CORY WASHINGTON & CO.

SMARTER RISK. STRONGER BUSINESS.

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SOBER LIVING HOME — 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 sober living homes and recovery residences. Priorities reflect typical exposure for this class; confirm against the program's actual level, population, and services.

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
☐	**Professional Liability**	Responds to claims that the operator failed to supervise, enforce rules, or respond to relapse — the core theory in overdose and suicide suits. Needed even with no clinical services.	CORE
☐	**Commercial General Liability**	Covers premises injuries to residents and visitors (falls, fire injuries). Check whether it carries a professional-services exclusion.	CORE
☐	**Abuse & Molestation**	Covers allegations of sexual or physical abuse by staff, managers, or residents. Most GL policies exclude it unless added back.	CORE
☐	**Commercial Property / Dwelling**	Covers owned houses and contents. Standard homeowners policies typically do not cover a home run as a business.	PREVALENT
☐	**Business Income / Loss of Rents**	Replaces resident-fee income if a fire or other covered loss makes a house unlivable.	PREVALENT
☐	**Umbrella / Excess Liability**	Adds limits above GL, professional, and auto — wrongful-death verdicts can exceed primary limits.	PREVALENT
☐	**Commercial Auto / Hired & Non-Owned**	Covers vans or staff cars used to drive residents to meetings, jobs, or court.	SITUATIONAL
☐	**Workers' Compensation**	Required in most states with employees; may also apply to house managers paid in free rent.	SITUATIONAL
☐	**Employment Practices Liability (EPLI)**	Covers wrongful termination, harassment, and discrimination claims by staff.	SITUATIONAL
☐	**Directors & Officers (D&O)**	Protects board members of a nonprofit operator, and owners, from management-decision claims.	SITUATIONAL
☐	**Cyber / Privacy Liability**	Covers breach of residents' intake, testing, and health information.	SITUATIONAL

COMMON COVERAGE GAP FOR THIS CLASS

The most commonly missed coverage for this class is professional liability. Many operators decline it because they provide no counseling or medical care. But the claim that follows a resident's overdose or suicide alleges failure to monitor, to enforce house rules, or to respond in time — and many general liability policies exclude professional-services claims outright, so the operator may not even get a defense. The second gap is abuse and molestation: vulnerable adults, peer house managers, and shared living quarters create the exposure, and most GL forms exclude it unless it is added back by endorsement.