

THE DEACON'S BENCH

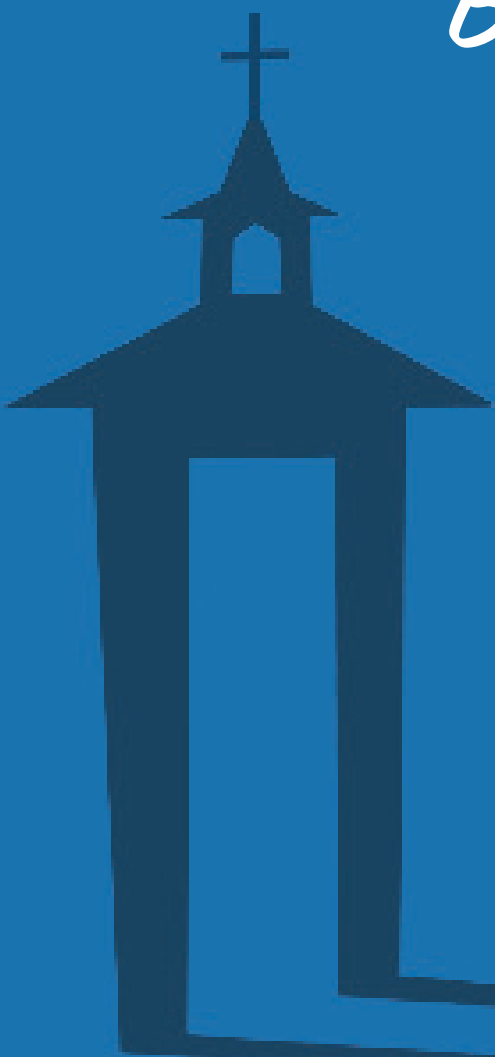


ANNIVERSARY
ISSUE

Winter 2017

Bearing Burdens

BROTHERHOOD MUTUAL'S
100 YEARS OF SERVING THE CHURCH





BROTHERHOOD MUTUAL'S FOUNDERS SET A CLEAR COURSE FOR THE INSURANCE COMPANY



Faithful, practical men, founders Albert Neuenschwander and Rev. Aaron Souder were most concerned about helping their fellow church members after fires or storms destroyed their property.

“Bear ye one another’s burdens and so fulfill the law of Christ.”

- Galatians 6:2

This Bible passage runs through Brotherhood Mutual’s history like a cord, tying its past to its future.

Bearing each other’s burdens was the theme of Rev. Aaron Souder’s sermon, when he and Albert Neuenschwander presented their plan for an aid association to their denomination’s leaders. It’s why Brotherhood Mutual leaders chose not to raise rates in 1965, when tornado losses threatened to bankrupt the company. It’s also why the company recently launched a nonprofit ministry to help pastors return to full strength.

For those reasons and more, you’ll find Galatians 6:2 at the top of every Brotherhood Mutual policy we issue today.

“Our role is much more than what many people expect of an insurance company,” says Mark Robison, Brotherhood Mutual’s president since 2007. “Like the story of Aaron and Hur, when they helped Moses keep his arms up so the armies of Israel would prevail, we believe our company was called to stand with churches through whatever difficulty they face.”

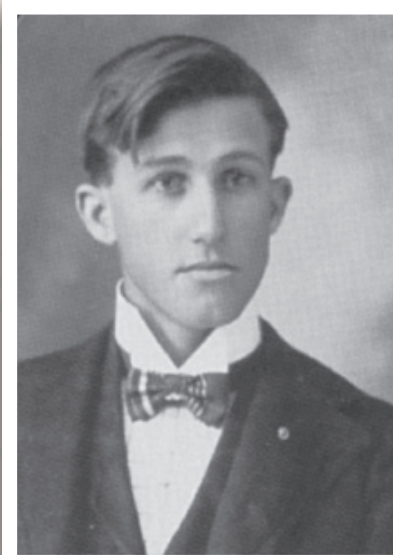
Brotherhood Mutual’s mission statement, Advancing the Kingdom by Serving the Church®, embraces the company’s founding commitment to serving its customers. It shows the company’s heart and guides the manner in which Brotherhood Mutual conducts business: with the same spirit of care that the founders established in 1917.

Follow along as we recount Brotherhood Mutual’s journey of service to the church.

◀ Joined by company directors in early 1959, founder Albert Neuenschwander turns the first shovel of sod for Brotherhood Mutual’s Vance Avenue headquarters in Fort Wayne, Indiana.



Albert Neuenschwander



Aaron Souder

Protection born of *care* and *concern*

Far from the turmoil of World War I that was rocking Europe in 1917, Brotherhood Mutual's founders were fixed on a more peaceful effort: establishing a protective aid association for their small denomination of Defenseless Mennonite* churches.

The idea started with Albert Neuenschwander. Together with his pastor, Rev. Aaron Souder, the two men developed a proposal to present to denominational leaders. In 1917 church leaders adopted the founders' plan to form the Brotherhood Aid Association for their denomination, which included just eight churches in Indiana, Ohio, and Illinois.

With approval of their plan secured, Neuenschwander and Souder went to work. By November 1, 1917, the Brotherhood Aid Association had issued its first policy. From the start, the association primarily insured farms, homes, mercantile properties, and church buildings.

At the first recorded board meeting in December 1919, the notes show that "the work has been progressing very nicely." The company had 188 policies and \$418 in the bank.

When Aaron Souder passed away unexpectedly in 1919, Albert Neuenschwander became the central figure in the company's development. He worked part-time for the company in the first 16 years. Neuenschwander also operated two businesses and served as the Grabill, Indiana, postmaster for a time.

Fire safety was an especially critical issue in those days. Neuenschwander constantly reminded policyholders about the risks of fire on their property. Annual reports cautioned customers to keep their oil and gas stoves clean, to repair chimneys, and to take care with electricity. These reminders were a precursor of the risk management guidance that Brotherhood Mutual offers churches and ministries today.

*"Defenseless" refers to the pacifist philosophy of the denomination at that time. Today the denomination is known as the Fellowship of Evangelical Churches.



Incorporation and a *New* name

▲ A weekly chapel service led by employees has been part of Brotherhood Mutual's corporate culture since 1942.

Almost from its beginning, the association welcomed other denominations into its membership. Within 20 years, the organization looked more like a traditional mutual insurance company than an aid association. In 1935, board members decided to incorporate the association and change its name to "Brotherhood Mutual Insurance Company."

ALMOST FROM ITS BEGINNING, THE ASSOCIATION WELCOMED OTHER DENOMINATIONS INTO ITS MEMBERSHIP.

Affiliations with various church groups continued after incorporation, spurring additional growth and setting up the company's 1939 move from its home in Grabill to nearby Fort Wayne. Soon afterward, the board officially signaled the company's independence from its founding denomination. Their decision reflected the growing sense of evangelical unity, both within the company's founding churches and among company leaders.

The number of agents representing Brotherhood Mutual also increased after incorporation. Then, like now, the company employed independent agents who agreed to follow high ethical standards. Many were also active in their home churches.

When Neuenschwander passed away in 1959, his lifelong commitment to helping others had firmly established Brotherhood Mutual's foundational principles of serving the church.



The greatest *mid-century challenge*



Maurice Klopfenstein

Maurice Klopfenstein succeeded Neuenschwander as Brotherhood Mutual's second president. Best known as "Bill," he was outgoing and well-liked by everyone who knew him.

Under his leadership, Brotherhood Mutual launched its first property and liability package designed specifically for churches. That 1964 decision set Brotherhood Mutual on the course that it follows today.

But the greatest challenge Klopfenstein faced during his 12 years at the company's helm was the test of faith he and board members experienced dealing with the aftermath of the 1965 Palm Sunday tornadoes. The storms stunned parts of northern Indiana and Ohio, destroying more than 1,000 of the homes, businesses, and churches that the company insured.

The morning after the tornadoes, the office was a very solemn place. Two questions dominated everyone's thoughts: "How would we handle these severe losses?" and "Would we have enough in reserves to pay them?"

In the end, Brotherhood Mutual paid policyholders more than \$1 million in claims to repair their property. At the time, the company had only \$1.4 million in reserves. Despite what it meant for the company's financial stability, Klopfenstein and the board resolved to pay each claim fairly and promptly—without raising rates. Their decision paralleled the spirit of "bearing one another's burdens" that has firmly influenced company behavior since its first days in business.

Today, Brotherhood Mutual has more than \$600 million in admitted assets and maintains a policyholder security fund of more than \$250 million to protect its policyholders.

◀ Top: In 1965, tornadoes destroyed about 1,000 homes, businesses, and churches that the company insured. Photo courtesy of The Elkhart Truth newspaper. Left: John Sheets, the company's longest-tenured agent, visits with a policyholder before the tornadoes. Right: People across Indiana and Ohio suffered damage.



Specializing in *church* insurance changes the company's course



Paul Steiner

The impact of the Palm Sunday tornadoes on the company still lingered as Paul Steiner took the reins as Brotherhood Mutual's third president in August 1971.

During this time, company leaders continued insuring homes and autos, but they decided that they wanted to specialize in church insurance. Remembered as a key development, the decision set the stage for the company's eventual decision to serve churches and ministries exclusively.

New liability and auto coverage for churches followed quickly. They were well established by 1988, when Brotherhood Mutual experienced its most publically visible claim at that time.

Just before 11 p.m. on May 14, 1988, a church bus was driving south through Kentucky, carrying 63 students and four adults home after a day of fun at King's Island amusement park. Some had fallen asleep. Most didn't see a pickup truck speeding straight at them. A drunk driver traveling the wrong way on the interstate

crashed into the bus, and it burst into flames. The fire from the ruptured gas tank blocked the front door, so the back door was the only way out. About half of the people escaped; half were trapped inside.

The crash killed 24 students and three adults, sparking a national debate on drunk driving and bus safety. The Associated Press called the accident the "nation's worst DUI crash."

Claims adjusters worked with a team of local church and business leaders to develop a fair way to distribute the insurance proceeds among the victims and their heirs. Brotherhood Mutual paid more than \$1 million to grieving families in the wake of the disaster.

The tragedy spurred several victims' parents to join Mothers Against Drunk Driving, which fought for stricter DUI laws across the nation. It also led to more safety regulations for school buses, including switching from gas to diesel fuel, adding emergency windows, and requiring fire-resistant flooring and seats. Kentucky now requires all school buses to have nine emergency exits—more than any other state.



Technology helps address *changing church needs*



Jim Blum

In the 1990s, Brotherhood Mutual began a number of technology-based initiatives. Jim Blum, Brotherhood Mutual's fourth president, understood the value of technology and the impact it would have on the company's growth.

One of the more visible changes was the launch of the company's first website in 1999. *BrotherhoodMutual.com* gave customers a direct link to the company and provided opportunities for them to learn more about the company's products and services.

Church needs also continued to change. Many churches were seeking diverse ways to evangelize. New outreach programs had emerged, and ministry leaders in some churches were looking for "ways to do church differently." These changes brought risks that churches had not faced before, such as religious communications liability on a worldwide scale, thanks to the Internet.

Brotherhood Mutual responded with free

resources to help customers manage the new risks they faced.

Later, as active shooters started targeting churches, the company developed *The Church Safety and Security Guidebook* to provide a step-by-step guide for creating a safety program for churches and ministries. In addition to safety and security resources, the website now includes risk management guidebooks, checklists, and other materials.

Technology upgrades and product enhancements have proceeded virtually unabated since 2007, when Mark Robison became company president. Brotherhood Mutual introduced MinistryWorks® payroll services in 2010, and MinistryEssentials®, a property-casualty insurance product for small churches, in 2011.

The company enhanced its mission travel program in 2014, when it introduced the Faith Ventures® program for both short-term and long-term mission travelers. Brotherhood Mutual continually improves the liability coverages it offers as new risks emerge to better protect churches, camps, schools, and other Christian ministries.



Brotherhood Mutual's Anniversary Gift to Church Pastors

▲ Hugh White, executive director of Full Strength Network, accepts Brotherhood Mutual's anniversary gift to the new nonprofit ministry.

To mark its 100th anniversary, Brotherhood Mutual wanted to give something back to the people it serves. So it formed Full Strength Network, a new nonprofit ministry serving pastors and their families.

"We know that pastoral well-being is essential for successful ministry," says Mark Robison, president and chairman of Brotherhood Mutual. "Pastors face many unique stresses and a real risk of burnout, so we wanted to do something that would not only support their physical well-being, but also their emotional, relational, and spiritual health."

Pastors often feel as though they have no one to talk to about the challenges they face. Full Strength Network connects those who seek help with service providers who specialize in issues affecting clergy members and their families.

Full Strength Network, which launched in September, offers an online platform and mobile application that helps Christian pastors monitor their well-being and find strengthening resources. It aims to provide pastors with the critical support they need to continue their call to ministry. Care providers within the network offer free wellness advice and low-cost counseling services.

"Since Brotherhood Mutual's founding, caring for others has been at the heart of the company's identity," Robison says. "Our commitment to serving America's churches and other Christian ministries has not changed. We walk with ministries and their leaders, so they never have to face tough times alone."

Brotherhood Mutual presented a \$1 million gift to the ministry to fund its initial work. The nonprofit serves all denominations and operates independently of Brotherhood Mutual. Learn more at FullStrength.org.



Mark Robison

Brotherhood Mutual's commitment to the church continues

As Brotherhood Mutual celebrated 100 years of serving the church in 2017, the company did so in the spirit of thankfulness for God's many blessings. "Brotherhood Mutual was built by men and women who dedicated their lives to serving the church," says Mark Robison, chairman and president. "We want our hands to have an eternal impact."

Robison's comments affirm Brotherhood Mutual's continuing commitment to "share one another's burdens," as expressed in Galatians 6:2. Today, the company's business philosophy reflects the same calling that the company's founders followed in 1917 to mark Brotherhood Mutual's path to serving the church.

Brotherhood Mutual's 100th Anniversary Memorial Book

Pre-order a copy today

The story behind Brotherhood Mutual Insurance Company lies in the character of its people. From the founders through today, you'll find woven into its history a tapestry of stories about men and women who truly cared about serving the church and its people. This special edition of *The Deacon's Bench* only captures a snapshot of our rich history. If you would like to learn more, consider ordering *Bearing One Another's Burdens: 100 Years of Serving the Church*.

This beautiful book captures the essence of Brotherhood Mutual's first century. You'll see how the company's humble beginnings shaped the way it treats customers to this day. A limited number of the books are available to the public. For just \$10 to cover shipping costs, you can pre-order a copy of this commemorative, soft-cover book today.

Order your copy at store.brotherhoodmutual.com.

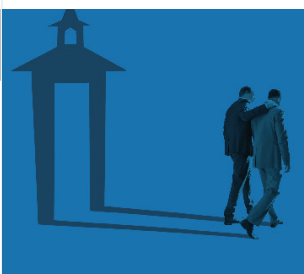




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The Deacons Bench is a quarterly newsletter
created for churches and related ministries.

Published by the
Marketing Communications
Department of Brotherhood Mutual
Insurance Company.
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The Deacons Bench, Vol. 28, Issue 2
Brotherhood Mutual Insurance Company
6400 Brotherhood Way, P.O. Box 2227,
Fort Wayne, IN 46801-2227. 800.333.3735

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