

News & Insights

Emergency/Homeless Shelters & Your Church

Because of the recent severe weather that our area has experienced, 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 requested from Sovereign Insurance Group. 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, because of this there is a premium charge to provide shelter coverage. 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, indemnification, and waiver of subrogation 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 information may be needed that is not outlined in this notice.

News & Insights

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.

As always if you have any questions regarding the Conference Property Insurance Program please contact:

Tiffany Lupo
Senior Account Manager
p 610.535.6800 | f 610.535.6810
e tiffanyl@sovinsurance.com