

MEMO

FROM: Eric Wendorff

DATE: October 16, 2017

RE: Covenant's Insurance Policy: Coverage Questions Related to Covenant Providing Sanctuary Habitation for an Undocumented Person Living at Covenant

In August 2017, I reviewed Covenant's insurance policy and e-mailed questions to Angie Sink, the church's contact with its insurance agent, regarding the policy's coverage if Covenant were to provide physical sanctuary to an undocumented immigrant. Following some back and forth e-mails in which I sought to clarify Angie's responses to my questions, I spoke with her boss, Nate Orvis, who is with the Lee Agency, Muscatine, IA, Covenant's insurance agent, regarding insurance coverage relative to an undocumented immigrant living at Covenant in sanctuary under Covenant's insurance policy with GuideOne Insurance. GuideOne is an insurance company that specializes in offering comprehensive church insurance policies. [See <https://www.guideone.com/> and https://en.wikipedia.org/wiki/GuideOne_Insurance]

The following are notes I wrote on August 25, 2017 shortly after my telephone conversation with Mr. Orvis. The statements below under items 2.a - 2.e are statements of my understanding based on my discussion with Mr. Orvis. I e-mailed these statements to Ms. Sink and she confirmed that Mr. Orvis had reviewed them and agreed that I had correctly summarized our discussion. Item 2.f. is a caveat Ms. Sink stated in reply to my e-mail.

Notes I wrote August 25, 2017:

1. Nate Orvis called as planned to discuss questions I had raised with Angie Sink [563-316-3380; Agency : 800-225-9252] of the Lee Agency [<http://www.leeagencyinc.com/>], regarding coverage of Covenant's insurance policy relative to Covenant providing sanctuary habitation for an undocumented person. Angie is Covenant's contact person with the agency (the "account executive"); Nate is her supervisor. A string of e-mail communications between Angie and me left some ambiguity as to the coverage of Covenant's policy.
 - a. Insurance company (underwriter) is Guide One.
 - b. Mr. Orvis indicated that "they" (I think the Lee Agency, but it could be Guide One) insure a number of Presbyterian churches within the presbytery, as well as other churches.
 - c. We can contact Mr. Orvis if questions arise or the information stated below is not adequate.
2. More details below, but this is the "bottom line":
 - a. If a person residing at Covenant in sanctuary is hurt due to alleged negligence on Covenant's part, Covenant's insurance will defend and indemnify Covenant for any damage awards. The policy applies to any person on the premises; it does not matter who the person is (whether citizen or non-citizen); whether the person is an undocumented resident living in sanctuary is not relevant to the coverage.
 - b. If Covenant is not negligent when a person is hurt while on the premises, the insurance policy provides some coverage (\$5,000 or so) to cover the person's medical expenses or insurance deductible.
 - c. Covenant's policy would cover theft and damages to church property caused by a person living at the church in sanctuary, subject to the standard policy limitations.

- d. The policy would defend and indemnify Covenant if a person living in sanctuary were to hurt somebody else, by a negligent act or criminal assault, and the injured person sued Covenant for damages on the theory that Covenant was negligent in allowing the person to reside on the church premises, provided Covenant was not "willfully" negligent in giving sanctuary to a person Covenant knew, or should have known, was likely to hurt others, or failed to take sufficient, reasonable precautions in vetting a person offered sanctuary.
 - (1) This is something of a gray area, as it involves a degree of judgment and Nate is not aware of any cases that specifically involve undocumented residents.
 - (2) The "rule" stated here is drawn from cases involving sexual misconduct by church workers. If a church has done background checks on workers and a molester or assaulter "slips through the cracks," the church has been covered; if, however, a church had reason to suspect that the worker might be a molester or assaulter, insurance coverage could be denied.
 - (3) From what we have been told by Rabbi Margulis about the vetting process that the Dane Sanctuary Coalition will use to identify candidates for sanctuary, Covenant should not have an insurance coverage problem, but Covenant should review the vetting policy and protocols the Coalition is developing. Covenant should document the policy and protocols that are used to ensure that dangerous persons are not taken into sanctuary.
 - e. If in providing sanctuary to an undocumented alien, Covenant is in violation of the law, this does not void insurance coverage for property damage caused by such a person, injury suffered by such a person, or Covenant's alleged negligence in providing sanctuary to the person; however, the insurance would not cover any forfeitures or fines imposed by a governmental body against Covenant for violating the law.
 - f. Ultimately coverage depends on the circumstances of the incident and it is the decision of the adjuster at Guide One whether there is coverage after Guide One has reviewed the policy language.
3. The insurance company, Guide One, insures churches that provide housing for the homeless all the time. According to Nate, there is no essential difference for purposes of insurance coverage between providing housing for the homeless and providing housing for a person who is not a citizen.
 4. Guide One has asked Covenant to answer the following questions if Covenant becomes a host sanctuary church, and Angie Sink indicated the questions apply to Covenant providing a shelter for the homeless through the Road Home:
 - a. Has Madison granted approval for this type of occupancy?
 - b. Is there a specific area in the church for the individual(s)?
 - c. What supervision is provided for the individuals? What type of training is there for those who monitor the operation?
 - d. What procedures are in place for fire egress?
 - e. Does the building have a central station fire alarm? Is it in the area to be used for the operation?
 - f. What is the screening process for the individuals? Are men and women separate? How many individuals?

5. Nate Orvis has a planned meeting with John Knox Executive Presbyter Chaz Ruak. He will bring up the topic of sanctuary with Chaz. I told him we were in communication with the Presbytery on the issue of becoming a sanctuary church and that I thought Chaz had attended the presentation at Covenant by Rabbi Margulis.