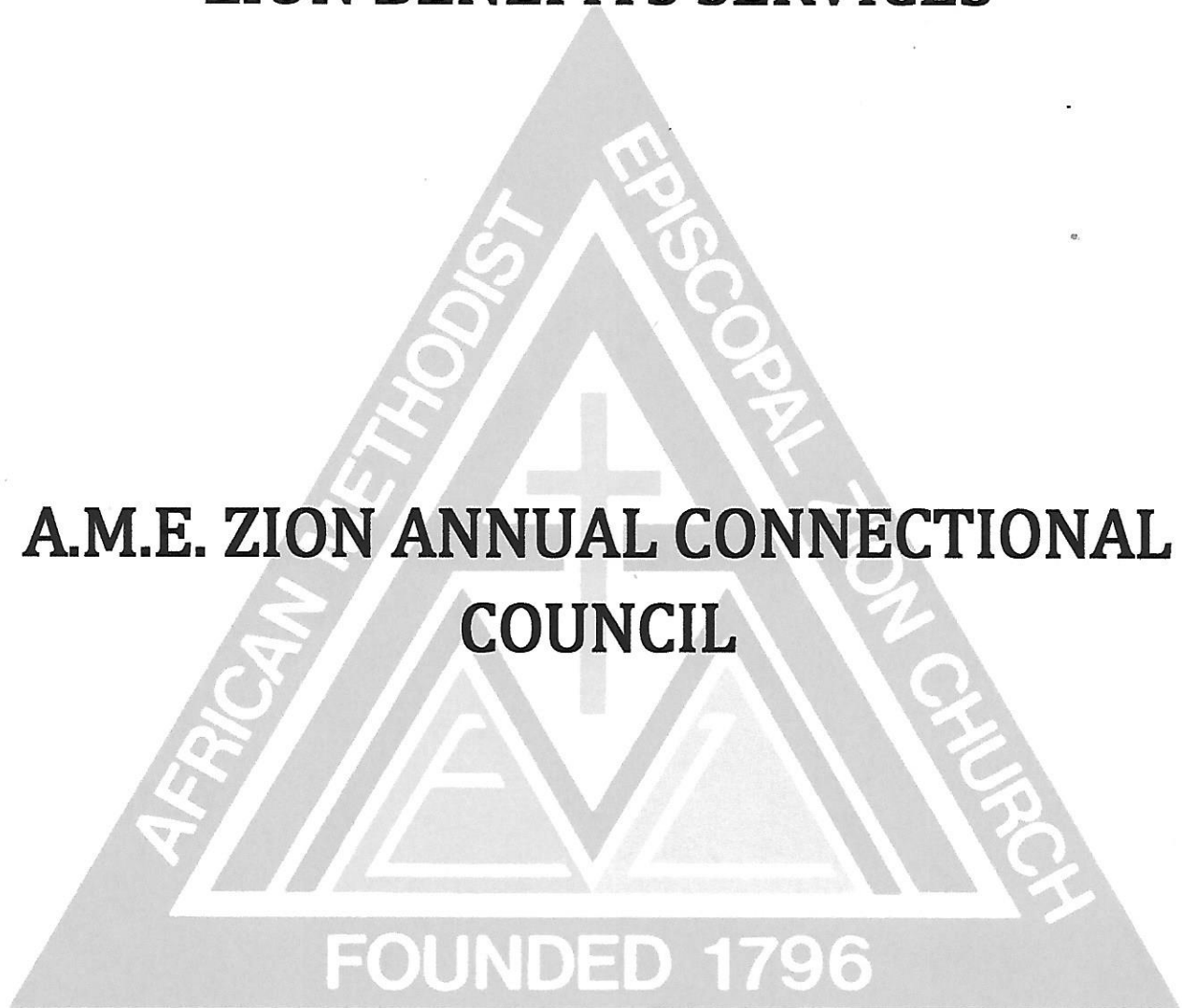


**EXECUTIVE DIRECTOR –
ZION BENEFITS SERVICES**

**A.M.E. ZION ANNUAL CONNECTIONAL
COUNCIL**



JULY 10-12, 2019

AFRICAN METHODIST EPISCOPAL ZION CHURCH
**CONNECTIONAL TRUSTEES &
ZION BENEFITS SERVICES INC**

Annual Report

To

**BOARD OF BISHOPS &
CONNECTIONAL COUNCIL**



July 10-12, 2019 Meeting held at the

Rosen Center Hotel

Orlando, FL

Hosted by the Alabama-Florida Episcopal District

Mrs. Jacqueline Inez Williams-Lartey, Host Missionary Supervisor

The Right Reverend Seth O. Lartey, Host Bishop and

Retiring President of the Board of Bishops

The Right Reverend Michael Angelo Frencher, Sr., President – Board of Bishops

Dr. David A. Aiken, Sr., Executive Director

The Right Reverend Seth O. Lartey, Chairman

CONNECTIONAL TRUSTEES BOARD MEMBERS

Bishop Seth O. Lartey, Chairman
Bishop Staccato Powell, 1st Vice Chair
Bishop Louis Hunter, Sr., 2nd Vice Chair
Mrs. Joyce Reid, 3rd Vice Chair

Dr. David A. Aiken, Sr., Executive Director

	<u>CLERGY MEMBER</u>	<u>LAY MEMBER</u>
PIED	Rev. Dr. Daran H. Mitchell	Mrs. Joyce Reid
ENC	Rev. Dr. Avery Brown	Atty. Anita Pearson Royster
MW	Rev. Dr. John A. Butler	Mrs. Gwen Johnson
NE	Rev. Dr. Stephen Pogue	Ms. Fay Fagan
SA	Rev. Dr. Otha L. Smith	Mrs. Vanessa Watt
MA	Rev. Kenneth Crowder	Mr. Erin Smith, II
AL/FL	Rev. Dr. Sondra Coleman	Mrs. Barbara Knight
SWD	Rev. Kenneth York	Mr. Malcolm Russell
WD	Rev. Darrell Williams	Dr. Sheila Quintana
CSA	Rev. Herbert Grant	Mrs. Thomascena LaGrand
WWA	Rev. Felix Ofosu	Mrs. Dorothy Gill-Smith
EWA	Rev. Imo E. Umoinyang	Mr. Emmanuel U. Moro

ZION BENEFITS SERVICES, INC.

David A. Aiken, Sr., Executive Director

Report to the Board of Bishops & Connectional Council

Annual Meeting – July 10 -12, 2019

EXECUTIVE SUMMARY

Greetings in the grace, mercy, peace and favor of our Lord and Savior, Jesus the Christ. To the president and other members of the Board Bishops and members of this Connectional Council for our beloved African Methodist Episcopal Zion Church, it is with esteemed privilege, humility and honor that I'll make this report at the behest of Board of Connectional Trustees and Zion Benefits Services. Topics presented will be centered around Risk Management concerns for the denomination, Retirement programs, Life & Health Insurance programs, the Ministerial Relief program, the ZBS Property & Casualty Insurance program and, of course the financial condition of Zion Benefits Services, Inc.

I. RISK MANAGEMENT

a) POLICIES AND PROCEDURES CONCERNING SEXUAL MISCONDUCT (*as per The AME Zion Church's Book of Discipline*)

The African Methodist Episcopal Zion Church, each Annual Conference and local Church seeks to maintain a safe, secure and loving place where caregivers, teachers, leaders and volunteers, whether paid or unpaid, minister appropriately to the needs of all persons. Among other efforts to preserve and maintain such an environment, it is appropriate that careful application and personnel screening procedures be conducted with respect to all clergy, church employees and volunteers who regularly supervise children and youth activities including Sunday School teachers, class leaders and other persons assigned to supervise children and youth activities of the church.

b) IMPLEMENTATION OF POLICIES BY CONFERENCES AND CONGREGATIONS.

Each Annual Conference shall annually conduct a Sexual Misconduct training session according to the denomination's standardized training module to ensure its sexual misconduct policies are clearly understood and consistently implemented throughout the denomination. Furthermore, each local church shall annually conduct the Sexual Misconduct training session as prescribed by the denomination and annually report its compliance to the Annual Conference.

A copy of these Policies shall be given to all persons attending the Sexual Misconduct training session and a log shall be signed evidencing the receipt of these Policies and attendance at the training session. The logs shall be retained among the permanent records of each Annual Conference and separate local Congregation.

- The opinion of this General Officer is that **ENFORCEMENT** of Zion's policies and procedures concerning sexual misconduct is of paramount significance; not only

regarding possible court challenges and insurance related matters but, more importantly, the protection and well-being of her people, especially our children. Therefore, diligence around and adherence to our policy must be regularly practiced and monitored.

- **Plan of Action:** *Having already engaged the General Officer Team in discussion regarding the above-mentioned concerns, some recommendations for improving upon enforcement will be forthcoming.*

c) **PERSONAL INJURIES AND PROPERTY DAMAGES DUE TO LACK OF PROPERTY MAINTENANCE**

Over the past two years, a rising number of personal injury claims were filed against churches that are insured through the ZBS Insurance Program. These incidents occurred while individuals were on church property and were determined to have been preventable by insurance adjusters had certain deferred maintenance issues been corrected.

- **Plan of Action:** *Every domestic local church will be provided with a tool for conducting Church Inspections. The office of Zion Benefits Services will provide copies of a **Church Self-Inspection Checklist** to every Connectional Trustee/ZBS Administrative Board member for distribution to every presiding elder and local church in their respective episcopal districts. Presiding Elders will be asked to ensure that inspections are being performed.*

d) **ZBS INSURANCE PROGRAM**

Because of two major hurricanes (Matthew and Florence) and a widespread freeze (Bomb Cyclone) occurring over the past two (2) years, sixty-one (61) churches that are insured under the ZBS Insurance Program suffered damages estimated and incurred by carriers in the amount of \$3.2MM. This level of claims volume makes it increasingly challenging and costly to operate the Zion's insurance program. Obviously, when carriers see where they are paying out more in claims expenses than they're getting in premium income, their appetite for our program becomes undesirable. Carriers' response to this quandary is to either drop our account or impose excruciating premium rates.

- **Plan of Action:** *Plan and execute campaign to recruit at least one hundred additional churches into the ZBS Insurance Program with strong emphasis on locations that are more in-land, i.e., the Midwest Episcopal Area. The more churches participating in the program enables both church and insurance carriers to spread risk, thereby stabilizing premium rates and making our program more attractive to insurance providers. Here again, Connectional Trustee/ZBS Administrative Board members will be relied upon to be key drivers of this essential campaign.*

e) ADMINISTRATIVE BOARD MEMBER DEVELOPMENT

It is critically important that roles and responsibilities of individuals who are appointed to serve as Connectional Trustees/ZBS Administrative Board members clearly understand what's expected of them. At a minimum, they ought to bring expert and proficient skillsets to their assignment along with commitment and desire for being effective stewards.

- **Plan of Action:** *ZBS Executive Director will work with Board Chair to develop and recommend a list of required qualifications, training module and evaluation template for newly appointed Administrative Board members.*

II. THE PASTORS' RETIREMENT BENEVOLENT FUND

It's important that I update you about the status of the Pastors' Retirement Benevolent fund. You will recall that the old plan ended as of July 31, 2018 and the revised plan went into effect on August 1, 2018. Admittedly, the revision was met with a great deal of expressed dissatisfaction by quite a sizable number of our pastors who felt they were being mistreated. News of the benevolent fund benefits will cease being provided to retirees after July 2020 also stirred considerable discontentment.

Since August 1, 2018, three (3) retirees have been approved to receive benefits under the new guidelines, wherein those who retired after having reached the age of seventy-five (75) and served a total of twenty-five (25) years as a pastor will receive \$200.00 monthly for life, whereas individuals who retire at age sixty-five with twenty years pastoral service are awarded \$100.00 per month until death. At year-end 2018, one hundred and twenty-three retired pastors were receiving monthly benefits from the benevolent fund.

III. LIFE AND HEALTH INSURANCE MINISTRIES

- a) Presently, thirteen hundred & twenty-six (1,326) pastors (active & retired) are insured under the denomination's Group Life Insurance policy underwritten by the Unum Insurance Company of America. During the year 2018 sixteen (16) death claims were paid that total \$94,502.00. Synopsis of claims paid reveals the following distribution:
 - 3 (19%) Under age 70 @ \$10,000.00
 - 3 (19%) Between ages 70-75 @ \$6,500.00
 - 10 (62%) Over 75 @ \$5,000.00
- b) While records indicate that the number of pastors who are eligible for enrollment in the Group Life Insurance program have completed the required Census Data & Beneficiary

Designation Form, efforts to ensure that all who are eligible are duly enrolled must be continued to avoid decedents' families being disappointed when the death of pastors occur

- c) Proposals continue to be sought after from Life Insurance carriers that will increase our minimum policy limits to \$10,000, regardless of age, and without a significant increase in premium cost.
- d) With the approval of the Board of Bishops, ZBS has solicited proposals from Health Insurance providers that would allow local churches obtain high quality plans for their pastors at more favorable group rates. Proposals from Sigma and Blue Cross Blue Shield are expected to be forthcoming in the very near future.

IV. THE MINISTERIAL RELIEF MINISTRY

The calendar year 2018 ended with fifteen (15) new spouses of deceased pastors being added to the list of benefit recipients and thirty-one (31) were dropped, leaving a total of two hundred forty-nine (249) widows & widowers receiving financial assistance from this critical ministry. Reasons for the substantial numbers being dropped are threefold.

- a. Thirteen (13) deaths
- b. Eighteen (18) are no longer active members of The AME Zion Church
- c. A good number of recipients still haven't responded to request about their current status, which has caused their benefits to be suspended until responses confirming their continued eligibility are received.

V. THE AME ZION CHURCH 403(B)(9) RETIREMENT PLAN

While our new retirement plan is fully operational and has begun enrolling participants, the level of participation suggests that considerable work needs to be done to educate and motivate eligible participants. Hence, the Board Chair, Bishop Lartey has directed the Executive Director and board members to develop a Marketing Plan aimed at enrolling a minimum of 351 participants in the plan by the July 2019 Connection Council meeting. Please allow me a few minutes to explain how we expect to meet this goal.

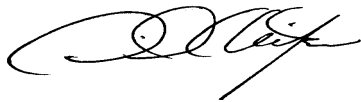
VI. THE FINANCIAL CONDITION

Audited financial statements prepared by the firm of CAMS Ministries, J Welton Spann, Jr. CPA for the fiscal year ending December 31, 2018 affirm, in their opinion, that the statements present fairly, in all material respects, the financial position of the ZBS Department and related statement of activities, functional expenses and cash flows for the year then ended, in

accordance with accounting principles generally accepted in the United States of America. Please allow me to provide you with some key highlights seen in the report.

Before concluding this report, I want to thank each of you for your confidence and support. Rest assured that this Executive Director is committed, with God's guidance and your support, to operating the Zion Benefits Services Department at an optimal level of performance. I will pray without ceasing and hold fast in my belief that with God's everlasting guidance and our faithful stewardship, far greater works will be performed, as I remain

Your Servant in Christ,

A handwritten signature in black ink, appearing to be "D. H. [unclear]", written in a cursive style.