

Law & Ministry Update



The latest news about emerging legislative and judicial developments affecting Christian ministries.

Volume 3 — October 2025

FEATURED ARTICLE

Could a Decades-Old Abuse Claim Strike Your Ministry?

When it comes to hiring decisions,
who counts as a minister?

Can state licensing requirements
threaten a ministry's religious
mission?

Plus, two additional court cases and a federal
policy change that could affect your ministry.

Preparing for the Road Ahead

In volume 3 of Law & Ministry Update, the Legal Assist team explores:

- Case Spotlight: How a recent court decision has far-reaching and costly implications for ministries.
- How recent cases affirm religious liberty and how ministries can strengthen their protections.
- Watch the Podcast: Join attorneys from Brotherhood Mutual as they provide key insights to help ministries boldly live out their faith and proclaim gospel truth.
- Additional cases: Visit the Law & Ministry Update webpage to see what was reviewed earlier in 2025.

Visit Law & Ministry Update Online

Read the updates. Watch the podcast. Get it all at www.brotherhoodmutual.com/legal-assist/update

Welcome to Law & Ministry Update

Brotherhood Mutual's newest resource is here to help ministries understand rapidly developing challenges that could affect their organizations. The team from Legal Assist is monitoring cases and legislative changes to provide ministries with timely updates and actionable insights from an insurance and risk management perspective. From Supreme Court rulings to emerging state laws, the goal is to inform and empower ministries to adapt and thrive in an increasingly complex legal environment.

Legal Assist is a free, ministry-focused service that provides access to Brotherhood Mutual's in-house team of legal professionals. They provide complimentary risk management guidance to your questions about ministry-related legal issues, including facility use, abuse prevention, employment, security, contracts, waivers, governance, and many others. Visit www.brotherhoodmutual.com/legal-assist to get started.

Brotherhood Mutual is pleased to provide Legal Assist as a complimentary resource. Services through Legal Assist aim to provide general risk management guidance to our current and prospective policyholders.

While the information provided in this resource is intended to be helpful, it does not constitute legal advice and should not be used as a substitute for advice from a licensed attorney in your area. Please note that no attorney/client relationship is established through this process, and no legal advice will be provided. We strongly recommend regular consultations with a licensed local attorney as part of your risk management program.

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State Case

Case #1: Local Implications

Doe 254 v. Diocese of Winona

Could a decades-old abuse claim strike your ministry?

A Minnesota jury just handed down a multi-million-dollar verdict for abuse that happened over 50 years ago—proof that decades-old allegations can still deliver devastating consequences. For churches and ministries, this is a wake-up call. Staying vigilant about historical records and current child protection safeguards isn't optional; it's essential for the future of your ministry.



What You Need to Know

In *Doe 254 v. Diocese of Winona*, an anonymous plaintiff claimed two priests abused him in the 1970s while he attended parochial school. Normally, such an old case would be barred by Minnesota's statute of limitations—but the 2013 Child Victims Act changed everything. Its three-year “look-back” window reopened the door for survivors to sue, no matter how long ago the abuse occurred.

At trial, the plaintiff argued the ministry's failure to protect children caused lifelong harm. The jury agreed—awarding \$7.6 million for emotional distress, trauma-related health issues, and ongoing care.



Why This Matters

The outcome of this case is a textbook example of a **nuclear verdict**—an extraordinarily large jury award that far exceeds norms and can devastate an organization financially. These verdicts often arise in cases involving child sexual abuse, where juries respond strongly to perceived institutional failure. For ministries, the takeaway is clear: Protecting children isn't just ethical—it's essential risk management. Because even historic allegations can trigger explosive consequences. Churches, schools, and related organizations in all states must recognize the imperative of maintaining a safe environment for the minors in their care and respond accordingly.

However, nuclear verdicts aren't confined to sexual abuse cases. They can arise in any situation where a jury perceives deep emotional trauma, gross negligence, or a lack of accountability. Ministries may face massive exposure in cases involving serious physical injuries, mental health crises, or even reputational harm stemming from leadership failures. The common thread is this: when juries believe an organization failed to protect or care for vulnerable individuals, the financial and reputational fallout can be substantial.

What Your Ministry Can Do

- 1. Implement Comprehensive Risk Policies:** Establish and enforce policies that address safety, supervision, and accountability across all ministry operations. This includes screening personnel and preparing for emergencies.
- 2. Maintain Oversight and Safety Protocols:** Ensure regular supervision of staff and volunteers, especially in high-risk environments. Conduct routine safety checks on vehicles, facilities, and equipment to prevent accidents and demonstrate proactive care.
- 3. Preserve Historical and Operational Records:** Retain documentation such as past insurance policies, incident reports, maintenance logs, and leadership decisions.

Court: Olmsted County District Court

Status: In June 2025, a jury awarded \$7.6 million to Doe 254; the diocese plans to make payment through its bankruptcy trust.

Date: June 30, 2025

Federal Case

Case #2: Regional Implications

McMahon v. World Vision, Inc.

When it comes to hiring decisions, who counts as a minister?

In a closely watched case, the Ninth Circuit court upheld a ministry's right to withdraw a job offer from an applicant in a same-sex marriage. The twist? The role wasn't a pastor—it was a customer service representative. This ruling signals a potential broadening of the ministerial exception, the First Amendment doctrine that shields faith-based employers when hiring for roles tied to their spiritual mission.



What You Need to Know

Aubry McMahon was offered a remote customer service position with World Vision, a global Christian humanitarian organization. But after the organization learned she was married to another woman, it withdrew the offer, citing its religious code of conduct, which prohibits same-sex relationships among employees.

McMahon sued, alleging discrimination. A district court initially ruled in World Vision's favor, then reversed itself and granted summary judgment to McMahon. On appeal, however, the Ninth Circuit Court of Appeals reinstated the original decision in favor of World Vision.

The court found that World Vision's customer service representatives carry out "vital religious duties," including praying with donors and communicating the organization's Christian mission. Because of these responsibilities, the court applied the ministerial exception—a legal doctrine that protects religious organizations from certain employment-related lawsuits. As a result, McMahon was barred from challenging the rescinded offer in court.



Why This Matters

This decision reinforces and even expands the right of religious organizations within the Ninth Circuit (West Coast) to hire employees who share their Christian commitments. By applying the ministerial exception to a role like customer service representative, the court made clear that it's a job's function—not its title—that determines whether it qualifies as ministerial.

The ruling affirms that employees who carry out religious duties—even in roles that appear secular—are central to a ministry's mission. That recognition provides a vital legal safeguard, allowing ministries to require staff in such positions to affirm their beliefs and follow their ethical standards.

What Your Ministry Can Do

- 1. Review Job Descriptions:**
Actively review and update job descriptions to ensure they articulate the religious duties and mission-critical functions of ministerial positions.
- 2. Express Your Expectations:**
Clearly communicate your ministry's standards of conduct and statement of faith to all applicants and employees.
- 3. Consult Legal Counsel:**
Proactively consult with legal counsel to ensure your hiring policies and employment practices comply with local laws and regulations.

Court: United States Court of Appeals for the Ninth Circuit (Covers AK, AZ, CA, HI, ID, MT, NV, OR, WA)

Status: The Ninth Circuit reversed the lower court's decision, remanding the case with instructions to enter summary judgment in favor of World Vision.

Date: August 5, 2025

Federal Policy Change

Do new federal anti-discrimination rules put ministries at risk?

A new Department of Justice memo could have major implications for ministries receiving federal funds. By flagging certain DEI-related practices as potentially unlawful, the guidance signals a shift in enforcement priorities. Ministries should understand what's changed to avoid legal risk and ensure their programs remain compliant with civil rights laws.

What You Need to Know

On July 29, 2025, the Department of Justice issued a memo to all federal agencies clarifying its interpretation of federal anti-discrimination laws. The memo warns that federally funded programs—including those operated by churches, religious schools, and faith-based nonprofits—may be unlawful if they involve discriminatory practices. Specifically, it flags race-based scholarships, hiring preferences favoring underrepresented groups, and training programs that stereotype individuals based on protected characteristics. Ministries using government grants for education, outreach, or social services should take note.

While the memo includes a list of “non-binding” best practices, it makes clear that violations could result in investigations, termination of funding, or legal action. Although a similar initiative from the Department of Education was recently struck down in court for procedural and constitutional flaws, the DOJ’s memo remains active and enforceable as of this posting.



Why This Matters

This shift in federal enforcement could directly affect how ministries design and deliver their programs. Many ministries rely on federal support to serve vulnerable populations through tutoring, food assistance, counseling, and other outreach efforts. If those programs include criteria that prioritize certain demographics—a specific race or gender—they may now face legal scrutiny.

Ministries may need to reevaluate how they structure scholarships, recruit staff, and communicate mission and vision to ensure compliance with civil rights laws. This doesn't mean abandoning core values, but rather ensuring that those values are expressed in ways that uphold equal treatment under the law. Taking proactive steps now can help ministries preserve their funding, avoid legal complications, and continue serving their communities with integrity and purpose.



What Your Ministry Can Do

- 1. Review Policies and Partnerships:** If your ministry receives federal funding, audit your programs, hiring practices, and funding relationships to ensure compliance with federal law.
- 2. Update Training Materials:** Review staff training programs to ensure they don't include stereotypes or generalizations about groups. Avoid language that could be seen as promoting bias, even unintentionally.
- 3. Reevaluate Scholarship and Hiring Criteria:** If scholarships or hiring preferences are based on race, sex, or other protected traits, ministries should consider revising them to ensure they are inclusive and legally defensible. Focus on need-based or mission-aligned criteria that don't rely on protected characteristics.

Status: The DOJ memo remains in effect. While advocacy groups are expected to challenge it in court, no formal challenges have yet been reported.

Date: July 29, 2025

Federal Case

Case #3: Local Implications

Camp IdRaHaJe Association v. Roy

Can state licensing requirements threaten a ministry's religious mission?

A Christian summer camp found itself facing a conflict between its biblically-based beliefs and state regulation when the state of Colorado introduced new licensing rules requiring that showers and sleeping arrangements be based on gender identity—not biological sex. The case highlights a growing tension: What happens when government regulations collide with deeply held religious convictions?



What You Need to Know

Camp IdRaHaJe, a Christian summer camp in Bailey, Colorado, has ministered to thousands of children since 1948. In May 2025, it faced a serious challenge: New state regulations required licensed camps to allow campers to use bathrooms and bedrooms based on gender identity, regardless of biological sex—contrary to the camp's theological convictions, and the regulations included no exemption for religiously affiliated camps.

IdRaHaJe sued the Colorado Department of Early Childhood, arguing the rules violated its rights under the First and Fourteenth Amendments. One month later, Colorado conceded that camps “principally used for religious purposes” are not “public accommodations,” exempting IdRaHaJe from the mandate. With its license and convictions intact, the camp dismissed the lawsuit.



Why This Matters

Camp IdRaHaJe may have preserved its freedoms with a settlement, but the risk to ministries remains. Across the country, state legislatures are expanding public accommodation laws to include faith-based organizations—laws originally meant for secular spaces like restaurants and hotels. When applied to ministries, these mandates can compel the adoption of policies that contradict their religious beliefs. Colorado's attempt to regulate a Christian camp's bathroom and sleeping arrangements based on gender identity is a warning: Unless ministries clearly define their religious purpose and contest government overreach, they risk losing the freedom to operate according to their faith.

What Your Ministry Can Do

- 1. Define Your Religious Mission:** Clearly state your ministry's faith-based purpose and doctrine in governing documents and public messaging. All policies should consistently reflect your beliefs, strengthening legal protections and avoiding misclassification as a public accommodation.
- 2. Prioritize Religious Use:** Use your facilities primarily for religious activities. Limit general community or commercial use to distinguish your ministry from secular services.
- 3. Engage Regulators Early:** When new legislation raises concerns, seek legal counsel and request written clarification or religious exemptions early. Timely action can prevent regulatory conflicts and protect your ministry's convictions.

Court: United States District Court for the District of Colorado

Status: In June 2025, Camp IdRaHaJe voluntarily dismissed its lawsuit after Colorado clarified that religious camps are exempt from its gender-identity directives.

Date: June 24, 2025

Federal Case

Case #4: Local Implications

Etienne v. Ferguson

Confessional privilege upheld, even in abuse reporting situations

A federal court in Washington addressed a recent statutory revision that would have required priests to violate their vows by reporting abuse revealed during confession. By granting a preliminary injunction, the court halted the law's enforcement and affirmed the religious freedom concerns raised by Catholic priests and bishops. This case considers the complicated questions that arise when clerical discretion collides with abuse reporting commitments.



What You Need to Know

Washington's Senate Bill 5375 sought to amend the state's mandatory reporting laws by removing the clergy-penitent privilege—a legal protection that allows clergy to keep confessions confidential. Under the bill, clergy could face criminal charges for refusing to report abuse revealed during counseling or confession, even though doing so would violate core religious doctrine for some faiths.

In response, Catholic church leaders filed suit, arguing the law infringed on their First Amendment rights, particularly the Free Exercise Clause, which protects religious practices from government interference.

A federal district court issued a preliminary injunction, temporarily blocking the law from being enforced as it applies to Catholic confession. The court found that the law likely singled out clergy unfairly, especially since similar confidentiality protections for attorneys remained untouched.



Why This Matters

While this ruling applies only to the sacrament of confession within the Catholic tradition, its implications could reach far beyond. It highlights the growing tension between two vital priorities: protecting the vulnerable and preserving religious liberty. The court's ruling suggests that the state cannot force clergy to violate core tenets of faith without meeting the highest constitutional standard.

But the debate isn't over. Lawmakers in other states are considering similar bills that could impact clergy and Christian counselors. These legislative efforts aim to protect the vulnerable, but they also risk eroding the trust that makes pastoral care possible.

What Your Ministry Can Do

- 1. Maintain Strong Safeguards:** Ensure that staff and volunteers are fully trained in child protection protocols and know their reporting obligations under state law.
- 2. Avoid Misinterpretation:** Do not view this ruling as permission to ignore abuse reporting requirements. The injunction applies narrowly to confessional secrecy within the Catholic Church and does not eliminate broader duties.
- 3. Hire Professional Help:** Work with attorneys familiar with your state's laws to align your ministry's policies with both legal requirements and religious convictions.

Court: United States District Court for the Western District of Washington

Status: The federal court's preliminary injunction temporarily blocks enforcement of Washington's new law against priests in the confessional; the case now proceeds to full litigation and possible appeals.

Date: July 18, 2025

State Case

Case #5: State Implications

Nunez v. Watchtower Bible & Tract Soc'y of N.Y., Inc.

A \$35 million verdict narrowly avoided: Know your abuse reporting obligations

Courts engage in a delicate balancing act whenever allegations of child abuse collide with questions of confidentiality. A recent Montana Supreme Court decision addressed a dispute in reporting duties, highlighting the importance of proper abuse reporting protocols within the ministry setting.

What You Need to Know

In *Nunez v. Watchtower Bible & Tract Soc'y of N.Y., Inc.*, two women sued a local Jehovah's Witnesses congregation and its governing bodies, claiming church elders failed to report sexual abuse to state authorities. The trial court found the church liable under Montana's mandatory reporting law, leaving the jury to decide damages. The verdict was staggering: \$35 million.

On appeal, however, the Montana Supreme Court reversed, holding that the state's reporting law contains an exception when church doctrine requires confidentiality. Because Jehovah's Witnesses' procedures fell within that exception, the court entered judgment for the defendants.



Why This Matters

This case is a stark reminder: Ministries must know—and follow—their state's mandatory reporting laws. While the defendants ultimately avoided liability under a confidentiality exception, most states do not offer such broad protections. For churches, Christian schools, and related ministries, the risks of failing to report are enormous: multi-million-dollar verdicts, criminal charges, and a devastating loss of trust. And beyond the legal consequences lies an even greater responsibility—the moral and spiritual duty to protect children and other vulnerable individuals.

In Our Next Issue

What happens when safety teams overstep—or underprepare? Lessons from real-life security incidents about the use of force, de-escalation, and proper training. Plus, a First Amendment showdown over Oregon's adoption requirements.

Visit us at brotherhoodmutual.com/legal-assist/update



What Your Ministry Can Do

- 1. Understand Applicable Law:** Clergy-reporting exemptions vary widely; confirm what your jurisdiction requires and train leaders accordingly.
- 2. Establish Clear Policies:** Adopt detailed written protocols for handling suspected abuse or neglect, including both internal and external reporting procedures.
- 3. Call in Reinforcements:** Even if an exemption applies, involve legal counsel—and, when appropriate, notify state authorities. Doing so helps protect your ministry and, most importantly, safeguards children from harm.

Court: Supreme Court of Montana

Status: The Montana Supreme Court reversed the \$35 million jury verdict, ruling the church fell under a statutory exemption for clergy.

Date: January 8, 2020