serves.

South Carolina: Concealed guns are allowed in churches with a proper permit, church approval and congregational awareness.

Georgia: Concealed weapons are not allowed in churches unless church policy allows it, but they are in parking lots.

North Carolina: Concealed weapons are allowed in churches unless church policy prohibits it.

Tennessee: Concealed weapons are not allowed in churches unless church policy allows it.

TOP FIVE PRIORITIES

Courtesy of Richland County Sheriff's Department.

- Do a risk assessment.
- Create plans for a range of emergencies.
- Communicate the plans to staff and volunteers. Drill regularly.
- Conduct background checks of all staff and volunteers.
- Grants are available for security and emergency programs. Local law enforcement can point churches toward resources.

Employment Litigation Protection

These days, churches are three times more likely to face an employee lawsuit than a fire, and that litigation can be costly.

Churches can protect themselves by creating a written employees handbook that clearly states policies on issues such as sexual harassment, retaliation and hiring and firing procedures. The policies also should make clear to employees what is expected and allowed on issues ranging from alcohol use to leave time to schedules.

The policy should also include discrimination law – it is illegal to discriminate based on color, national origin, gender, age and disability.

The handbook will be a good guide for conducting business and some protection in case of a lawsuit.

Another protection is carrying Employment Practices Liability. These policies cover staff and volunteers, with churches of all sizes opting for coverage. In a day when the median compensatory damage award is \$325,000 and the average court settlement is \$80,000, coverage makes financial sense. The cost is minimal compared to the potential cost of litigation.

To learn more about Employment Practice Liability coverage, please contact your agent.

Dr. Richard Edward Bailey, 1932-2014



Dr. Richard Edward Bailey

Southern Mutual Church Insurance and the North Hartsville community lost an inspiring leader

when Dr. Richard Edward Bailey passed away in April.

Dr. Bailey served as North Hartsville's spiritual leader for four decades as pastor of North Hartsville Baptist Church. He remained pastor emeritus when he passed away at age 82. Born in 1932 in Alamance County, N.C., he began preaching at age 15. He went on to earn a degree at what was then Elon College – now Elon University – in North Carolina. He also studied at Luther Rice Seminary and Southeastern Baptist Theological Seminary.

Dr. Bailey was a community leader as well. He taught English at Hartsville Junior High School and later served on the Darlington County Board of Education for 16½ years. He was the community's Civitan of the Year in 1999.

He also was a leader with Southern Mutual, serving on our Board of Directors since 1977. He was the board's secretary when he passed.

Dr. Bailey is survived by his wife, Lily Mae Mims Bailey; son Dwain; daughters Fran Langley and Shan Brown; and granddaughters Samantha and Danielle Brown.

Stay Out of Hot Water With Inspections

Like so many things that go wrong at churches, this happened when no one was around. A pipe leading to the water heater ruptured late Friday after day care had closed. By the time the problem was discovered shortly before Sunday services, water had spewed throughout the building, leaving damage and an expensive cleanup in its wake.

Creating routine procedures can prevent problems with water heaters, electronics and more. Here are some tips.

Water heaters

- Check pipes and connections for leaks monthly.
- Flush the tank yearly to prevent gunk build-up.
- If you hear hissing, check heating electrodes for build-up and clean or replace if necessary.
- Check the anode rod yearly. It is the chief protection against corrosion.
- When the heater is 10 to 15 years old, consider replacement.

Lightning

- Use the best surge protectors you can afford on expensive electronics – computers, televisions, sound systems. Good ones have lifetime guarantees that will replace equipment fried in failure.
- For around \$75, protectors are available with brief battery back-up, allowing you to save documents after the power is out.
- Surge protect 220-volt appliances, too – air conditioners and stoves, for example.
- Because they are the highest point of the building and most prone to lightning strikes, steeples should be grounded.
- The best protection is a building-wide system. According to Underwriters Laboratory, lightning causes billions in damage to churches each year, from ruined electronics and electrical systems to catastrophic fires.

Hurricanes

- Have a disaster plan that assigns tasks ranging from securing windows to protecting musical instruments.
- Make sure the outside is clear of loose objects that can become missiles in high wind.
- Batten down windows with shutters or plywood and close rooftop vents.
- Shut down main breakers or gas lines.
- Keep your flood insurance current. Your regular insurance will not cover floods, and much of the damage from hurricanes is from water, not wind.

