

## Religious Institution Property Endorsement

### THIS ENDORSEMENT CHANGES THE POLICY- READ IT CAREFULLY.

This endorsement modifies insurance provided under the

#### Building and Personal Property Coverage Form

We will charge you additional premium for values reported from the date you acquire the property or begin construction of that part of the building that would qualify as covered property.

#### A. Eligible Property

1. This endorsement applies only to the following property and only if such property is Covered Property:
  - a. Real property used for conducting worship services.
  - b. Real property used for conducting religious instruction, a nursery school or day care center, but not any other type of school or educational activity.
  - c. Rectories, manses, convents, monasteries or any other residences furnished by you for your clergy, or other religious leaders.
  - d. Offices, halls, gymnasiums, private garages, storage buildings and other real property, if used in connection with any of the above.
2. This endorsement does not apply to any property used in whole or in part for, or in connection with, any of the following, regardless of whether such property is Covered Property under your policy:
  - a. Commercial or manufacturing operations.
  - b. Apartments or office buildings.
  - c. Schools or educational buildings other than schools for religious instruction, nursery schools or day care centers.
  - d. Private residences other than residences furnished by you for your clergy or other religious leaders.
  - e. Aims houses or convalescent homes.
  - f. Hospitals, infirmaries or sanitariums.
  - g. Homes for the aged or orphanages.

#### B. Additional Real Property

We will consider the following items real property whether they are permanently attached to the building or not:

1. Organs, alters and pulpits.
2. Railings, pews and confessionals.
3. Bells, tower clocks, chimes and carillons.
4. Fonts, tabernacles, arks, stations, reredos and baldachinos.

#### C. Newly Acquired or Constructed Property

Subparagraph (3) of the Newly Acquired or Constructed Property Coverage Extension is replaced by the following:

- (3) Insurance under this Extension for each newly acquired or constructed property or each newly acquired or formed organization will end when any of the following first occurs:
  - (a) This policy expires;
  - (b) 180 days expire after you acquire or begin to construct the property, or you acquire or form the organization; or
  - (c) You report values to us.

#### D. Personal Effects And Property Of Others

Sections (1) and (2) of the Personal Effects and Property of Others Coverage Extension are extended to apply to loss or damage to the personal effects of:

1. Your clergy or other religious leaders of your religious institution;
2. Officials of your religious institution;
3. Volunteer workers; and
4. Members of your congregation or visitors;

while such property is at the described premises. Under Section (2) of this Extension, the \$250 per person limit applies to this property.

#### E. Property Off-Premises

The Property Off-Premises Coverage Extension is amended by the following:

1. The insurance under this Extension that applies to your Covered Property in the due course of transit is extended to apply to loss or damage to such property caused by or resulting from any Covered Cause of Loss.
2. The Limit of Insurance under this Extension that applies to loss or damage to property in the due course of transit is increased to \$10,000 per occurrence.

#### F. Extra Expense

The following is added to the coverage extensions:

1. The insurance provided by this Extension is extended to apply to the actual and necessary "extra expense" you incur during the "period of restoration" due to direct physical loss of or damage to the property described below, caused by or resulting from a Covered Cause of Loss:
  - a. Contingent property, meaning property that is located elsewhere, is operated by others and:
    - (1) Attracts religious institution members or potential members the area; or
    - (2) Is located at premises where your religious institution is permitted to solicit donations and contributions.

However, contingent property does not include power or communication transmission lines.

- b. Property at any location you acquire. However, insurance under this Extension for newly acquired property will end:
  - (1) 180 days after the date you acquire the property;
  - (2) When this policy expires; or
  - (3) When you report values to us;

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whichever occurs first. We will charge you additional premium for values reported from the date you acquire the property.

2. The definition of "period of restoration" is replaced by the following:

- a. **"Period of Restoration"** means the period of time that:
- (1) Begins with the date of direct physical loss or damage caused by or resulting from any Covered Cause of Loss; and
  - (2) Ends on the earliest of the following dates:
    - (a) The date you restore your business "operations" to the condition that would have existed if no direct physical loss or damage occurred; or
    - (b) 60 days after the date when property should be repaired, rebuilt or replaced with reasonable speed and similar quality. But if you do not plan to resume "operations", this additional 60 days does not apply, and the "period of restoration" will end on the date when the property should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
    - (c) 365 days after the date of direct physical loss or damage.  
If the direct physical loss or damage is to a building being built or altered at the premises of a religious institution to which this endorsement applies and such loss or damage delays the start of "operations", the "period of restoration" will begin on the date "operations" would have begun if the direct loss or damage had not occurred.

- b. **"Period of restoration"** does not include any increased period required due to the enforcement of any law that:
- (1) Regulates the construction, use or repair or requires the tearing down of any property; or
  - (2) Requires any Insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of "pollutants".
- c. The expiration date of this policy will not cut short the "period of restoration".

### G. Loss of Religious Institution Income

The following is added to the Coverage Extensions:

1. The insurance provided by this Coverage Form is extended to apply to:
  - a. The **actual** loss of "business income" you sustain due to the necessary suspension of your "operations" during the "period of restoration". The suspension must be caused

by direct physical loss of or damage to the property described below:

- (1) Property at the premises of a religious institution to which this endorsement applies.
- (2) Contingent property, meaning property that is located elsewhere, is operated by others and:
  - a) Attracts religious institution members or potential members to the area; or
  - b) Is located at premises where your religious institution is permitted to solicit donations and contributions.

However, contingent property does not include power or communication transmission lines.

- (3) Property at any location you acquire.  
However, insurance under this Extension for newly acquired property will end:
  - (a) 180 days after the date you acquire the property;
  - (b) When this policy expires; or
  - (c) When you report values to us;

whichever occurs first. We will charge you additional premium for values reported from the date you acquire the property.

- b. The actual loss of "business income" you sustain caused by action of civil authority that prohibits access to the premises of a religious institution to which this endorsement applies, due to direct physical loss of or damage to other nearby property. This coverage will apply for a period of up to 30 days from the date of that action.

Insurance under this Extension applies only if loss or damage to the property described above is caused by a Covered Cause of Loss. The Special Exclusions in the applicable Causes of Loss Form that apply to the Business Income (and Extra Expense) Coverage Form, Business Income (without Extra Expense) Coverage Form or Extra Expense Coverage Form also apply to this Extension.

The most we will pay for loss of "business income" in any one occurrence under this Extension is \$10,000. No deductible applies to this Extension.

2. We will determine the amount of loss under this Extension as follows:

- a. The amount of "business income" loss will be determined based on:
  - (1) The Net Income of the religious institution before the direct physical loss or damage occurred.
  - (2) The likely Net Income of the religious institution if no loss or damage occurred.
  - (3) The operating expenses, including payroll expenses, necessary to resume "operations" with the same quality of service that existed just before the direct physical loss or damage.

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- (4) All necessary expenses that reduce the "business income" loss that otherwise would have been incurred, but only to the extent that the loss is reduced; and
- (5) Other relevant sources of information, including:
  - (a) Your financial records and accounting procedures;
  - (b) Bills, invoices and other vouchers; and
  - (c) Deeds, liens or contracts.
- b. You must resume all or part of your "operations" as quickly as possible. If you fail to do so, we will reduce the amount of your "business income" loss to the extent you can resume your "operations", in whole or in part, by using damaged or undamaged property at your premises or elsewhere.

### 3. Definitions

#### a. "Business Income" means the:

- (1) Net Income of the religious institution (Net Profit or Loss before income taxes) that would have been earned or incurred; and
- (2) Continuing normal operating expenses. Continuing normal operating expenses are expenses that:
  - (a) Would have been covered by the income of the religious institution before the loss; and
  - (b) Are required so that the religious institution can restore "operations" to the condition that would have existed had not loss occurred.

- b. The definition of "period of restoration" in the Coverage Form to which this endorsement is attached, does not apply to this Extension.

"Period of Restoration", as used in this Extension, means the period of time that:

- (1) Begins with the date of direct physical loss or damage caused by or resulting from any Covered Cause of Loss; and
- (2) Ends on the earliest of the following dates:
  - (a) The date you restore your business "operations" to the condition that would have existed if no direct physical loss or damage occurred; or
  - (b) 60 days after the date when property should be repaired, rebuilt or replaced with reasonable speed and similar quality. But if you do not plan to resume "operations", this additional 60 days does not apply, and the "period of restoration" will end on the date when the property should be repaired, rebuilt or replaced with reasonable speed and similar quality; or

- (c) 365 days after the date of direct physical loss or damage.

If the direct physical loss or damage is to a building being built or altered at the premises of a religious institution to which this endorsement applies and such loss or damage delays the start of "operations", the "period of restoration" will begin on the date "operations" would have begun if the direct loss or damage had not occurred.

"Period of restoration" does not include any increased period required due to the enforcement of any law that:

- (1) Regulates the construction, use or repair or requires the tearing down of any property; or
- (2) Requires any Insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of "pollutants".

The expiration date of this policy will not cut short the "period of restoration".

### H. Expediting Expenses

The following is added to the Coverage Extensions:

You may extend the insurance provided by this Coverage Form to apply to the reasonable costs you incur to expedite the repair or replacement of Covered Property at the premises of a religious institution to which this endorsement applies, which is damaged by a Covered Cause of Loss. Reasonable costs include overtime and the extra cost of express or any other rapid means of transportation. The most we will pay for expediting expenses in any one occurrence under this Extension is \$2,500. No deductible applies to this Extension.

### I. Outdoor Signs

The following is added to the Coverage Extensions:

1. You may extend the insurance provided by this Coverage Form to apply to **Risks of Direct Physical Loss or Damage** to:
  - a. Outdoor signs; except as excluded below.

#### 2. Exclusions

We will not pay for loss or damage under this Extension caused by or resulting from:

- a. Any of the following to the extent these causes of loss are excluded in the Causes of Loss Form applying to this Coverage Form:
  - (1) Governmental Action;
  - (2) Nuclear Hazard; or
  - (3) War and Military Action.
- b. Any of the following. But if loss or damage by a cause of loss not otherwise excluded in this Extension results, we will pay for that resulting loss or damage.
  - (1) Wear and tear of gradual deterioration;
  - (2) Hidden or latent defects, or any quality in the property which makes it inherently dangerous or likely to break down;
  - (3) Rust or corrosion;
  - (4) Insects, birds, rodents or other animals;

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- (5) Mechanical breakdown;
- (6) Breakage during the installation, repairing or dismantling, or loss or damage due to and resulting from any repairing, restoration or retouching process; or
- (7) Artificially generated electrical current, including electric arcing, that disturbs electrical devices, appliances or wires.

No other exclusions in your policy apply to this Extension.

- 3. The most we will pay for loss or damage to outdoor signs in any one occurrence under this Extension is \$5,000.

### **J. Automatic Increase in Insurance**

The following is added to the **Limits of Insurance** section:

The Limits of Insurance shown in the Declarations for real property and personal property, to which this endorsement applies, will automatically increase by an annual rate of 8%. This increase will be applied proportionately during each policy year to the Limits of Insurance at the beginning of that policy year.