

DIOCESE OF VICTORIA

INSURANCE MANUAL

OCTOBER 2018



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INTRODUCTION

In March 1997, twenty episcopal corporations in the four western provinces and (at the time) two territories implemented a collective arrangement (the Group) to purchase property insurance. Historically, the corporations had purchased their insurance separately and there was a wide disparity in coverage and in cost.

Effective March 2003, the Group formalized the program into a reciprocal insurance exchange under the name "Asset Protection Insurance Exchange/Assurance de Reciprocité pour la Protection des Actifs" (APEX). A reciprocal insurance exchange is a contractual arrangement amongst "like minded" entities pursuant to which they agree to share risk. A reciprocal is regulated in the same manner as insurers; however it is limited to insuring only its participants, not the general public. The stated objective of APEX is to secure equitable, comprehensive and cost-effective insurance coverage for its participants.

Through APEX we insure all of our properties and our equipment. We also have separate liability insurance that we purchase for the Diocese, through CapriCMW Insurance Services Ltd, for all of our parishes, schools and other properties and operations.

CONTACT LIST

General Enquiries:

Contact Name	Address	Telephone	Fax	E-Mail
Leah MacKenzie, Chief Financial Officer	4044 Nelthorpe St Victoria, BC V8X 2A1	250-479-1331 extension 231	250-479-5423	leahm@rcdvictoria.org

Certificate or Change Requests:

Contact Name	Address	Telephone	Fax	E-Mail
Leslie O'Brien	4044 Nelthorpe St Victoria, BC V8X 2A1	250-479-1331 extension 239	250-479-5423	insurance@rcdvictoria.org

Claims:

Contact Name	Address	Telephone	Fax	E-Mail
Paula Garrecht Claims Manager CapriCMW Insurance	CapriCMW Insurance 100 – 1500 Hardy St. Kelowna, B.C. V1Y 8H2	1-888-668-4441 extension 3804	250-860-1213 Toll Free: 1-888-822-6115	pgarrecht@CapriCMW.ca

If you have an **emergency** claim, after hours, then please call CapriCMW Insurance 24/7 at 1-888-668-4441 or 1-800-670-1877.

PROPERTY INSURANCE

DESCRIPTION OF COVERAGE

The following summary is general in nature. Please refer to the office of the financial administrator for specific details.

The Property policy provides insurance protection on your physical assets in the event of an insured loss.

Property Insured

Property of Every Description owned or which you are responsible to insure including but not limited to:

- Buildings (church, halls, and rectories)
- Contents (including fixtures, fittings, and musical instruments)
- Glass (including stained glass)
- Signs
- Precious metals (including chalices, etc.) Limit \$150,000
- Property temporarily removed
- Property in transit
- Property being constructed, renovated, and repaired
- Newly acquired property subject to a \$2,000,000 limit with 60 day reporting

Property Not Insured

Excluded property includes but is not limited to:

- Aircraft, watercraft, and licensed motor vehicles
- Property illegally acquired
- Monies and securities
- Headstones
- The personal effects of any staff member including, but not limited to, priests

Losses Covered

Your insured Property of Every Description is protected against All Risks of direct physical loss or damage, including but not limited to:

- | | |
|--------------|------------------------------|
| Fire | Lightning |
| Windstorm | Hail |
| Water Escape | Vandalism and Malicious Acts |
| Explosion | Collapse |
| Smoke Damage | Freezing |
| Sewer Backup | Theft |
| Flood | Earthquake |

Losses Not Covered

Among the risks excluded by the policy are losses or damage caused by:

- Wear and tear including gradual deterioration
- Explosion or rupture of owned pressure vessels
- Electrical arcing of electrical panel
- Subsidence
- Losses due to terrorism
- Losses due to computer viruses
- Losses due to mould

Extensions of Coverage

The main additional extensions included in the policy wordings include:

- Loss of revenue and extra expense
- Professional fees (accountants, engineers, architects, etc.)
- Increased costs due to by-laws
- Consequential loss (temperature change)
- \$100,000 Valuable papers and records
- \$100,000 Accounts Receivable

Vacancy Conditions

Coverage on locations that are vacant, unoccupied, or shut down for more than 60 consecutive days will revert to Named Perils unless:

- i) the water is shut off and the pipes drained, all doors and windows are secured and the premises are checked weekly;
- ii) the property is registered with APEX as a “seasonal building”, seasonal buildings are buildings operated for their intended occupancy, but for less than twelve (12) months of the year. Summer chapels, camps and shrines would be examples of seasonal buildings.

Full details of the restriction are outlined in Endorsement #19 of the policy wording.

Locations which are vacant for more than 90 days will be valued as Actual Cash Value, after 180 days the coverage will be reduced to Debris Removal only unless:

- i) the location has been reported to the insurer as a seasonal location.

Policy Sublimits

The policy includes the following limits of coverage:

- Fire fighting expenses \$100,000
- Valuable Papers \$ 50,000
- Professional Fees \$ 50,000
- Jewels, jewellery, precious metals or stones \$ 150,000
- Business Interruption – per location \$ 500,000
- Fine arts on an agreed amount basis as scheduled
- Watercrafts cannot exceed 8 metres in length
- First party pollutant clean-up removal – \$100,000. This coverage will only apply if reported to the insurer within 180 days of the earlier of:
 - 1. The date of the direct physical loss or damage
 - 2. The end of the policy period
- \$150,000,000 Aggregate Limit for earthquake
- \$100,000,000 Aggregate Limit for flood
- \$100,000,000 Maximum any one loss, all other losses

Basis of Loss Settlement

If you suffer an insured loss, the policy will pay to repair or replace the damaged property with new property of like kind and quality. We have extended the policy to provide additional extensions such as:

- 115% Margin Clause
- 0.75% per month Inflationary Increase Clause
- No same site restriction
- Fine Arts on an agreed amount basis as scheduled
- Partial Replacement Cost
- Actual Cash Value
- Debris removal

Deductibles

- "Per Episcopal Corporation", any one loss except
- With respect to flood, \$100,000 per occurrence (an occurrence is all flooding at a single location within a period of 168 hours)
- With respect to earthquake, 5% of insured value, minimum \$100,000 for all episcopal corporations except for Diocese of Victoria and the Eparchy of New Westminster (locations 1,6,8,10,11,14,16) which have a deductible of 15%, minimum \$250,000

VALUATION OPTIONS

All properties are insured on a replacement cost basis unless stated otherwise. The policy provides for alternative valuation methods however; buildings must be insured for replacement cost unless approved by the Bishop.

Replacement Cost (RC)

Covers the cost to repair, replace or reconstruct using materials of like kind and quality and for like occupancy without deduction for depreciation.

Replacement cost is not payable until the damage has been repaired or replaced.

Replacement Cost does not apply to:

- Paintings, etchings, pictures, tapestries, statuary, marbles, bronzes, antique furniture, rare books or other articles of art, rarity or antiquity.

All properties are insured on a replacement cost basis unless stated otherwise.

Partial Replacement Cost (PRC)

In the event of a **partial** loss, settlement will be on the basis of replacement cost with no depreciation, up to the amount of insurance specified for that location.

In the event of a **total** loss, settlement would be the declared amount.

Actual Cash Value (ACV)

Takes into account the cost to replace, less any depreciation or obsolescence. The condition immediately prior to the loss, the resale value and the normal life expectancy will be taken into consideration when determining depreciation.

Debris removal (DR)

Covers only the cost to clear debris from the site after an insured loss.

SAMPLE LOSS SETTLEMENTS

Example 1

Church is insured for \$200,000. Fire damages the altar area, with heavy smoke damage to sanctuary and vestibule. Cost of repairs is \$50,000. Depreciation of 20% or \$10,000 can be applied to the floor coverings, painting, and furnishings.

Policy A: Replacement Cost Coverage

Policy will pay full \$50,000 cost of repairs, subject to applicable deductible.

Policy B: Partial Replacement Cost

Policy will pay full \$50,000 cost of repairs, subject to applicable deductible.

Policy C: Actual Cash Value Coverage

Policy will pay \$40,000 towards repairs (\$50,000 less \$10,000 depreciation), subject to applicable deductible.

Example 2

Same church, insured for \$200,000. This time, the fire destroys the building and contents. Cost to reconstruct the building and replace contents is \$300,000. ACV has been determined to be \$150,000.

Policy A: Replacement Cost

If the church rebuilds, the policy will pay up to \$200,000 towards repairs and replacement. Any costs over \$200,000 are un-insured.

If they chose not to rebuild, the policy will pay \$150,000 ACV.

Policy B: Partial Replacement Cost

The policy will pay \$200,000, regardless of whether or not you rebuild.

Policy C: Actual Cash Value

The policy will pay \$150,000 regardless of whether or not you rebuild.

EQUIPMENT BREAKDOWN INSURANCE

DESCRIPTION OF COVERAGE

The following summary is general in nature. Please refer to the office of the financial administrator for specific details.

Equipment Breakdown coverage protects you against the sudden and accidental mechanical breakdown of equipment.

Property Damage

Coverage Form:	Comprehensive excluding production machines and including electronic equipment
Property Valuation:	Repair or Replacement
Limit Per Accident:	\$50,000,000
Deductible:	"Per Episcopal Corporation" any one loss
Sub-limits:	Ammonia Contamination: \$500,000
	Expediting Expenses: \$500,000
	Fungus Clean Up or Removal: \$50,000 (Annual Aggregate)
	Hazardous Substances: \$500,000
	Professional Fees: \$500,000
	Water Damage: \$500,000

Business Interruption

Coverage Form:	Actual Loss Sustained
Limit:	\$2,000,000
Waiting Period:	24 hours

Extra Expense

Limit:	\$100,000
Waiting Period:	24 hours

Service Interruption

Included within 1,000 metres of the insured's location(s) excluding the perils of lightning; wind or hail; weight of ice or snow; riot; civil commotion; vandalism; impact of vehicles, aircraft, missiles or by objects falling from missiles; smoke; collapse; rising water or flood; or by a deliberate act or acts by the supplying utility to shed load to maintain system integrity.

Coverage Extensions

By-laws:	Included
Civil Authority:	4 weeks
Data & Media:	\$50,000
Errors & Omissions:	\$500,000
Green Standards Endorsement	Included
Stock Spoilage	\$10,000

Additional Exclusions/Restrictions

- Fungus
- Contractual Acceptance
- Impact of aircraft, spacecraft or land vehicles, riot, smoke, and leakage of fire protective equipment
- Compliance with applicable trade sanctions laws
- Territorial Restriction

GENERAL LIABILITY INSURANCE

DESCRIPTION OF COVERAGE

The following summary is general in nature. Please refer to the office of the financial administrator for specific details.

Losses Covered

The policy covers our liability imposed by law for Bodily Injury, Property Damage or Personal Injury to a third party arising from our premises, products, and our operations.

The policy provides coverage for the following extensions:

Premises, Property & Operations

- Slip and fall types of injury on the premises
- Food Poisoning

Personal Injury

- False arrest
- Wrongful detention or imprisonment
- Humiliation, mental anguish, and abuse
- Discrimination
- Libel, slander, and defamation of character

Products & Completed Operations

- Products sold by or through the insured
- Operations or activities performed or sponsored by the insured

Employer's Liability

Provides coverage for suits brought by an employee or volunteer for work related injuries where Workers' Compensation benefits are not purchased.

Contingent Employers' Liability

Provides coverage for lawsuits brought by employees for work related injuries if Workers' Compensation rules do not apply under certain circumstances.

Voluntary Compensation

This cover provides a nominal loss of wages benefit to an injured employee or volunteer who is accidentally injured while performing an activity on behalf of the insured. Coverage applies on a voluntary basis so there is no need of a lawsuit.

Medical Payments

The limit provided, \$2,500 per person/\$25,000 per accident, provides the cost of first aid treatment regardless of fault, unless the person is otherwise insured. Coverage applies to volunteers as well as third parties. Employees are not covered by this extension.

Tenants Legal Liability

Coverage is provided, to a limit of \$1,000,000, for legal liability for damages that are done to premises that you rent.

Non-Owned Automobiles

This extension provides coverage on behalf of the Episcopal Corporation for third party liability claims arising from the use of automobiles that the Episcopal Corporation does not own. Examples of this would be employees or volunteers using their cars on your business. Should they be involved in an at fault accident while on your business, the Episcopal Corporation would be protected from lawsuits by this policy.

Employees and Volunteers as Additional Named Insureds

This extension provides coverage for employees and volunteers while they are acting on your behalf against claims made by third parties.

Employee Benefit Liability

This extension covers negligence in the administration of your employee benefits programs.

Hired Automobile

Protection is provided for physical damage coverage only (collision and comprehensive) for vehicles rented on a short-term basis by employees or volunteers if rented in the name of the Episcopal Corporation. Coverage is subject to a limit of \$35,000 and a deductible of \$1000.

Church Counseling Liability

Protection is provided on behalf of the insured and its ministers for alleged or actual errors, omissions, faulty advice, or professional misconduct in their church counseling. The extension includes defense costs and extends to cover whether a counseling fee is charged or not and whether the counseling is done for members of the church or those not connected to the church.

Physical & Sexual Abuse Coverage

- Claims made form, retroactive March 01, 1997

Limits of Insurance

The General Liability, Church Counseling and Physical and Sexual Abuse policies include a per occurrence and annual aggregate limit of \$2,000,000. If an excess policy has been purchased, then higher limits would apply.

Losses not Covered

Some types of losses that are not covered by the liability policy are:

- Use of automobiles, except for non-owned and hired automobiles as previously described.
- Use of aircraft or watercraft
- Gradual Pollution
- Intentional acts except those attempted to prevent injury to others or damage to property.
- War and radioactive contamination
- The personal liability (as opposed to work-related) of any employee or volunteer including, but not limited to, priests
- Damage to property you own or that is in your care, custody, and control.

CLERGY TENANT POLICY

Comprehensive Coverage: \$35,000 or \$50,000

Personal Liability: \$2,000,000

PERILS INSURED:	“ALL RISK”
Debris Removal	Included
Trees, Plants, Shrubs, Lawns	5%/Max \$500
Personal Property Limits	As per selected limit
Replacement Cost	Included
Inflation Protection	Included
Sewer Backup	Included/Policy Limit
Improvements & Betterments	Included
Property: <ul style="list-style-type: none"> - Temporarily Removed - At New Residence - In Transit to New Residence - At other Residence - In storage warehouse - Of Roomers, boarders - Of Residence Employee - Usually Kept at Business 	<ul style="list-style-type: none"> - Policy Limit - For 30 Days - Covered within Canada - If temporarily removed - Not covered - Not Covered - Included - \$1,000
Food Freezer Spoilage	\$1,000 – NO deductible
Fire Department Charges	\$2,000 – NO deductible
Tear Out – Water Damage	Included
Theft Damage to Building	\$1,000
Lock Replacement	\$500 – NO deductible
Reward Coverage	\$500 – NO deductible
Credit and Debit Cards	As stated in declarations
Hold-up of cash at automatic teller	Refer to Specific Limits for Personal property (money)
Additional Living Expenses	20% of Contents Limit
Mass Evacuation & Additional Living Expenses	Included

Specific Limits for Personal Property	
Money, Bank Notes, Bullion	\$500
Securities	\$3,000
Manuscripts	\$1,000
Watercraft	\$2,000
Computer Hardware	Policy Limit
Computer Software	\$5,000
Garden-type Tractors	Policy Limit
Animals, birds, fish: excluding theft, vehicle impact, disease	\$2,000
Collectible Cards & Comic Books	\$1,000
Business: All business property – on premises	\$2,000
Coin Collections/Numismatic – THEFT	\$500
Stamp Collections/Philatelic – THEFT	\$1,000
Furs/Jewellery – THEFT	\$3,000
Silverware/Pewterware - THEFT	\$10,000
EACH bicycle including equipment	\$500

CLAIMS REPORTING AND PROCESSING

The timely, equitable and cost effective processing of all claims is a priority for the APEX program. To achieve this objective, the APEX has entered into a claims management agreement with CapriCMW Insurance Services. Under the terms of this agreement CapriCMW will manage the processing of all claims. CapriCMW will provide a liaison between the APEX office, the Diocese and the loss location.

In the Event of Property Damage

In the event of a loss, please complete the **Notice of Loss** form contained in this manual and forward it to the Diocese as soon as possible. The Diocese will forward a report to CapriCMW. Once the report is filed, a CapriCMW representative will contact you to advise you of the necessary actions to be taken.

If Claim is under Deductible

Please report all claims to the Diocese. It is important for APEX to maintain records for these claims and the amount spent on repairs in order to evaluate true claims costs for the Group. This will also assist with developing a profile of frequent losses and areas where risk management or other deductibles might be required.

Liability Claims (Incident Report / Notice of Injury)

- Do not accept liability in any situation for Third Party property damage or bodily injury.
- You may sympathize with and extend reasonable care to the injured party, but in no circumstances should you make any comments as to fault.
- If you are asked to make some compensation to a Claimant, simply advise them that you will refer the matter to your insurance company for appropriate handling.
- Important to obtain names and addresses of any witnesses, as well as written statements from employees or volunteers who may have been directly involved in a reportable situation.
- Treat any serious injury as a potential claim.

Document as much information as possible immediately after the incident, including photos of the exact location if possible (i.e. stairs, parking lots). Memories become less reliable with the passing of time and many claims are not formally reported until many months or even years following the incident.

Refer to the Risk Management Information Manual as it relates to Liability Claims for more detail.