



MA Alliance for Sober Housing

Insurance Recommendations for Sober Homes

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Property & Casualty Insurance Coverage Recommendations

Property

Property:

- **Building Coverage:** This coverage is needed if the building is owned. This protects the structure of the building. Replacement Cost coverage is recommended.
- **Business Personal Property:** This is the contents in the home. This coverage is needed if the home is owned or not owned. This provides coverage for all your contents that are not part of the building. Examples: Furniture, television, microwave, and etc. Replacement Cost coverage is recommended.

Recommendations/Notes

- A Homeowners policy is not designed to cover a Sober Home. Most Homeowners policies exclude coverage for Sober Homes.
- When choosing a Property Insurance Carrier, make sure you have confirmed that they will cover a Sober Home. The policy should contain an enhancement endorsement that adds additional coverage.
- Make sure the policy either has the Tenant Relocation Expense endorsement (not available in all states or on all policies) or a coverage enhancement such as Business Income and Extra Expense that would include reimbursement for the expense.

Casualty

General Liability:

- A standard General Liability policy is issued to a business organization to protect them against liability claims for bodily injury and/or property damage claims that can arise out of premises, operations, products, and completed operations; and advertising and personal injury.

- The basic General Liability policy will have the following coverage limits:

General Aggregate:	\$2,000,000
Products Completed Operations Aggregate:	\$2,000,000
Each Occurrence Limit:	\$1,000,000
Coverage for damage to premises rented to you:	\$100,000
Medical Payments:	\$5,000

Recommendations/Notes

- The standard General Liability policy does not include the necessary coverage that is needed for a Sober Homes. The coverage that is needed is either excluded from the policies or cannot be added due to the type or risk. The policies we recommend are designed with Sober Homes in mind and have additional coverage built into the form or available for purchase.
- Highly recommended coverages to have in place under General Liability include: Sexual Abuse & Molestation, Assault & Battery, Crisis Management, coverage for man-made or acts of nature situations, and Special Events Coverage.

Casualty

General Liability (continued):

- The carriers we write with not only provide the additional necessary coverage for Sober Homes, they also provide increased limits to the standard General Liability policy. Example:

Standard

General Agg: \$2,000,000
Prod Comp Ops: \$2,000,000
Each Occurrence: \$1,000,000
Dam Rented Prem: \$100,000
Medical Payments \$5,000

Excluded:

Sexual Abuse & Molestation
Assault & Battery
Crisis Management Coverage
Special Events Coverage

Sober Home (can vary depending on carrier)

General Agg: \$3,000,000
Prod Comp Ops: \$2,000,000
Each Occurrence: \$1,000,000
Dam Rented Prem: \$1,000,000
Medical Payments: \$20,000

Included:

Sexual Abuse & Molestation
Assault & Battery
Crisis Management Coverage
Special Events Coverage

Additional Coverage Recommendations

- There are certain circumstances where you may need additional coverage which can be covered under the policies we write specifically for Sober Homes. Some of these coverages are:
- **Hired and Non-Owned Auto:** This is available by endorsement. This coverage provides bodily injury and property damage coverage caused by a vehicle you hire (included rented or borrowed vehicles) or caused by a non-owned vehicle (vehicles owned by others including vehicles owned by your employees). It protects you in the event you are found legally liable as a result of an automobile accident that you or your employee has in a hired or non-owned vehicle while on company business. A person does not need to be paid wages to be considered an employee. Please refer to the policy definitions and or speak to your broker to determine what the carrier considers an employee.
- **Professional Liability:** A type of liability coverage designed to protect against liability claims incurred as a result of errors and omissions in performing their professional services. **Please note:** This coverage is separate from the General Liability so it will not erode the aggregate limit. Further, although Medical Professionals are required to maintain Professional Liability, when hired in to provide a service to a resident, the entity is almost always named in a law suit in the event of a claim. Maintaining coverage ensures there is no gap where the owner may be held wholly or partially liable.
- **Excess Liability/Umbrella Coverage:** is extra liability coverage. It is designed to help protect from major claims or lawsuits and as a result helps protect your assets and future. Because the General Liability Occurrence limit is capped at 1M, the Umbrella policy would sit over this limit and provide the additional coverage in the event of a loss.

Additional Coverage Recommendations

Please be advised: This document is intended for informational purposes only. The coverage and recommendations that are provided are for an overall snapshot for the Sober Home risk. Each Sober Home is looked at on an individual basis and coverage is tailored to the needs of that specific home. Some homes may require more coverage than others.

If you are interested in receiving a quote for a Sober Home, please feel free to contact us. We write with carriers that are A rated or higher and have programs specifically designed for Sober Homes. We would be happy to work with you in obtaining the right coverages for your specific needs.

To obtain a quote, please contact the following:

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