



November 23, 2005

REVISED HOUSE OF WORSHIP PROGRAM APPROVED IN NEW JERSEY, PENNSYLVANIA, MARYLAND AND DELAWARE

BACKGROUND

We have developed an updated version of the House of Worship Program. The new program replaces the current program.

PROGRAM CHANGES

This revision introduces an updated version of policy form MHW 010 as well as updates to various endorsements and manual pages.

Many of the language changes are editorial in nature. Several changes are broadenings, while others are restrictions. Overall, these changes are being introduced without any change in rate level.

The revision highlights include the following:

Part I A • Main Property Coverages

- Reference to “tangible” under Coverage B • Personal Property to convey the intent that this does not include intellectual or other intangible property.

Part I B • Supplemental Coverages

- Building Code/Law Coverage - Included references to other pollutant type items and contaminants in the governmental action portion of the exclusion. The costs and expenses arising out of responding to a governmental directive should not trigger Building Code Coverage. These are items which are not otherwise covered in the policy.
- Collapse - Added “collapse” as a Supplemental Coverage. Previously, collapse was listed under covered perils. The Supplemental Coverage provides a clearer description of the coverage intended. Collapse is also now a defined term in the Glossary.
- Fire Expense Coverages - Clarified that the Part I deductible does not apply.
- Trees, Shrubs and Plants Coverage - Included lawns.
- Valuable Papers and Records Coverage - Valuable papers and records is now a defined term.
- Vehicle Coverage - Clarifies that Coverage A is extended if Coverage B is not provided in the policy.

**PROGRAM
CHANGES
(Continued)**

Part I C • Losses Insured

- Description of Causes of Loss - Removed “collapse” as a peril. Collapse is now included under Supplemental Coverages.
- Specified Causes of Loss - Removed “collapse” as a peril. Collapse is now included under Supplemental Coverages.

Part I E • Property Limitations

- Clarified the “breakage” limitation.

Part I F • Losses Not Insured

- Added new exclusions for Computer Hacking and Computer Virus. These terms are also defined in the Glossary.
- Disappearance of Property Exclusion - Added reference to “shoplifting.”
- Added a new exclusion for Intentional Loss.
- Leakage From Frozen Equipment Exclusion - Revised the exclusion to indicate that damage to the plumbing system is intended to be excluded. Also modified the exclusion to not apply as long as the necessary care is maintained by anyone, not just the insured. Included the word “adequate” for clarification.
- Water Damage Exclusion - Included “sewage” and “overflow from a sump.” Also extended the optional coverage as provided by trigger endorsement MHW 502 to provide coverage for sewage and overflow from a sump.
- Wear and Tear Exclusion - Refined the mold exclusion to also include fungus and mold-like items such as spores, mildew, bacteria and other natural growth. Included a definition of fungi in the Glossary. Added “raccoons” to the list of excluded creatures. Included “rock slides or rock falls” with other types of land movement.
- Weather Related Exclusion - Added an exclusion for drought.
- Collapsing of Specified Property - Removed this section as collapse is now addressed in the Supplemental Coverages.
- Unauthorized / Voluntary Transfer of Property - New exclusion added. Replaces the “false pretense” wording formerly in the Disappearance or Dishonesty Exclusion.

Part I G • Special Part I Conditions

- How Losses Are Settled - Moved the Replacement Threshold limit to the Declarations Supplement.
- Revised the Appraisal Condition to use “disinterested” rather than “impartial.”

**PROGRAM
CHANGES
(Continued)**

Part II • Main Liability Coverages

- Included language to clearly state that the policy does not cover bodily injury or property damage that an insured or authorized employee had any knowledge of prior to the policy term. Replaces the need for endorsement MCL 195.

Part II B • Supplemental Coverages

- Defense Coverage - Increased the payments for lost earnings from \$100 per day to \$250 per day.
- Contractual Coverage - Revised to state that bodily injury or property damage is covered only to the extent that you or those acting on your behalf contributed to the bodily injury or property damage. Replaces the need for endorsement MCL 190.
- Incidental Automobile Coverage - Revised to include the operation of devices permanently attached to certain mobile equipment subject to motor vehicle insurance laws.
- Incidental Fire and Explosion Legal Liability Coverage - Expanded coverage to include a premises “occupied” by you.
- Incidental Liability For Nonowned Automobile Coverage - Nonowned Automobile and Employee are defined terms. Coverage is not applicable to you, your officers or members of their households. Coverage may be provided by using MHW 412.
- Incidental Mobile Equipment Coverage - Revised to exclude mobile equipment subject to compulsory or financial responsibility laws or other motor vehicle insurance laws. These vehicles are considered autos. However, the Incidental Automobile Coverage may still pick up the operation of devices permanently attached to such mobile equipment.
- Personal Injury / Advertising Injury Coverages - Revised to exclude intentional injuries as well as certain high tech (e-commerce) type losses.
Added “trade dress” to the definition of advertising injury.

Part II C • Liability Not Insured

- Business Activities / Business Risk Exclusions - Moved exclusions for massaging, ear piercing, body piercing, tattooing, etc. from the state mandatory endorsement to this policy form. Defined Impaired Property.
- Endangerment or Harm Exclusion - Replaced the words “willful harm” with “willfully harmful act.”
- Fungi / Mold Exclusion - Excludes losses as a result of fungi / mold. Exclusion replaced endorsement MCL 183.
- Mobile Equipment Exclusion - Mobile equipment is now a defined term.
- Premises / Other Property Additional Exclusions - Reference to “limited liability company” included.
- Silica Exclusion - Excludes losses as a result of silica. Exclusion replaced endorsement MCL 184.

**PROGRAM
CHANGES
(Continued)**

Part II D • Special Liability Conditions

- Duties of Insureds - Included the insurer's right to require the insured to provide statements under oath and to video record any examination. Moved the additional conditions for Coverage F from the state mandatory endorsement to this policy form.
- Other Conditions - Included conditions for two or more policies issued by us. This condition replaces endorsement MCL 190.

Common Exclusions - Parts I and II

Part I

- Governmental / Legal / War Exclusion - Revised to clarify that acts done to defend against war whether actual or expected are not covered.

Part II

- Same as Part I but also includes an exclusion for violation of laws regarding unsolicited telephone calls and faxes.

Common Glossary • Parts I and II

Parts I and II

- Added definitions for Fungi and Rot and Decaying Organisms.
- Revised the definition of You/Your/Yourself.

Part I

- Added definitions for Collapse, Computer Hacking, Computer Virus and Insured.
- Added "prepaid phone cards" and "stored value cards" to the definition of Money / Securities.

Part II

- Revised the definitions of Automobile and Insured.
- Added definitions for Employee, Temporary Worker, Leased Worker.

Common Conditions - Parts I and II

Part I

- Action or Suit Against Us - Moved this section to the state mandatory endorsement.

Parts I and II

- Coverage Territory - The District of Columbia has been included.
- Other Insurance (Part II) - Revised to indicate that the liability coverage is excess over any other insurance. The full policy limit is not affected by this provision, but coverage is initially directed back to another primary policy applying, if such exists. Replaced the term "catastrophe" policy with "umbrella" policy.

ENDORSEMENTS - The changes to endorsements were mostly formatting and style revisions.

**PROGRAM
CHANGES
(Continued)**

Revised Endorsements

MHW 011, MHW 170, MHW 171, MHW 173, MHW 175, MHW 400, MHW 401, MHW 402, MHW 410 and MHW 412.

Withdrawn Endorsements

The following endorsements have been withdrawn from this program as they are now included in the policy:

- MCL 183, MCN 183, MCL 184, MCN 184, MCL 190, MCL 194, MCL 195, and MCL 430.
- MHW 510 - Trigger endorsement built into the policy has been removed and replaced with optional endorsement MCL 406 • Corporal Punishment Liability. **Not available in New Jersey.**

New Endorsements

Three new endorsements have been added to the program:

- MHW 019 • Declarations Extension. Provides a list of the trigger endorsements and the forms in which they can be found.
- MHW 201 • Agreed Value - Property used in lieu of Commercial Property endorsement MCP 201 for the House of Worship Program.
- MCL 406 • Corporal Punishment Liability has been filed for the House of Worship Program. **Not available in New Jersey.**

MANUAL PAGES - Revisions to correct typos and for clarification purposes. Removed rules for endorsements now built into the policy.

**PROGRAM
COMPATIBILITY**

This updated House of Worship Policy MHW 010 (12/05) excludes mobile equipment subject to compulsory or financial responsibility laws or other motor vehicle insurance laws. The current Commercial Auto Policy MCA 010 (01/05) picks up this exposure. Companies need to be aware of the potential coverage gaps if combining current versions of a program with earlier versions of another program.

**EFFECTIVE
DATE**

December 1, 2005 in New Jersey and Pennsylvania.
April 1, 2006 in Delaware and Maryland.
Pending in New York.

DISTRIBUTION

The revised policy, endorsements and manual pages will be added to the CD-ROM. Affiliated companies will be able to access these through our website: <http://www.msonet.com>.

QUESTIONS

Contact Pepper Treuvey at (800) 935-6900 or e-mail: ptreuvey@msonet.com.