RESIDENTIAL LESSOR'S RISK — GROUP HOUSING — COVERAGE CHECKLIST

Pull out your current policy and check the box next to any coverage you can confirm is already in place — anything unchecked is worth a quick conversation with your advisor. Coverage checklist for owners who lease homes to sober living, group home, halfway house, independent living, and transitional housing operators. Priorities reflect typical exposure for this class; confirm against your actual leases and operators.

CORE **PREVALENT** **SITUATIONAL** — *Core: almost always needed · Prevalent: commonly carried by businesses in this class · Situational: depends on specific exposure*

	COVERAGE	WHY THIS BUSINESS NEEDS IT	PRIORITY
☐	**Building Coverage With Group Use Disclosed**	Covers the structure at replacement cost. The policy must be written knowing the home is leased for group or recovery housing.	CORE
☐	**Lessor's Risk Liability**	Covers suits against you as owner — building-condition injuries and claims that name you alongside the operator.	CORE
☐	**Additional Insured on Operator's Policy**	Puts you on the operator's liability policy for claims from its program. Requires an endorsement, not just a certificate.	CORE
☐	**Operator Professional / Social Services Liability**	Required of the operator. General liability usually excludes resident overdose and supervision claims.	PREVALENT
☐	**Abuse & Molestation**	Owners get named in abuse claims at the home; many lessor's risk and operator policies exclude it.	PREVALENT
☐	**Loss of Rents**	Replaces rent after a fire or other covered damage. It does not pay if the operator simply stops paying.	PREVALENT
☐	**Umbrella / Excess Liability**	Adds limits for death and serious-injury claims that can exceed a $1 million primary limit.	PREVALENT
☐	**Ordinance or Law**	Pays for sprinklers, egress, or alarm upgrades a city requires when a group home is repaired.	PREVALENT
☐	**Vacancy Permit / Endorsement**	Keeps coverage in force if an operator closes and the home sits empty more than 60 days.	SITUATIONAL
☐	**Workers' Compensation**	Needed if you employ anyone who works at the properties.	SITUATIONAL
☐	**Flood / Earthquake**	Excluded from standard property forms.	SITUATIONAL

COMMON COVERAGE GAP FOR THIS CLASS

The gap most often missed by owners who lease to sober living, group home, and halfway house operators is undisclosed use. Many owners keep a standard landlord or dwelling policy that was never told the home is group housing, so a fire or a resident's death can be denied. The second gap is the operator's insurance: a general liability policy usually excludes the overdose and supervision claims these homes produce, so being an additional insured on it may not help. Disclose the use in writing and require professional and abuse coverage in the lease.

IMPORTANT — PLEASE READ

This checklist is a free educational tool from Cory Washington & Co. to help you review your own coverage and have a more informed conversation with a licensed insurance professional. It is general information only — not insurance, legal, or financial advice, and not a recommendation to buy, change, or cancel any policy. The Core / Prevalent / Situational labels describe general patterns observed for this class of business — what is commonly carried, not a personalized recommendation or needs analysis for your specific operations. Coverage terms, availability, limits, and requirements vary by policy, carrier, and state, and only the language in your actual policy governs what is and isn't covered. Checking or leaving blank any item above does not indicate that you are adequately insured or under-insured. Using this checklist does not create a client, agency, or fiduciary relationship. Always consult a licensed professional about your specific situation.