



# CATHOLIC DIOCESE of CLEVELAND

## Master Insurance Program

### Property Coverage

#### **BUILDINGS AND CONTENTS**

All buildings and contents insured under the Diocesan Master Insurance Program are insured on an all risk, replacement cost basis. The policy agrees, subject to its limitations, terms, and conditions, to pay your location for all risks of physical loss or damage to insured property occurring during the policy period. Limit of coverage is up to 125% of stated location values on file with DISC.

#### **REPLACEMENT COST COVERAGE**

Locations are covered for the full cost of repair or replacement. This coverage provides for reimbursement of the actual cost to repair or replace damaged property without depreciation.

- A condition of the replacement cost provision is that the actual building or contents **MUST BE REPLACED** on the same site or an alternate site, within a reasonable period of time following the date of loss.
- If the building or contents are **NOT REPLACED**, settlement will be on a sound or actual cash value basis which is defined as cost new, **less depreciation**.

#### **DEMOLITION "CAPPED" COVERAGE**

Exceptions to replacement cost coverage are individual buildings that are either vacant, unused, or substantially under-utilized and which are specifically listed as such on the policy. As it is agreed that these buildings would not be replaced in the event of a substantial loss, the amount of coverage is limited to or "capped" at **\$250,000**. Partial losses are paid on a full replacement cost basis up to a maximum of \$250,000.

- As capping coverage severely limits the amount of insurance coverage on a building, **an understanding and agreement form must be signed and renewed ANNUALLY** by the parish's pastor/administrator, parish council president, finance committee chairperson, the Diocesan Financial Secretary, and the final approval of the Bishop agreeing to this coverage

#### **PERILS INSURED**

All buildings and contents are insured on a special form, all risk basis. This provides coverage against all perils except those that are specifically excluded in the policy form.

- Principal exclusions to all property sections are wear-and-tear; war or military action; ordinance or law; cracking, settling, or bulging of foundations, pavements, etc.; and other common policy exclusions.
- Flood and earthquake coverages are provided on a catastrophic basis only and are subject to a \$500,000 per occurrence deductible and \$25,000,000 annual limit for all locations combined.

#### **APPRAISALS**

Values shown on the Certificate of Insurance for each insured location have been taken from appraisals prepared by The Industrial Appraisal Company (*Pittsburgh, Pennsylvania*) where available. Appraisals are updated each year by The Industrial Appraisal Company, adding in increases for construction costs as well as any changes reported to them. Every location **must** use the appraisal update forms mailed annually from Industrial Appraisal to report these changes.

- **IT IS IMPORTANT THAT YOU REPORT ANY NEW CONSTRUCTION, MAJOR REMODELING, NEW PROPERTY ACQUISITIONS, AND DEMOLITIONS DIRECTLY TO THE INDUSTRIAL APPRAISAL COMPANY ON YOUR ANNUAL UPDATE FORM. IF YOUR VALUES ON FILE ARE**

NOT UP-TO-DATE, YOU MAY BE PENALIZED AT TIME OF LOSS BY THE 125% RECOVERY LIMITATION.

### **DEDUCTIBLE CLAUSE**

A **\$1,000 per occurrence** deductible is applicable to all property claims for all parishes and institutions.

### **STATE/SCHOOL BOARD-OWNED SCHOOL EQUIPMENT**

**No coverage** is provided under the D.I.S.C. Master Insurance Program for state/school board-owned or state/school board-provided school equipment, books, furnishings, mobile classroom units, or contents.

### **MISCELLANEOUS DWELLINGS, BUILDINGS, AND OTHER PROPERTY**

Please report ownership of all various dwellings, buildings, or other property to the Diocesan Property/Casualty Insurance Department so that proper coverage may be obtained. It may be necessary to specifically insure items in this category since they may not be covered under the blanket provisions of the master policy.

### **PERSONAL PROPERTY OF PRIESTS, RELIGIOUS TEACHERS, VOLUNTEERS, OR EMPLOYEES**

Coverage **IS NOT** provided for the personal property of priests, clergy, religious teachers, volunteers, or employees under this program. Therefore, it is necessary for the clergy and others to continue their individual homeowners/tenants or other policies relating to their personal insurable exposures.

### **BUSINESS INTERRUPTION/EXTRA EXPENSE**

The Master Plan provides business interruption/extra expense coverage for each location. For schools, this coverage is known as School Interruption Expense. This protection provides recovery of actual loss of revenue and/or payment for increased or additional expenses incurred to continue operating or for use of temporary quarters due to damage to insured buildings or contents by peril insured against under the policy.

### **VALUABLE PAPERS**

The master policy provides **\$500,000** blanket coverage for the cost of reproducing valuable records or papers that were destroyed by a peril insured against under this policy.

### **ARCHITECT FEES AND CODE UPDATES**

The program provides coverage for the cost of architect fees as well as for any increased costs that may be necessary to meet current building and safety codes when rebuilding due to a loss insured against under the policy.

### **DOCUMENTATION REQUIREMENTS OF SACRED VESSELS AND ART OBJECTS**

Each parish in the Diocese is required by Canon Law to have on file at the rectory office an updated inventory with complete descriptions of all sacred vessels, objects, vestments, and fine arts that are owned by the parish and insured under the Diocesan Master Insurance Program. It is important to have a current appraisal listing these objects, with color photographs, on file and available for the insurance adjuster. A copy of such an inventory should also be sent to the Chancery.

According to Canon 1283, a pastor or anyone entrusted with a church office entailing administration of ecclesiastical goods is to *"prepare, sign, and subsequently renew an accurate and detailed inventory of immovable goods, movable goods, either precious or of significant cultural value, or other goods along with a description and appraisal of them; one copy of this inventory is to be kept in the archives of the administration; the other, in the curial archives; any change whatever which the patrimony may undergo is to be noted on each copy."*

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