

THE INSURANCE ADVISOR

For America's Churches and Related Ministries from Brotherhood Mutual and Its Agents

LENDING YOUR CHURCH FACILITIES

ISSUE 11—HAVE YOU ESTABLISHED GUIDELINES

FOR LETTING OTHER ORGANIZATIONS USE YOUR BUILDING?

Your church must decide who will be responsible for injury or damage resulting from an event conducted by another organization on your premises.

Scouting organizations, Weight Watchers, Alcoholics Anonymous, exercise groups, election boards, and other local organizations may ask to use your facilities to conduct their meetings or other events. Here are some issues you should consider if you are thinking of loaning or renting your church facilities:

INTENDED USE

First, identify the group asking to use your facilities. Will it offer a product or service to the public that conflicts with biblical values held by your ministry? Is the reputation of the group well established and generally accepted by your community?

Next, understand exactly what activities the organization will be conducting in your building. For example:

- Will the activities cause undue wear and tear on your facilities?
- Are they of a high-risk nature in which people might be easily injured?

- Will the group be confined to one specific area of the building, or will multiple rooms be required?
- If the group involves children or youth, will there be adequate supervision? Does the group use a child abuse prevention worker screening program that is at least as comprehensive as yours?

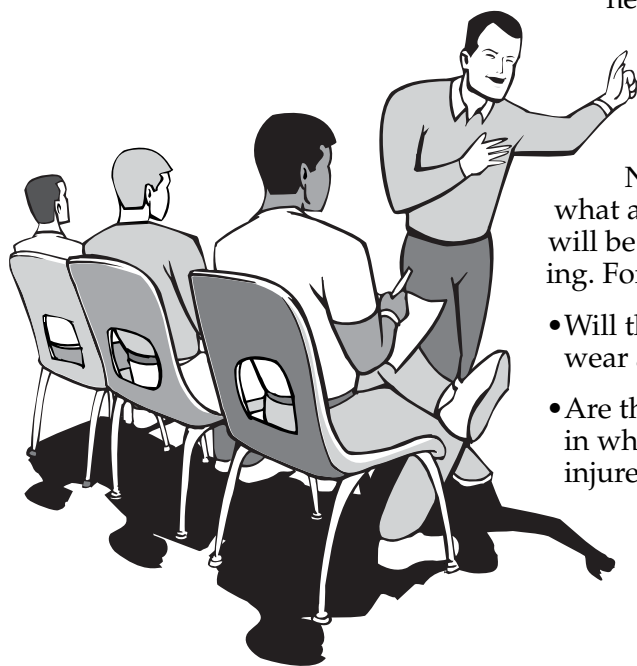
LEGAL CONSIDERATIONS

After weighing the issues above, your church must decide who will be responsible for injury or damage resulting from the event sponsored by the borrower. If you do not have a written agreement with the borrower before the sponsored event, your church may be held responsible. Obtain a "use of facility" agreement before allowing another group to use your building or grounds.

WRITTEN AGREEMENT

A written agreement should include these elements:

- Insist that the borrower have a public liability insurance policy with at least \$1 million limits of liability coverage.



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Being a good neighbor suggests helping your community.

Being a good steward means taking steps to avoid paying a claim arising from another organization's activities.

- The liability policy should also contain premises medical payments coverage with at least a \$5,000 limit.
- Require the borrower to have your church named as an "additional insured" on its policy for liability damages arising out of its activities on your premises. Require the borrowers to furnish you with a certificate of insurance before the event evidencing coverage and your church as additional insured.
- Finally, require that the use of facility agreement contain a hold-harmless, indemnity, and defense clause for any

liability claim arising from the borrower's activities on your premises. (Your Brotherhood agent can provide you with a sample agreement. Ask your church's attorney to review the agreement to make sure it complies with your state laws.)

Being a good neighbor suggests you should be open to helping people. Being a good steward suggests you take steps to avoid paying a claim arising from an activity your church didn't sponsor. A written agreement will help protect your church and keep your insurance budget at the lowest possible level.

Louis Blosch Insurance Agency

We insure over 300 churches in North East Oklahoma. We offer this information to help you better administer your church business. The less time you spend on problems which arise from a claim is more time you

can spend spreading the good news of Jesus Christ.

Our team professionals are Louis Blosch, Jerry Hendon, Chuck Lewis, Guy Landes and Clayton Haggard.



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