

# **Loudoun Mutual Insurance Company**

## ***House of Worship Manual***

### **Target Market**

This program provides insurance for small to medium sized churches which are recognized as charitable religious organizations with at least 25 members. Coverage is written on a replacement cost basis with no coinsurance requirement and a minimum \$500 deductible. Glass (including stained glass) is considered part of the building. Loss of income coverage is written with a \$100,000 limit and Money & Securities are written for \$5,000 (may be increased to \$10,000) on and off the premises (limit doubles for certain holidays). The base policy also includes coverage for building code; consequential loss; signs; valuable papers; equipment breakdown; terrorism and water backup. Liability limits up to \$1 million are available. Coverage is premises and operations and is extended to include employees, members, etc. as insureds. Coverage is also included for fire legal (\$50,000); host liquor; mobile equipment; non-owned auto and watercraft; limited contractual; personal injury; and products. There are also options for pastoral counseling and D&O. The program is slot rated based on construction type, protection class, deductible and amount of coverage. IRPMs are available and a minimum \$250 premium applies.

## **1 • GENERAL INFORMATION**

### **A. ELIGIBILITY**

This program provides Property and Liability rating and coverage for eligible religious organization risks.

#### **1. Eligible Occupancies**

- Buildings used for religious purposes — maximum 20,000 sq. feet. Submit to company limits above \$1,500,000.
- Parsonages owned by the religious organization. (May also be written in Loudoun's Homeowner Program, in the name of the pastor with the Church listed as an additional insured)

#### **2. Ineligible Operations And Risks**

- Organizations not qualified as a charitable religious organization.
- Organizations with cooking facilities open to the public (non-members).
- Camps or Schools (Except Sunday Schools).
- Daycare Centers, Nurseries or Preschools.
- Commercial cooking facilities used more than once per month.

### **B. ABOUT THE HOUSE OF WORSHIP POLICY**

This policy includes coverage provisions for both Property and Liability Insurance, as follows:

#### **Property (Part I)**

Coverage A — Buildings  
Coverage B — Personal Property  
Coverage C — Loss of Income  
Coverage D — Money and Securities  
Supplemental Coverages, as described.

#### **Special Property Provisions**

- Property is covered on a replacement basis with no Coinsurance. A basic \$500 Deductible applies.
- Coverage A applies to all buildings (including glass), structures and yard fixtures on the insured premises. The limit should reflect the total replacement value of all such property.
- Coverage can be placed on an ACV basis (list MHW 504) on property not eligible for replacement coverage.
- Building glass (including stained glass) is covered under Coverage A. The limit should reflect the total replacement value of such glass.

## Liability (Part II)

This policy includes extended Premises / Operations coverage for all operations and premises designated in the Declarations and any additions or changes to such as well as those newly acquired or formed by the organization during the policy term. The scope of coverage extends to:

- Employees, Members, Trustees and Volunteers as Insureds
- Fire and Explosion Legal Liability — \$50,000
- Host Liquor Liability
- Medical Payments — \$5,000 Per Person (including Volunteers)
- Mobile Equipment
- Nonowned Auto
- Nonowned Watercraft
- Oral and Written Contracts
- Personal Injury / Advertising Injury
- Products / Completed Operations
- Worldwide Coverage (Modified)

### C. POLICY PREPARATION

Every Policy must include:

**The Declarations** — Showing policy limits, the Part I Coverage Option and deductible, and other whether Basic Plus or Expanded Coverage applies.

1. **The Declarations Supplement (LM 011)** — Showing additional basic (or revised) limits and additional coverages or conditions.
2. **The House of Worship Policy (MHW 010)** — This form includes two coverage options:
  - **Basic Plus** — “All Risks” on buildings and “Named Perils” on contents.
  - **Expanded** — “All Risks” on buildings and contents: additional contents charge applies.

## 2 • RATING INFORMATION

### A. RATING PROCEDURE — BUILDINGS UP TO \$1,500,000

All manual rates are per \$1,000, unless otherwise stated. The basic property rates provide for a uniform \$500 deductible.

#### **Buildings (Coverage A)**

Select the rate based on the construction type — protection definitions — territory. Multiply the limit (per \$1,000) by the rate.

#### **Contents (Coverage B)**

Basic Plus Coverage — Select the rate based on the construction type — protection definitions — territory. Multiply the limit (per \$1,000) by the rate.

Expanded Coverage — Add Expanded Coverage additional premium of \$100 to the Basic Plus premium.

#### **Construction Types — Buildings**

**Type A** — Frame

**Type B** — Masonry or Masonry Veneer

**Type C** — Non-combustible - Masonry exterior walls and non-combustible floors and roof.

**Protection Definitions**

- Protected** — Within 1,000 ft. of hydrant and 6 miles of fire department.
- Partially Protected** — Within 6 miles of fire department and no hydrant.
- Unprotected** — Unprotected (over 6 miles from fire department)

**Actual Cash Value**

Coverage A and / or B may be written ACV. Apply factor 1.10 (10% surcharge) to buildings and / or contents rates. List MHW 504

**Optional Coverages**

Use the rules and rates in this manual for the optional coverages.

**B. SPECIAL PART II RATING PROCEDURES**

The following exposures / operations are subject to additional liability rating procedures:

1. Dwellings Rented to Other Than Clergy, Sexton or Staff —
  - 1 Family — Charge \$ 60 each
  - 2 Family — Charge \$120 each
  - 3 or 4 Family — Charge \$240 each
2. Vacant Land — charge \$100 per acre.

**C. SPECIAL RATING PROCEDURES**

**Account Modification** - The Individual Risk Premium Modifications (IRPMs) shown below may be applied to recognize special characteristics of the risk that are not fully reflected in the rates.

The maximum total credit or debit permitted by this rule is 40%.

Apply the IRPM credit or debit after following all other rating procedures. Minimum policy premiums apply. All IRPMs must be approved by the company.

Risk Characteristics	IRPM		
	Credit		Debit
Care and condition of premises	10%	to	10%
Care and condition of equipment	10%	to	10%
Experience of insured and employees	10%	to	10%
Loss history relative to exposure	10%	to	10%
Safety measures	10%	to	10%
Credit history of insured	10%	to	10%
Accessibility of fire equipment	10%	to	10%

- D. **MINIMUM PREMIUM** — \$250, applicable to the total basic premium, after all modifications applied.

### 3 • OPTIONAL COVERAGES

#### A. PART I MODIFICATIONS

*Unless otherwise stated, show application in the Declarations or Declarations Supplement.*

##### 1. Building Law / Code Coverage

**Basic Limit** — \$25,000

**To Increase Coverage** — Use \$1.50 per \$1,000 for the additional limit.

##### 2. Consequent Loss

**Utility Services** — Use \$4 per \$1,000 for the additional limit.

**Mechanical Breakdown** — Use \$20 per \$1,000 for the additional limit.

##### 2. Deductible

Apply factor to total basic premium for alternative deductible. Show deductible in Declarations.

<b>Deductible:</b>	<b>\$500</b>	<b>\$1,000</b>	<b>\$2,500</b>
<b>Factor:</b>	1.00	.85	.75

##### 3. Employee Dishonesty (MHW 171)

Use following charges:

<b>\$5,000 Limit</b>	<b>\$10,000 Limit</b>
\$30	\$40

##### 4. Loss of Income (Coverage C) Included

**To Delete Coverage:** Apply \$100 policy credit.

**To Limit Coverage to \$50,000:** Apply \$50 policy credit.

##### 5. Money and Securities (Coverage D)

**Basic Limit** — \$5,000 On Premises and \$5,000 Off Premises.

**Limit automatically increased by 2x for certain seasons (see policy)**

**To Delete Coverage** — Apply \$25 policy credit.

**To Increase Coverage to \$10,000 On / 10,000 Off** — Apply \$50 charge.

##### 6. Outdoor (Exterior) Signs

Apply rate of \$20 per \$1,000 for the additional limit.

##### 7. Outdoor Statuary / Crosses / Tombstones

Apply rate of \$10 per \$1,000 for the additional limit.

##### 8. Valuable Papers and Records

Apply rate of \$3 per \$1,000 for the additional limit.

##### 9. Water Backup

To provide limited coverage for backup of drains and sewers list MHW 503:

**Basic Limit** — \$50,000 included

**To Increase Limits to \$100,000:** charge \$25.

##### 10. Agreed Value

To cover property on an agreed value basis, attach/list MHW 201 • Agreed Value – Property.

**B. PART II MODIFICATIONS**

**1. Fire / Explosion Legal Liability, \$50,000 standard — Increased Limit of Liability**

- \$100,000 — Flat charge of \$ 20
- \$250,000 — Flat charge of \$ 70
- \$500,000 — Flat charge of \$120

**2. Hired / Non-owned Automobile**

The policy provides incidental non-owned automobile coverage on an excess basis. To delete coverage apply \$10 policy credit list MHW 508.

**3. Pastoral Counseling Professional Liability (MHW 400)**

Coverage may be provided subject to per occurrence / aggregate limits. Rate as follows:

<b>\$300,000 / 600,000</b>	<b>\$500,000 / 1,000,000</b>	<b>\$1,000,000 / 2,000,000</b>
\$30 per Counselor	\$40 per Counselor	\$60 per Counselor

**4. Directors and Officers Liability (MHW 410)**

Coverage may be provided subject to per occurrence / aggregate limits. Rates as follows:

<b>Limits</b>	
\$100,000 / 200,000	\$125
\$300,000 / 600,000	\$150
\$500,000 / 1,000,000	\$200
\$1,000,000 / 2,000,000	\$250

**C. ADDITIONAL MODIFICATIONS**

**1. Additional Insureds - Refer to company**

**2. Sexual Abuse or Sexual Misconduct Exclusion**

- Coverage for liability for acts of sexual abuse or sexual misconduct is excluded. MCL 191 - Sexual Abuse or Sexual Misconduct Exclusion is a mandatory endorsement.
- Coverage may be extended to cover the insured's vicarious liability (Buyback Option) - to provide coverage, attach /list MCL 192 • Sexual Abuse or Sexual Misconduct Limited Liability.

Classifications	Each Person/General Aggregate		
	\$50,000/ \$100,000	\$100,000/ \$200,000	\$500,000/ \$1,000,000
Churches	\$50	\$.75	\$100

**3. Lead / Lead Contamination and Asbestos Exclusion — Liability**

Liability coverage for lead / lead contamination and asbestos is excluded. MCL 187 • Lead / Lead Contamination and Asbestos Exclusions — Liability is a mandatory endorsement.

**4. Refer to Company for other eligible coverage modifications.**

#### 4 • TERRITORY RATING ZONES

The following factors are to be applied to the base rates depending on the location of the property by zone:

ZONE 1: 1.01	ZONE 5: 1.01	ZONE 9: 1.20	ZONE 13: 1.05
ZONE 2: 1.02	ZONE 6: 1.20	ZONE 10: 1.50	
ZONE 3: 1.00	ZONE 7: 1.025	ZONE 11: 1.75	
ZONE 4: 1.00	ZONE 8: 1.025	ZONE 12: .90	

COUNTY	ZONE	COUNTY	ZONE	COUNTY	ZONE
ACCOMACK	11	ISLE OF WIGHT	10	WASHINGTON	6
ALBEMARLE	3	JAMES CITY	10	WESTMORELAND	10
ALLEGHANY	5	KING AND QUEEN	7	WISE	6
AMELIA	7	KING GEORGE	8	WYTHE	5
AMHERST	5	KING WILLIAM	7	YORK	10
APPOMATTOX	5	LANCASTER	10	<b>INDEPENDENT CITY</b>	
ARLINGTON	1	LEE	6	ALEXANDRIA	1
AUGUSTA	4	LOUDOUN	1	BEDFORD	5
BATH	4	LOUISA	7	BRISTOL	6
BEDFORD	5	LUNENBURG	7	BUENA VISTA	4
BLAND	5	MADISON	3	CHARLOTTESVILLE	3
BOTETOURT	5	MATHEWS	10	CHESAPEAKE	11
BRUNSWICK	7	MECKLENBURG	7	COLONIAL HEIGHTS	9
BUCHANAN	6	MIDDLESEX	10	COVINGTON	5
BUCKINGHAM	7	MONTGOMERY	5	DANVILLE	5
CAMPBELL	5	NELSON	5	EMPORIA	10
CAROLINE	8	NEW KENT	7	FAIRFAX	1
CARROLL	5	NORTHAMPTON	11	FALLS CHURCH	1
CHARLES CITY	7	NORTHUMBERLAND	10	FRANKLIN	10
CHARLOTTE	7	NOTTOWAY	7	FREDERICKSBURG	8
CHESTERFIELD	9	ORANGE	3	GALAX	5
CLARKE	2	PAGE	2	HAMPTON	10
CRAIG	5	PATRICK	5	HARRISONBURG	12
CULPEPER	3	PITTSYLVANIA	5	HOPEWELL	9
CUMBERLAND	13	POWHATAN	7	LEXINGTON	4
DICKENSON	6	PRINCE EDWARD	13	LYNCHBURG	5
DINWIDDIE	7	PRINCE GEORGE	7	MANASSAS	1
ESSEX	7	PRINCE WILLIAM	1	MANASSAS PARK	1
FAIRFAX	1	PULASKI	5	MARTINSVILLE	5
FAUQUIER	3	RAPPANHANNOCK	3	NEWPORT NEWS	10
FLOYD	5	RICHMOND	7	NORFOLK	11
FLUVANNA	7	ROANOKE	5	NORTON	6
FRANKLIN	5	ROCKBRIDGE	4	PETERSBURG	9
FREDERICK	2	ROCKINGHAM	12	POQUOSON	10
GILES	5	RUSSELL	6	PORTSMOUTH	11
GLOUCESTER	10	SCOTT	6	RADFORD	5
GOOCHLAND	7	SHENANDOAH	4	RICHMOND	9
GRAYSON	5	SMYTH	6	ROANOKE	5
GREENE	3	SOUTHAMPTON	10	SALEM	5
GREENSVILLE	10	SPOTSYLVANIA	8	STAUNTON	4
HALIFAX	7	STAFFORD	8	SUFFOLK	11
HANOVER	8	SURRY	10	VIRGINIA BEACH	11
HENRICO	9	SUSSEX	10	WAYNESBORO	4
HENRY	5	TAZEWELL	6	WILLIAMSBURG	10
HIGHLAND	4	WARREN	2	WINCHESTER	2

## 5 • BASIC RATE TABLE

Protection Class	BUILDING			CONTENTS		
	Prot	PartProt	UnProt	Prot	PartProt	UnProt
Frame	2.25	3.25	3.75	2.25	3.25	3.75
Masonry	1.75	2.50	3.00	1.75	2.50	3.00
Non-Combustible	1.50	2.25	2.50	1.50	2.25	2.50

### Expanded Coverage – Premium of \$100

Liability Rates	<u>Flat Charge</u> > > <u>PLUS</u> > > <u>Rate Per 1,000 Square Feet</u>
\$100,000 Limits:	\$ 50                                 \$10
\$300,000 Limits:	\$ 75                                 \$11
\$500,000 Limits:	\$ 100                                 \$12
\$1,000,000 Limits:	\$ 125                                 \$15

## 6 • RATING EXAMPLE

\$1,000,000 Frame Church building located in Protection Class 9 (Partially Protected) in Loudoun County ; \$100,000 Contents; 5000 sq ft., \$500 deductible; \$1 million liability

Building: 1000 X \$3.25 (Basic Rate) X 1.01 (Loudoun county)	= \$3,283
Contents: 100 X \$3.25 (Basic Rate) X 1.01 (Loudoun county) + \$100 (Expanded Coverage)	= \$ 428
Equipment Breakdown	= \$ 126
Terrorism	= \$ 10
Liability: \$125 Flat Charge PLUS 5. X \$15	= \$ 200
<b>Options</b>	
Employee Dishonesty \$10,000	\$40
Water backup	\$25
Pastoral Counseling	\$60
Sexual Abuse	\$100
D&O	\$250
Sub-Total	\$4,532
IRPM	X .80
<b>Policy Premium</b>	<b>\$3,626</b>

## 7 • POLICY FORMS

### 1. Standard Forms

MHW 010	10 07	Base Form
LM 011	10 09	Supplemental Dec
MHW 503		Ltd Water Backup
MHW 505		Ltd Host Liquor
MCL 187		Lead Exclusion
MCL 191		Sexual Abuse Exclusion
LM EBC		Equipment Breakdown
MCM 424		Certified Terrorism Loss Coverage

### 2. Optional Forms

MHW 171		Employee dishonesty
MHW 201		Agreed Value
MHW 400		Pastoral counseling
MHW 410		Directors & Officers
MHW 504		ACV
MHW 508		Deletion of Hired/Nonowned Auto
MCL 192		Sexual Abuse Ltd Liability