

DIOCESE OF CROOKSTON SUMMARY OF COVERAGE

This summary has been prepared to give each pastor, pastoral administrator, principal, institutional director, or administrator in the Diocese of Crookston a guide to the coverage which protects the property under the control of the Bishop. As used in this summary, references to the term “parish” are applicable to any parish, school, or other entity of the Diocese of Crookston which is covered under this program. The following information is presented to furnish you with a quick reference to answer basic questions about what is covered and who to contact in case of a loss. We have tried to mention as many of the important provisions which relate to losses that are covered and those which are excluded or not covered as is possible within the confines of a brief guide.

This information is a summary of the coverage’s and limitations intended only to highlight and is not intended to detail all the provisions contained therein. Specific extensions, conditions, and limitations are shown on the Certificate on file at the Chancery Office. If there is a conflict between a statement in this Summary and the actual Certificate, the terms of the Certificate control.

PROPERTY COVERAGE

Covers property of every kind and description (meaning all Real and Personal Property, your interest in improvements and betterments to buildings you do not own, and property you agree to protect by written contract, subject to certificate limitations.)

PERILS

Covers direct physical loss to property on an all risk basis. Some of the common causes of loss included are:

- fire
- lightning
- wind
- hail
- explosion, other than steam boiler explosion
- riot
- civil commotion – unlawful uprising of three or more people
- aircraft and vehicle damage
- smoke – must be sudden and accidental
- vandalism
- theft of property
- sewer backup

(NO COINSURANCE REQUIRED FOR REPLACEMENT COST BASIS OR ACTUAL CASH VALUE BASIS.)

DEDUCTIBLE

A deductible of \$500 applies to each location occurrence and will be incurred by the parish. Exception: A \$2,500 deductible per location or parish applies to all losses related to “Wind and Hail” damage.

BUILDER’S RISK

Automatically covers up to \$10,000,000 for new construction; a \$500 deductible is applicable. The earthquake peril under builders risk has a \$1,000,000 limit subject to a \$50,000 deductible.

FLOOD

Covers property damage by flood, as specifically defined in the Certificate. A limit of \$10,000,000 per occurrence/annual aggregate applies. However, a \$2,500,000 per occurrence/annual aggregate sub-limit applies for those locations which have been identified in Flood Zones A, V, or are Undetermined.

EARTHQUAKE

Covers losses resulting from earthquake or volcanic eruption, explosion or effusion up to a limit of \$5,000,000 per parish or location with a \$10,000,000 per occurrence/annual aggregate limit (certificate level). A 5% deductible applies “per building”.

AUTOMATIC COVERAGE

Covers newly acquired real property and the contents of the newly acquired real property up to \$10,000,000 used solely for church-related activities. However, Catholic Mutual should be notified immediately upon acquisition.

PERSONAL PROPERTY OF OTHERS

Coverage up to \$50,000 for property of others used for your specific benefit and for the personal property of your employees damaged. Coverage is excess to other valid and collectible insurance.

PROPERTY IN THE OPEN

Covers up to \$100,000 for property in the open such as shrines, playground equipment, flagpoles, fences, bleachers, statues, signs and light poles.

TREES, SHRUBS, PLANTS

\$50,000 per occurrence, limited to losses caused by fire, lightning, explosion, riot, civil commotion, or aircraft. This coverage also includes debris removal.

RELIGIOUS ADDITIONAL EXPENSES

We will pay up to \$25,000 per occurrence for additional living expenses of each Religious, if such loss is the result of a covered peril.

PRESERVATION OF PROPERTY

We will pay for direct physical loss or damage to covered property while it is being moved from a **covered location** or stored at another location due to the need to preserve said property.

DEBRIS REMOVAL

Covers up to \$50,000 in additional coverage expenses (above the Limit of Coverage provided for covered property) incurred in the removal of debris of the property covered which may be occasioned by loss of a covered peril, not exceeding the limit shown in the Supplementary Declarations.

FIRE DEPARTMENT SERVICE CHARGE

We will pay up to \$10,000 for fire department service charges when the fire department is called to save or protect a **Covered Location** from a covered peril;

- a) Assumed by contract or written agreement prior to loss; or
- b) Required by local ordinance or law.

FIRE EQUIPMENT RECHARGE

We will pay the cost, up to \$10,000, to refill your fire protection equipment if they accidentally discharge or discharge as intended to control a covered loss.

APPRAISAL OR INVENTORY

We will pay for reasonable expenses, up to \$10,000, for the taking of inventory and appraisals incurred by you at our request to assist in determination of loss amount.

LOCK & KEY REPLACEMENT

We will pay up to \$5,000 for necessary replacement of locks and keys following burglary, robbery or mysterious disappearance of keys.

POLLUTANT CLEAN-UP

We will pay your expenses, up to \$25,000 to extract ***pollutants*** from land or water at a ***Covered Location*** if the release, discharge or dispersal of the ***pollutants*** is caused or results from a Covered Peril that occurs during the Certificate Period. The expenses will be paid only if they are reported to us in writing within 180 days or the earlier of:

- 1) The date of direct physical loss or damage; or
- 2) The end of the Certificate Period.

COMBINED ADDITIONAL PROTECTION

Coverage included in the Combined Additional Protection blanket limit of \$5,000,000 per occurrence/annual aggregate is as follows:

ORDINANCE OR LAW

Coverage for the demolition of the undamaged and damaged portions and the increased cost of reconstructing in conformity with requirements of building laws following a loss of by a covered peril.

LOSS OF INCOME

Covers your actual business loss and necessary expenses incurred to resume normal business operations following a loss from a covered peril up to 18 consecutive months.

ELECTRONIC DATA PROCESSING EQUIPMENT

Coverage for direct physical loss or damage as a result of a covered peril to computer hardware, media, software and data.

MOBILE EQUIPMENT

Coverage for physical loss or damage to mobile equipment as a result of a covered peril. These items are covered on an actual cash value basis.

VALUABLE PAPER AND RECORDS

Coverage for the reasonable cost and expense necessary to restore or replace books of account and other valuable records damaged as a result of a covered peril. It is recommended that such books of account be kept in fireproof storage, and copies of computer backup are store off-site.

ACCOUNTS RECEIVABLE

Coverage for costs you incur as a result of a direct physical loss or damage of your records of accounts receivable damaged as a result of a covered peril.

FINE ARTS

Fine arts are covered on a replacement cost basis up to the first \$100,000.

EQUIPMENT BREAKDOWN

Diocesan comprehensive coverage applying to loss arising out of any sudden and accidental breakdown of any boiler, fired or unfired vessel, refrigeration system, piping and accessory equipment, mechanical or electrical machine or apparatus which generates, controls, transmits, transforms or utilizes mechanical or electrical power.

Coverage is provided with a \$100,000,000 limit per accident on a repair or replacement cost basis. A deductible of \$500 per occurrence for direct loss and 12 hours for indirect loss is applicable.

Coverage Includes:

- Property Damage (included in accident limit)
- Business Interruption/Extra Expense (included in accident limit)
- Service/Utility/Off Premises Power Interruption (included in accident limit)
- CFC Refrigerants (included in accident limit)
- Expediting Expense - \$1,000,000 limit
- Defense, Settlement, Supplementary Payments
- Refrigeration Interruption part of \$100,000,000
- Computer Equipment - \$1,000,000 limit
- Hazardous Substance/Pollutants - \$1,000,000 limit
- Perishable Goods/Spoilage/Consequential Damage - \$1,000,000 limit
- Data Restoration - \$1,000,000 limit
- Demolition and ICC/Cost of Construction - \$1,000,000 limit
- Mold - \$10,000 limit
- Newly Acquired Locations are automatically covered for up to 365 days

PROPERTY COVERAGE EXCLUSIONS AND LIMITATIONS

Under the property portion of the program there are certain exclusions that apply. They are shown on the certificate forms and include the following:

- Buildings and contents losses from settling, shrinkage, or expansion in foundations, walls, floors, or ceilings.
- Losses from wear and tear, inherent defect, deterioration, vermin or termites, corrosion, and all other losses of a degenerative nature.
- War risk losses.
- Nuclear damage losses.
- Mechanical or electrical breakdown (except that which is covered under the Equipment Breakdown Coverage), including electrical currents artificially generated unless loss by fire or explosion ensues, then the Society shall be liable only for the ensuing loss.
- Animals and pets; aircraft; watercraft, automobiles; trailers; semi-trailers or any self-propelled vehicles or machines, except motorized equipment not licensed for use on public thoroughfares and operated principally on the premises of the protected person.
- The cost of excavations, grading or filling; foundations of buildings; machinery, boilers or engines whose foundations are below the undersurface of the lowest basement floor; underground pilings, piers, wharves or docks, pipes, flues and drains.
- Growing crops and lawns
- Unexplained inventory shortages or property losses as a result of any willful or dishonest act by the protected person, or its agents or employees.
- Pollution
- Asbestos
- Terrorism
- Losses caused by mold that arises naturally due to high relative humidity, lack of ventilation, etc. However, if a covered loss occurs and mold develops “because of the covered loss”, we will cover the mold damage and compliance testing.

CRIME COVERAGE

EMPLOYEE FIDELITY

Protects against the economic loss of dishonest acts of employees. Limited to \$125,000.

THEFT

Covers money, securities, fine arts, and other property not otherwise covered. Limited to \$125,000.

DEPOSITOR'S FORGERY

Covered losses by forgery or alteration of checks, drafts, promissory notes, and bills of exchange. Limited to \$125,000.

PREMISES PUBLIC LIABILITY COVERAGE

Each parish, mission, educational, charitable, and religious institution under the control of the Bishop is covered for Public Liability. This protects the Diocese, the parish, and any clergyman, religious, employee, parish trustee, or director while acting in the scope of his or her duties and any authorized person while working in the capacity of an agent and/or volunteer, provided that such person is operating within the scope of the duties delegated to such person. The liability coverage also extends to protect any church organization authorized and controlled by the parish or Diocese. Please note, coverage does not extend to long term care facilities services.

The Liability portion of the coverage program provides Liability coverage for claims arising out of bodily injury, property damage, personal injury, advertising injury, and corporal punishment. "Personal Injury" extends to cover such things as false arrest, libel, slander and defamation of character, violation of right of privacy, wrongful eviction, discrimination, shock, and mental anguish. "Personal Injury" does not cover liability due to violation of penal statute, liability assumed under a contract, violation of antitrust laws, or employment related claims.

FAULT DOCTRINE

The Diocese is not obligated to pay personal injury or property damage claims UNLESS THE DIOCESE IS GUILTY OF NEGLIGENCE IN CAUSING THE INJURY OR DAMAGE. There are no direct benefits available to injured individuals under Premises Public Liability Coverage if the Diocese is not negligent (other than Medical Payments benefits).

MEDICAL PAYMENTS

Medical expenses resulting from injuries sustained on Diocesan-owned property, without weighing the question of the Diocese's legal obligation, are covered on an excess basis up to a \$5,000 limit. We reserve the right to require the injured party submit to examination, at our expense, by physicians of our choice.

The Medical Payments feature of your program has certain exclusions and limitations, and it is important that you understand them. Four of the most important are:

1. It does not cover work-incurred injuries to employees. This coverage should be provided by Workers' Compensation insurance.
2. Students are excluded. This exclusion pertains to Medical Payments coverage only. If a student is injured and a claim is made against the Diocese, the Diocese is protected under the regular Premises Liability Coverage.
3. It does not cover injuries resulting from athletic activities.
4. It does not cover any tenant or other person regularly residing on the premises.

ATHLETIC ACTIVITIES

Liability protection is provided for claims resulting from athletic activities. This applies whether or not such athletic activities take place on or off the premises.

PARISH SPONSORED ACTIVITIES

Coverage automatically extends to cover the Parish for events such as carnivals, bazaars, parties, and picnics sponsored by the Parish whether on or off the premises without additional charge. (Animal rides, carnival rides, or other mechanized rides or equipment should be approved by Catholic Mutual prior to the event.) The diocesan contract review policy should be implemented with regard to vendors providing services for special events for the parish to be sure there is adequate coverage to protect all parties. This policy requires you to obtain insurance from a vendor which names the Diocese and Parish as additional insured's.

PREMISES

"Premises" is defined as the area within the confines of the parish property and is extended to other locations away from the parish for occasional parish-related functions.

PRODUCTS

Protection is provided for liability claims arising out of the consumption or use of food or merchandise, both on and off the premises.

OWNER'S PROTECTIVE

This feature provides automatic liability coverage for the additional exposure to accidents as a result of new construction or major remodeling projects; however, all projects of this type should be reported to Catholic Mutual as soon as they begin.

TEACHER'S LIABILITY

All teachers on assignment are covered for their liability arising out of their teaching activities. Corporal punishment is included.

CONTRACTUAL LIABILITY

This feature extends the Plan to provide coverage for certain oral or written contracts or agreements. This does not cover breach of contract by either party.

AUTOMATIC COVERAGE

Coverage extends to newly acquired premises to be used for parish-related purposes; however, Catholic Mutual should be notified immediately upon acquisition.

DIRECTORS AND OFFICERS

Covers all educational, charitable, and religious institutions' boards operated and controlled by the Diocese.

LIQUOR LIABILITY

Covers claims resulting from occurrences arising out of the sale or dispensing of liquor by a parish or a Diocesan institution at scheduled social functions which are an integral part of the parochial or Diocesan activities.

WATERCRAFT

Covers non-owned watercraft up to 50 feet in length. This coverage does not protect the owner or provide physical damage coverage to the watercraft.

CARE, CUSTODY, OR CONTROL

Protects you from liability arising out of your use of personal property you do not own but which is in your care, custody, or control for the benefit and use of the Parish. Coverage is limited to \$250,000.

NON-OWNED/EXCESS AUTO

Excess auto coverage is provided to Religious, volunteers, and employees above their own coverage or the State financial responsibility limit while used for parish purposes. This extension of coverage is limited to \$500,000 and does not apply until the religious, volunteers or employees own coverage is exhausted.

COUNSELING ERRORS & OMISSIONS

Provides coverage for counseling activities performed in conjunction with church ministries. Coverage extends to social workers, psychologists and clinical psychologists but does not extend to other medical professional services rendered by a physician or other licensed health professional who may prescribe medications. Coverage also does not extend to Professional Services, including but not limited to: legal, engineering, surveying, architectural, financial advisory, scientific or other similar services.

INCIDENTAL MEDICAL MALPRACTICE INJURY

Protects the Diocese, parish, or agency for injury arising out of the rendering of medical screening or nursing services provided on your behalf; the furnishing/dispensing of drugs; and the providing of emergency medical/dental (or other related services) if not provided by the Diocese, parish or agency.

This protection does not apply to any Medical Professional for their personal acts or omissions of a professional nature. Medical Professionals include but are not limited to: physicians, psychiatrists, physician assistants, pharmacists, nurse practitioners, advanced registered nurse practitioners, nurse midwives, paramedic/emergency medical technicians, dentists, any individual licensed to prescribe medication or admit to hospitals, etc.

However, parish and school nurses (R.N.'s) are protected for their personal acts of a professional nature so long as they are acting within the scope of their training and duties.

EMPLOYEE BENEFIT LIABILITY

Coverage provided for errors and omissions arising out of the administration of an employee benefit program.

CEMETERY ERRORS AND OMISSIONS

Provides coverage for any alleged negligent act, error, or omission in conjunction with cemetery operations.

FIRE LEGAL LIABILITY

Protects the Diocese for its legal obligation for property damage to structures rented to or occupied by Diocesan entities.

EXCESS EMPLOYERS LIABILITY

Protects the Diocese, Parish, or agency from liability for damages related to workers' injury-related claims against their employer. This coverage is excess to the employer's liability coverage which is part of your Workers' Compensation policy.

EMPLOYMENT PRACTICES LIABILITY PROTECTION

Coverage provided for the actual or alleged discrimination against an employee or an applicant for employment and the actual or alleged wrongful employment termination against an employee, provided that such termination or discharge occurs only after you have sought and followed the advice of a qualified attorney or other individual approved by Catholic Mutual.

LIMITED SEXUAL MISCONDUCT

Protects the Diocese for its legal obligation to pay as the result of a sexual misconduct claim. Failure to report an incident may nullify coverage.

LIMITED MOLD COVERAGE

Coverage provided for damages because of bodily injury or property damage caused by the actual, alleged, or threatened inhalation of ingestion of, contact, with exposure to, existence of or presence of any mold on or within a building structure, including contents. Coverage is limited to \$250,000 per claimant subject to a per occurrence/annual aggregate limit of \$5,500,000. A deductible of \$10,000 is applicable.

PRIESTS' PERSONAL COVERAGE

PRIEST/RELIGIOUS PERSONAL PROPERTY

Covers personal property of assigned priests and religious on a replacement cost basis up to \$25,000. A deductible of \$100 applies per occurrence (theft is included); a \$2,500 deductible applies for wind/hail losses. Additional coverage is available on an individual basis through Catholic Mutual for an additional charge.

COMPREHENSIVE PERSONAL LIABILITY

Covers each priest or religious on assignment for his negligent personal acts up to \$300,000 per occurrence. This coverage does not include auto liability.

THIRD-PARTY SPECIAL EVENTS

Extends liability coverage to an individual/organization using parish facilities for a non-parish sponsored event.

- \$1,000,000 limit
- No deductible applicable
- Liquor Liability Coverage is included
- Most non-parish sponsored events are covered. Common examples are wedding receptions, reunions, banquets and fundraisers.

WORKERS' COMPENSATION COVERAGE

The Diocese has a separate policy which provides coverage for state mandated workers' compensation insurance. On the job injury to employees or volunteers of the parishes and agencies of the Diocese are covered. First Report of Injuries should be submitted to Catholic Mutual's Claim Department at: (800) 228-6108, Facsimile (402) 551-2943.

INTERNATIONAL CASUALTY PROGRAM

The following information is a brief summary of benefits provided through the International Casualty Program. Contact the Chancery Office or Catholic Mutual for a complete listing of benefits and limits.

GENERAL LIABILITY COVERAGE

This coverage applies to liability incurred as a result of foreign travel by your clergy, employees and volunteers or as a result of their temporary assignment to foreign locations. This coverage is subject to an Abuse or Molestation exclusion. It also does not extend to cover foreign facilities that you may own.

FOREIGN AUTO LIABILITY COVERAGE

This coverage provides you with Excess Auto Liability Protection over the primary coverage provided by a rental car company or the primary coverage taken out on any owned or leased automobile.

FOREIGN VOLUNTARY COMPENSATION AND EMPLOYERS LIABILITY COVERAGE

This coverage provides Voluntary Compensation Payments for injuries to your clergy and employees while traveling within the Foreign Coverage Territory. This coverage also entitles you to benefits provided by Catholic Mutual's Injury Assistance Plan. The Assistance Plan covers items such as:

- Medical Referrals
- Medical Evacuation
- Repatriation
- Delivery of Prescriptions
- Return of Spouse and Children

A complete listing of the benefits and conditions of the Injury Assistance Plan, as well as Identification cards for travel purposes, are available upon request.

E-COMMERCE PROTECTION

Covers your exposure to loss when conducting business activities across the internet. Coverage is limited to \$250,000 annual aggregate [subject to a \$1,000 deductible].

Coverage Includes:

- Business Income Loss
- Dependent Business
- Intellectual Property Development Costs
- Loss Event Liability*
- Electronic Publishing Liability*
- Computer Theft
- E-Business Extortion

*Coverage for these agreements is limited to damages and defense expenses resulting from claims first made against you during the certificate period.

CLAIMS REPORTING INSTRUCTIONS

PROPERTY

If you have a property damage loss, take whatever means are necessary to protect the property from further damage. If contents are involved, separate the damaged articles from the undamaged. If buildings are open to the elements, arrange for temporary protection. You will be reimbursed for this expense. **CONTACT CATHOLIC MUTUAL AS SOON AS POSSIBLE.**

LIABILITY

It is important that all persons understand the scope, intent, and limitations of liability coverage. Pastors and persons holding positions of authority should be extremely cautious about discussing, interpreting or assuming liability.

If someone is injured on your premises, obtain the pertinent facts and names and addresses of all witnesses. Tell the injured person that you carry liability coverage and that it will be referred to your carrier. A fair and impartial investigation will be made by an adjuster to determine the facts as to whether or not the parish is guilty of negligence. **DO NOT UNDER ANY CIRCUMSTANCES ADMIT LIABILITY or prejudge the facts.** By doing so, you could be exposing the parish and the Diocese to a claim unnecessarily or to a claim which might exceed the amount of liability coverage carried. **IT IS IMPORTANT THAT YOU DO NOT DISCLOSE TO ANYONE THE LIMITS OF LIABILITY YOU ARE CARRYING.**

If you should be approached by anyone other than our adjuster, do not give that person a statement or deposition; simply refer that person to our adjuster.

If you are served a Summons, refer this promptly to our adjuster, because each Summons contains a deadline.

REPORT ALL CLAIMS TO:

**Catholic Mutual Group
10843 Old Mill Road
Omaha, NE 68154-2600
(800) 228-6108
FAX (402) 551-2943**