

# Renewal Proposal

## Prepared For

ST LUKES EVANGELICAL LUTHERAN CHURCH  
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## Prepared By

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Listening. Learning. Leading.

# Long-standing Commitment to America's Houses of Worship

In 1897, two pastors and eight laymen founded Church Mutual with the idea that churches deserve special insurance, attention, and rates.

More than a century of refinements, enhancements, and expansions have made Church Mutual the leading insurer of worship centers and related institutions in the United States.

Church Mutual provides property and liability protection to worship centers of all denominations and sizes, as well as to schools, colleges, camps, denominational offices, and senior living facilities. More than 98,000 religious institutions now place their trust in us.

Industry analyst A.M. Best has rated Church Mutual "A+ (Superior)" for every year since 1952. Additional financial stability is gained through well respected reinsurance organizations.

We are a mutual company, so our policyholders actually own Church Mutual. There are no stockholders and we are not affiliated with any other organization.

All Church Mutual policies are nonassessable.

Visit our Web site at [www.churchmutual.com](http://www.churchmutual.com).

## Service You May Expect From Your Representative

- A comprehensive survey of your property, which becomes the foundation of a professional, tailor-made program for your ministry.
- Help in establishing accurate values on your properties--based on today's building costs.
- A step-by-step explanation of insurance coverages and cost for you and your administrative board.
- Loss control recommendations which could reduce theft and vandalism losses, fires, and other property damage, or reduce your exposure to lawsuits.
- Updates of your coverages and information about new coverages as they are developed.
- Insurance cost estimates for proposed construction projects or purchases.
- Initiation of fast, fair claims processing.

## Our Claims Philosophy

At Church Mutual, we never forget the significance of your trust in us. We are here to do one thing, and to do it well: to serve you.

This statement guides Church Mutual's employees and independent adjusters with each and every claim they settle: *You will look for facts favoring the insured as hard as you look for facts favoring the company. A questionable case should generally be slanted in favor of the policyholder, with the policyholder being given the benefit of the doubt.*

# Series A Multi-Peril Property Protection

## Blanket Building and Personal Property Limit

Blanket amount of insurance for your scheduled buildings and personal property: **\$4,536,900**

Only one deductible applies per covered loss unless otherwise noted.

### Schedule of Property Insured

#### Church, School And Preschool

Cause of Loss: Special

Building: Included in blanket limit

Coinsurance: Agreed Value

Valuation: Replacement Cost

Deductible: \$1000 each occurrence

Theft of named insured's property also is a covered cause of loss.

Glass broken by vandals is covered in full (less your deductible).

#### Church, School And Preschool

Cause of Loss: Special

Insureds Personal Property: Included in blanket limit

Coinsurance: Agreed Value

Valuation: Replacement Cost

Deductible: \$1000 each occurrence

Theft of named insured's property also is a covered cause of loss.

#### Church, School And Preschool

Cause of Loss: Special

Leased Personal Property: \$5,917

Coinsurance: Agreed Value

Valuation: Actual Cash Value

Deductible: \$1000 each occurrence

Theft of named insured's property also is a covered cause of loss.

#### One Family Owner Occupied Parsonage

Cause of Loss: Special

Building: Included in blanket limit

Coinsurance: Agreed Value

Valuation: Replacement Cost

Deductible: \$1000 each occurrence

Theft of named insured's property also is a covered cause of loss.

Glass broken by vandals is covered in full (less your deductible).

#### One Family Owner Occupied Parsonage

Cause of Loss: Special

Insureds Personal Property: Included in blanket limit

Coinsurance: Agreed Value

Valuation: Replacement Cost

Deductible: \$1000 each occurrence

Theft of named insured's property also is a covered cause of loss.

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Please refer to your insurance policy for a complete description of coverages, limitations, and exclusions.*

**Bell Tower**

Cause of Loss: Special

Building: \$36,000

Coinsurance: Agreed Value

Valuation: Replacement Cost

Deductible: \$1000 each occurrence

Theft of named insured's property also is a covered cause of loss.

Glass broken by vandals is covered in full (less your deductible).

**Garage**

Cause of Loss: Special

Building: Included in blanket limit

Coinsurance: Agreed Value

Valuation: Replacement Cost

Deductible: \$1000 each occurrence

Theft of named insured's property also is a covered cause of loss.

Glass broken by vandals is covered in full (less your deductible).

**Garage**

Cause of Loss: Special

Insureds Personal Property: Included in blanket limit

Coinsurance: Agreed Value

Valuation: Replacement Cost

Deductible: \$1000 each occurrence

Theft of named insured's property also is a covered cause of loss.

**Playground Equipment**

Cause of Loss: Special

Insureds Personal Property: Included in blanket limit

Coinsurance: Agreed Value

Valuation: Replacement Cost

Deductible: \$1000 each occurrence

Theft of named insured's property also is a covered cause of loss.

## Covered Causes of Loss: Special Form

Direct physical loss is covered unless specifically excluded in your policy. Examples of *covered* causes of loss include: fire; lightning; explosion; windstorm; hail; smoke; aircraft; vehicles; riot; civil commotion; vandalism; sprinkler leakage; sinkhole collapse; volcanic action; damage by burglars; sonic boom; falling objects; weight of snow, ice or sleet; water damage (not flood); collapse due to specified causes; accidental breakage (except for statuary, glassware, marble, china and porcelain), spills, stains, scratching or marring; roof damage due to freezing and resulting water damage; and backed-up water from sewers and drains. Mechanical breakdown, artificially generated electrical currents, steam boiler explosion and internal damage to steam boilers are additional covered causes of loss under the Systems and Equipment Breakdown coverage form.

Some causes of loss *not covered* are: earth movement (except sinkhole collapse), nuclear hazards, power failure, war, flood, mudslides, seepage, industrial smoke, and normal wear and tear.

Loss or damage by fungus, wet rot, dry rot, or bacteria that is a result of a covered loss, is limited to \$50,000, which includes pretesting expenses.

## Extensions and Additional Coverages

Several coverage extensions and additions are automatically included in your policy. They apply to property covered under the Building and Personal Property Coverage Form. Please refer to the separate listing for details.

## Theft and Dishonesty

Theft of money and securities: \$2,000, with a \$100 deductible.

For worship centers, the limit is doubled one week before through one week after:

Christmas	Easter	Thanksgiving
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Blanket Bond: \$25,000, with no deductible.

## Identity Theft

Persons covered include your clergy, religious institution business administrator, head of school or college, camp director, and senior living facility administrator.

Relatives residing with covered individuals also are protected.

- Case Management Service for up to 12 months.
- Expense Reimbursement up to \$15,000.

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# Series A Extensions and Additional Coverages

These coverages are automatically included in the *Series A*. Church Mutual will pay up to:

1. \$1,000,000 for newly constructed buildings for up to 180 days.
2. \$1,000,000 for newly acquired buildings and their contents for up to 180 days.
3. \$5,000 for personal property of others, at your premises and under your care, custody or control, at replacement cost.\*
4. \$10,000 for business personal property of clergy, at replacement cost.\*
5. \$5,000 for personal tools and equipment of volunteers, officers, trustees, employees, members and guests, if the tools and equipment are being used for construction, renovation or repair of an insured structure.\*
6. \$10,000 for valuable papers and records, including computer records.
7. \$25,000 for property temporarily off-premises, anywhere in the world, for up to 180 days.
8. \$5,000 for outdoor trees, plants, shrubs, and lawns, damaged by fire, lightning, explosion, riot, civil commotion, aircraft, theft, vandalism, and vehicles, up to \$500 per item.
9. \$10,000 for on-premises outdoor structures, including maintenance buildings and their contents, statuary, fences, pavilions, light poles, television antennas, and satellite dishes.
10. 10% of the insurance amount on dwellings for related structures, 5% for your property in the dwelling, 10% for loss of dwelling rental value, and 10% for additional living expenses of the occupants.
11. 25% of the loss (subject to policy limits), plus \$10,000, to remove debris of covered property.
12. Your policy limit for covered property moved off-premises, for up to 30 days, to protect it from a covered cause of loss.
13. \$25,000 for fire department service charges.
14. Actual cost to recharge fire extinguishers after their use in fighting a fire on your premises, and the cost to recharge fire suppression systems due to leakage or discharge at your premises and caused by a covered cause of loss (fire, for example).
15. \$100,000 for extra operational expenses and loss of business income after an insured loss.
16. \$500 for lock repair or replacement if keys are stolen in an insured theft loss.
17. \$1,000 for refrigerated food spoilage if caused by an off-premises power failure.
18. \$5,000 as an arson reward.
19. \$10,000 for pollution cleanup due to a covered cause of loss.
20. \$100,000 for loss of undamaged portion of a building which must be demolished, demolition costs, and increased cost of construction, due to enforcement of building ordinances.

*\*These coverages are excess over any other insurance that applies to the loss (homeowners insurance, for example). We cover the deductible of the other insurance and amount of loss that is not covered by other insurance, subject to the limit specified in your policy.*

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# Series A Multi-Peril Liability

## General Liability

Insures your organization, members, clergy, board members, employees, volunteers, and most organizations you control for claims for negligence involving your premises, sponsored activities (on-or-off premises) operations, products (including food preparation), construction, athletics, and the use of nonowned watercraft.

\$ 1,000,000 Each occurrence (bodily injury and property damage)

\$ 3,000,000 General annual aggregate

\$ 1,000,000 Personal and advertising injury

\$ 1,000,000 Products and completed operations annual aggregate

\$ 300,000 Property damage legal liability (any one loss)

Coverage for Personal and Advertising Injury does not include claims brought by an Affiliated Entity that allege wrongful eviction, wrongful entry into a premises, libel or slander.

## Medical Expenses

Covers expenses of members, guests and volunteer workers who are injured on your premises or while participating in your sponsored activities on or off premises. Covers expenses incurred and reported to us within three years of the injury. This coverage is provided regardless of fault.

\$10,000 per person, subject to the each occurrence and general aggregate limits shown above.

- For members, guests, and volunteers:
  - Injuries from athletic and physical training activities are covered on an excess insurance basis.
  - Injuries from other activities are covered on a primary insurance basis.
- For students: All payments are on an excess basis.
- For day-care attendees: All payments are on an excess basis.

## Sexual Misconduct or Molestation Liability

Protects your organization and, while acting within the scope of their duties, your members, clergy, officers, board members, employees and volunteers. No protection is provided to anyone who participated in the act of sexual molestation or misconduct.

Limit: \$300,000 each claim; \$300,000 aggregate

## Hired and Nonowned Automobile Liability

Provides liability protection for your organization when you rent or borrow a vehicle for use on official business and when vehicles owned or driven by your employees or anyone else are used on the job or on behalf of your organization. Your clergy, officers, employees, and volunteers are also protected. This coverage is "excess," meaning that it applies after any other valid and collectible insurance is paid.

- Liability: \$1,000,000 each occurrence; \$3,000,000 annual aggregate
- Damage to the vehicles you rent is covered for up to \$100,000 each consecutive annual period. There is a \$250 deductible for each covered auto.
- Medical expense: \$10,000 each person; \$25,000 annual aggregate

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## Supplementary Payments

- All payments incurred in your defense.
- Expenses you incur at our request, including up to \$250 per day in lost wages.
- Up to \$500 for damage to property of others at your activities, even if you are not legally responsible.

## Legal Defense Coverage

This coverage provides a specific limit of insurance for defense costs for most lawsuits (and administrative hearings) not covered by the multi-peril policy. Examples include contract disputes and landlord/tenant disputes.

Limit is \$5,000 each incident; \$15,000 aggregate

## Catastrophic Violence Response Coverage

For reasonable and necessary expenses following a qualifying violent incident that occurs on your premises during an activity you sponsor and results in the serious injury, death or hostage situation of two or more persons (not including perpetrators).

Limit is \$50,000 per person, \$300,000 per incident, and \$300,000 for the term of the policy.

## Professional Liability

<i>Coverage For</i>	<i>Each Claim</i>	<i>Aggregate</i>	<i>Retention</i>	<i>Retro Date</i>	<i>Defense</i>
Counseling Professional Liability	\$ 1,000,000	\$ 3,000,000			Outside Limit
Directors, Officers and Trustees Liability*		\$ 500,000	\$ 1,000	04/01/2003	Inside Limit
Educators Liability		\$ 500,000	\$ 1,000	04/01/2003	Inside Limit

\*Directors, Officers and Trustees Liability coverage includes Affiliated Entity Dispute Legal Defense Coverage, without a retention, at \$25,000 for each wrongful act with a \$50,000 aggregate limit for all wrongful acts.

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# Your Premium Summary

**Date:** 03/02/2009

**Prepared for:** ST LUKES EVANGELICAL LUTHERAN CHURCH  
**City:** OAKFIELD **State:** WI

**Prepared by:** Peter J. Tesch, Regional Representative  
**Phone:** 800 554-2642, then press "1" **Fax:** 262-347-1230  
**Office address:** Stone Ridge II, Ste. 150 N14 W23777 Stone Ridge D, Waukesha, WI 53188

## Premium Quotation

<b>Policy Type</b>	<b>Effective Date</b>	<b>Annual Premium</b>
Series A Multi-Peril	04/01/2009	\$ 5,093
Workers' Compensation	04/01/2009	1,226
Umbrella	04/01/2009	500
<b>Total Premium</b>		<b>\$ 6,819</b>

## Comments

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# Premium Payment Plans

Church Mutual offers four premium payment options for your convenience.

## Annual Payment

A single payment for the annual premium is due on the effective date of the annual policy period.

## Two-Pay Plan

Policies with an annual premium of \$100 or more are eligible.

50% of the annual premium is due on the first day of the annual policy period. The remaining 50% is due five months after the beginning of the policy period.

## Four-Pay Plan

Policies with an annual premium of \$200 or more are eligible.

25% of the annual premium is due on the first day of the annual policy period. The remaining 75% is due in three equal installments two, five, and eight months after the beginning of the annual policy period.

## Ten-Pay Plan

Policies with an annual premium of \$1,000 or more are eligible.

15% of the annual premium is due on the first day of the annual policy period. The remaining 85% is due in nine equal installments over the next nine months.

## Important Considerations

There is a \$3 charge for each payment for policies that are not on the annual payment plan.

Eligibility for payment plans is determined on an individual policy basis by the amount of annual premium due for each policy.

A statement will not be sent to you until your policy is "booked" at Church Mutual's Home Office. Therefore, you may not receive a bill until after your coverage has been in force for a short period of time. This delay in billing works to your advantage (you keep your money until a bill is received), but it may shorten the time between the first and subsequent payments due. It is even possible that the first few payments will be due at the same time. This is particularly true with the Four-Pay and Ten-Pay plans. Please plan your cash flow for this possibility.

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# Directors, Officers and Trustees Liability Policy Proposal

This errors and omissions policy protects your organization and its directors, officers, trustees, clergy and other elected or appointed members of your governing body while acting within the scope of their duties. Spouses also are covered if named in a covered lawsuit.

Protection is provided for lawsuits alleging matters such as:

- Failure to exercise good judgment
- Improper (but not dishonest) expenditures
- Exceeding the authority granted by charter

Payment of court judgments and legal costs are provided if the claim is made while the policy is in force and if you had no prior knowledge of the wrongful act.

## Educators Liability

Church Mutual's Educators Liability claims-made coverage protects your educational facility against actual or alleged "wrongful acts" including:

- Negligent or improper career and academic advisement
- Student discrimination claims against faculty, staff administration, or the school board
- Student civil rights claims for violations of such things as freedom of press, speech, or prayer
- Failure to educate claims from current or former students
- Claims of improper admissions and financial aid policies

When acting within the scope of their duties, your past, present, and future school board members, superintendents, employees, faculty, and volunteers are also covered.

Educators Liability enhances your Directors, Officers and Trustees Liability coverage to address the unique exposures associated with your educational ministries. It is not available as a stand-alone coverage.

## Limit of Insurance

\$500,000 Annual Aggregate

Defense costs are provided within the limit of insurance.

## Retention

\$1,000 Each Claim

## Affiliated Entity Dispute Legal Defense Coverage

Coverage for claims arising from disputes with Affiliated Entities are subject to the following limits, and are not subject to the retention:

\$25,000 for each Wrongful Act

\$50,000 Aggregate Limit for all Wrongful Acts

These limits are part of, and not in addition to, the Directors, Officers and Trustees Aggregate Limit. This coverage is for defense expenses only. Examples of Affiliated Entity Disputes include, but are not limited to, claims made against you by an associated or related organization that involves property ownership disputes, control over business affairs and the appointment or election of Directors, Officers, Trustees or other positions.

## Retroactive Date

April 01, 2003

The wrongful act must occur on or after the retroactive date for coverage to apply.