

WHAT YOU NEED TO KNOW ABOUT: UNOCCUPIED BUILDINGS



Beware: unoccupied church buildings are an insurance nightmare as most standard insurance carriers restrict basic coverage when a church building becomes unused and vacant. Once the building becomes unoccupied and is no longer being used for the purpose it was intended, and is going to remain unoccupied for a period of 45 days or more, your property is more vulnerable to loss. Standard insurance policies may become restricted, special conditions imposed or an additional premium charged when a building becomes unused. Such loss (or policy restrictions) of insurance coverage which might be imposed or removed while the building is unoccupied are:

- Loss of Property Coverage
- Theft
- Water Damage
- Vandalism or Malicious Damage
- Fire or Arson
- Additional Premium
- Policy Cancellation

Top 20 Loss Control Prevention Steps to Protect Your Unoccupied Property:

1. Conduct internal and external building inspections of the facility at least every seven days and maintain a weekly log of such inspections retaining such reports for at least 12 months.
2. Upon inspection immediately repair, or arrange to have repaired, any damage or defects discovered on the premises including graffiti. Maintain a follow-up inspection report of all repairs including receipts, name of the contractor, and a detail list of what was repaired. Include dated before and after pictures.
3. Remove all combustible items, including furniture, building materials, waste, refuse, flammable liquids from within and outside the building.
4. Securely lock all external doors, close and secure all exterior windows. Secure all vulnerable access points such as roof and basement access points.
5. Turn off all sources of power, fuel and water at the main connection points whenever possible, chain and padlock all isolation valves. Drain all water and fuel supply tanks and pipes.
6. Restrict all vehicular access to the site.
7. Have all keys accounted for and recorded.
8. Inform the church's neighborhood of the unoccupied structure and ask them to report any suspicious activity to the police.
9. Cut and remove all vegetation from windows to eliminate areas for someone to hide while attempting to open a secured window.
10. Maintain the outside of the building such as mowing the grass, trimming the hedges, eliminating unnecessary debris and trash removal.

11. Clean and maintain gutters and drains to eliminate water backup and damage to the building's foundation, interior structure, mold, and roof damage.
12. Allow adequate ventilation. Suspend mail delivery services and stop all delivery of newspapers and handbills.
13. Repair any cracks and uneven concrete surfaces on sidewalks.
14. Secure any objects, both interior and exterior, which could fall from the building causing injury or property damage.
15. Install an intruder alarm or fire detection system (with adequate electrical service)
16. Use exterior lighting including motion detectors and timed lighting.
17. Install interior and exterior video cameras.
18. Maintain heat in the building to help prevent water freeze and water damage losses.
19. Arrange for local law enforcement agencies to patrol the facility
20. Place signs around the church facility that indicates the property is secured by using video cameras.

Vacant Land Exposure:

Vacant land is another exposure mortgagee would need to be named as an additional insured on the church property. In some areas, the property owner of a vacant lot is responsible for the sidewalk in front of the lot and as a result is at risk for slip and fall losses. This is potentially a large claim exposure especially in areas with icy conditions where injuries can be severe and attorneys are readily available to few a few new clients. It is important to verify the land is actually vacant. In some areas vacant lots are often used for parking and the carrier must be made aware of multi-sue property exposure. In smaller and remote communities, vacant lots and parcels of land may have a barn vacant building, or pond which creates high exposure additional exposures.

The Doctrine of Attractive Nuisance

Empty buildings become what is referred to as an attractive nuisance and applies to the law of torts. Such doctrine, for example, states that a property owner may be held liable for injuries to children trespassing on the property if the injury is caused by an object on the property that is likely to attract children. This doctrine of tort law is further defined under which a person (or organization) who creates or permits to exist on church owned property a condition attractive to children who wish to wander or explore vacant church properties or land. Conditions such as open windows and doors, unfenced and unsecured property, machinery or stacks of building materials that present an irresistible lure. In most cases the attractive nuisance will not be applicable to adults.

Disclaimer:

If you are notified of a policy cancellation by your current insurance carrier your agent may have access to Nonstandard insurance coverage for hard to place or distressed property. The information provided in this article is for discussion purposes only and should not be construed to represent legal advice. Insured is encouraged to discuss empty building coverage with their current insurance agent.

The Covenant Center For Church Risk, Education, and Training a division of Mike Russell & Associates, Inc. , P.O. Box 7098, Bentonville, Arkansas 72712. For questions and speaking schedule call 479-268-4471.

This article is protected by a copyright 2016 The Covenant Center for Church Risk, Education, and Training exclusively by Mike Russell & Associates, Inc. All rights reserved.