

URGENT NOTICE

GREATER NEW JERSEY CONFERENCE INSURANCE PROGRAM EMERGENCY & HOMELESS SHELTERS

TO: District Superintendents, Clergy, Church Trustees, Lay Persons, and any other interested party

Because of the recent severe weather that our area has experience, such as Super Storm Sandy and Hurricane Irene, which caused the displacement of numerous people, many churches have expressed interest in using your facilities as an emergency shelter or a homeless shelter for other organizations. We understand the history and tradition of your churches providing outreach and services to the community and that these programs are something churches want to participate in. However, using your building as a shelter of any kind presents an increased liability exposure that can negatively impact the Conference Insurance Program. If your church is being used as or operating a homeless/emergency shelter coverage is NOT automatically included under the Conference Insurance Program.

Some organizations that have approached local churches to use their property as homeless/emergency shelters that we are aware of are Family Promise, HomeFirst, Interfaith Hospitality Network and the Red Cross. As indicated in the Frequently Asked Questions booklet that are distributed to the churches every year, the church must obtain a certificate of insurance that names the church as an additional insured from any third party that requests to use the church. A copy of these documents can be found on the Conference website at <http://gnjumc.org/pages/detail/403>. The groups Family Promise, HomeFirst, Interfaith Hospitality Network, and the Red Cross are a third party. As such they must have their own insurance and provide the church with a certificate of liability insurance that names the church as an additional insured for the time that they will be using the church. An updated/current certificate would need to be provided each time the group uses the church's property.

Again using the church as a shelter presents an increased risk of a loss occurring. As such the Program's insurance carrier, Mercer Insurance, has advised us that there is a mandatory charge for any church that operates as a shelter. The charge is based on the number of days the church is being used as a shelter and can cost anywhere from \$100 to over \$1,000, possibly more.

The charge would apply to both church owned and controlled shelters and third party groups that use the church as a shelter. **The church would not have to pay a charge if they obtain a Certificate of Liability Insurance that names the church as an additional insured from any third party group using the church as a shelter.** If the church and any third party are entering into a long term usage agreement both parties should enter into a formal lease/usage agreement. The agreement should be reviewed by your legal counsel and include the roles and responsibilities of each party, contain insurance requirements, and have hold harmless and indemnification clauses in favor of the church.

Again the charge would be waived only if the shelter is operated by a third party and you have the proper a certificate of insurance. However, if the shelter is run by your church it is **not** a



ministry/operation that is automatically included as part of the Conference Insurance Program. Additional premium will be charged, additional information, and insurance

company approval is needed **before** you can operate a church run shelter. The church would need to develop a specific plan for the shelter that outlines sleeping and bathing arrangements, site security, capacity limits, emergency response policies, etc. This is just an example; additional may be needed that is not outlined in this notice.

If any church currently is using the church as a shelter or has a third party group using the church as a shelter contact Sovereign Insurance immediately. If the church does not have a certificate of insurance from the group you should request one immediately. If a certificate of insurance will not be provided to the church then the charge will be assessed.

If any church plans on starting a shelter or participating in a shelter program contact Sovereign Insurance immediately.

If anyone has any questions or concerns regarding operating as a shelter or any other insurance coverage questions please contact Tiffany Lupo our Senior Account Manager and program administrator at Sovereign Insurance Group.

Thank you.



Market Knowledge Matters

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