



## ***Loss of Income***

*When disaster hits the Church who protects the income?*

By Mission Management and Consultants, LLC  
Mortgage Bankers & National Church Finance Specialists

Over the years we have observed many disasters that have taken place in areas where Churches are affected.

Disasters can come in many forms including fire, tornados, flooding, earthquakes and hurricanes.

Fires can be caused by faulty wiring, lightening strikes and in past years we saw a number of Churches that were set ablaze as targets of violence. It seems every year some part of the country is being affected by tornados. The west coast is always on notice about earthquakes and remember all the damage that took place in San Francisco and Los Angeles in the 90's. Every spring we hear about some part of the country that has been affected by floods. We can always count on having a number of Hurricanes whether it is a category 1, 2, 3, 4 or even a 5. The effects of these disasters can be devastating and the Church seems to always be one of the major participants in the relief efforts.

Depending on the type of disaster, when it comes to the Church besides damage to the facilities the results could be loss of utilities including power, water and phone. What about transportation by the congregation or access in getting to Church? When these disasters hit, from a Church prospective, most have insurance to cover repairs to facilities but what about protecting the income?

We as Mortgage Bankers and National Church Finance Specialists for the most part never see the issue of loss of income addressed. Depending on the type of disaster, members of congregation are certainly going to be affected and giving is going to be down or even temporarily cease. When Church services are interrupted, no giving occurs unless it is done on-line and if you don't have power or phones to get on line with then that doesn't occur. No matter what happens with the giving, the expenses of the Church continue. The staff has to be paid and in most cases the Church has some type of debt service to maintain. Most Churches have missions and ministries that depend on support. Church reserves can evaporate very quickly. Also the demands for giving increase as many other charitable causes are petitioning for people to donate and this will affect the Church as some funds that would normally come in as tithes /offerings go elsewhere. As we always say "without the money, nothing happens" and disasters will affect the income of the Church.

Most businesses have some type of business interruption coverage either as a rider or as a separate policy that will cover loss of income if the business has interruption. Many of us have seen the Aflac duck who advertises disability insurance but in all of the Church projects we have been involved in very seldom do we hear about Church income interruption insurance. Let's face it, when it comes to income and expenses the Church is just like a business as loss of income severely affects the ability to pay the bills. From what we understand a rider to cover interruption of Church income can be inexpensive and even more when you have to use it. "The effects of a disaster should be a wake call to of us to make sure that the Church has the proper coverage.

**Churches should have their "*ducks in a row*", get covered NOW!**

(c) Copyright 2005 The Christian Financial Times  
All Rights Reserved

About Mission Management and Consultants, LLC:

MMC - Mortgage Bankers is one of the Leading Church Finance Mortgage Firms in America. MMC is an experienced team of Bankers and Professionals, called to the ministry of obtaining financing for Christian organizations. For more information, please visit our website at [www.mmcbankers.com](http://www.mmcbankers.com)