



2018-2019

Elks Property Plus Insurance Program

Property Insurance Guide

**Benevolent and Protective Order of Elks
of the United States of America**

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Elks Insurance Program
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1. Administration

The B.P.O. Elks Property Plus Program provides all Lodges of the Order (and all separate corporations organized by Lodges) with Property, Crime, and Equipment Breakdown (Boiler & Machinery) coverage.

Included in this Guide are the following:

- A General Description of the Program Structure
- Risk Management and Loss Control Procedures
- A Description of the Coverages provided
- How to make coverage Changes
- Claims Reporting procedures

Aon's Affinity Commercial Solutions, Inc. is the insurance broker and program administrator for the Property Plus Program.

For questions about the Property Plus Program, changes to the Lodge's Property Plus policy and to report Property claims (damage to the Lodge), please contact the Elks Team at:

Aon's Affinity Commercial Solutions, Inc.
Elks Insurance Program
200 E. Randolph, Suite 400
Chicago, IL 60601
Tel: 1-800-421-3557 (ELKS)
Fax: 1-312-381-2751
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2. General Information

Program Structure

The Property Plus Program has a \$750,000 Self-Insured Retention (SIR). The SIR means that Elks pay for the first \$750,000 of every claim under the Property Plus policy. Each Lodge pays an annual assessment for coverage. The Insurance Company pays for damages after the Elks pay the first \$750,000. The Insurance Company policy terms, conditions, etc., determines what the Property Plus Program covers.

The annual property insurance assessment each Lodge pays goes into a Fund to pay claims. The annual insurance assessment also pays for the Insurance Company premium; the premiums charged by the Crime and System Equipment Breakdown carriers; the fees charged for claims adjustment; and administrative costs.

Any excess money remains in the Fund to compensate for years when the losses exceed collected assessments. In an average year, the Elks will only experience one major loss that exceeds the \$750,000 SIR. To keep assessments steady, Risk Management must become a priority for every Lodge and every Elk.

NOTE: This Property Insurance Guide is provided as a convenience only. In the event of any contradiction between this guide and the insurance policy, the insurance policy language shall govern.

Loss Control

Each Lodge is responsible for the proper maintenance and safekeeping of its property. Loss due to age, wear and tear and improper maintenance is not covered under the Property Plus Program. If the adjuster finds evidence of prior unrepaired damage or lack of maintenance, coverage could be reduced or denied entirely.

The Grand Lodge provides a "Self-Inspection Checklist".

- Use it immediately to identify any hazards that now exist.
- Act to correct or eliminate the hazard.
- Review the checklist each quarter to be sure that new hazards have not been created.

Lodges should utilize the following guidelines to help mitigate/avoid potential losses:

Fire Prevention

- **Defective Wiring** and misuse of electrical equipment are major causes of fires. A licensed electrician should determine whether all wiring complies with local codes. Frequent fuse/circuit breaker burnouts may indicate a short. Avoid overloading electrical sockets with too many plugs. Eliminate temporary wiring that hangs over nails or sharp metal edges; lies under carpeting and on door or window sills. Keep lights and heat-producing units clear of combustibles. Any coffee urns and hot plates must be U.L. approved. Motors should be regularly cleaned and maintained.
- **Smoking** ranks as one of the main causes of fire, after electricity. To help Members, guests and employees follow the rules, make certain that "No Smoking" areas are clearly indicated. Provide an adequate number of ashtrays in designated smoking areas.
- **Improper Storage** is a frequent, contributing cause of large-loss fires. Subdivide stock appropriately by piling boxes no higher than fire safety regulations permit and away from windows and doors. Maintain clear aisles.
- **Flammable and Combustible Liquids** frequently cause fires. Members and employees must be careful handling gasoline, solvents, paints and chemicals. These materials should be kept away from any heat sources. Oily rags must be removed from the premises.
- Accumulating **debris** will impede operations and obstruct firefighters. Schedule a cleanup day with provisions made to safely store and frequently remove trash.
- **Fire Extinguishers** are very effective in containing a small or "just-beginning" fire. Training in the use of fire extinguishers is important. The presence of oil or grease makes water useless in fighting a fire and can cause a fire to spread. Extinguishers marked BC or ABC are effective against most kitchen fires. Have all extinguishers checked annually by a servicing company and recharge them immediately after use or when pressure loss is detected.
- **The Automatic Extinguishing System** that protects grills and deep fat fryers needs to be serviced twice a year. Exhaust ducts should be cleaned annually.
- An **Automatic Sprinkler System** is only effective when these criteria are met:
 - ✓ Water supply valves are open.
 - ✓ An electrical water flow alarm switch is installed and operational.
 - ✓ Periodic maintenance/inspections should be carried out that include testing the water supply, valves and system piping.
- An **Arson** threat exists in two major areas:

- ✓ The restrooms: remove trash several times a day.
- ✓ External waste disposal areas: keep dumpster lids closed.
- **Cigarettes** may be thrown into a trash can in the building. If a fire is quickly discovered, clear the area before using an extinguisher. Even if you think the fire is out, call the fire department as a safety precaution (smoldering embers may go unnoticed and flare up later).

Regular self-inspections and training will help prevent fires and prepare the lodge to deal with a fire if one occurs.

NOTE: SERVPRO is the preferred vendor for Fire Damage claims. For emergency cleanup services, call 1-800-SERVPRO (1-800-737-8776) 24 hours a day, 7 days a week.

Crime Prevention

Burglaries, robberies, and thefts are carried out by individuals determined to succeed. For this reason, preventing such losses requires more care and effort than the prevention of accidental losses such as fires or injuries to employees or guests. While no two Lodges have identical physical and operating characteristics, the following "Crime Prevention Principles" should be instituted:

Premises Protection

- Doors and locks should be "burglar resistant"; consult your local fire and police departments for applicable codes.
- Exterior lights should remain on all night, especially those illuminating doorways.
- The safe should be easily seen from the exterior with lights left on all night.
- Lodges in isolated areas—*where burglars may work without interruption*—should consider a burglar alarm system with a signal going to the nearest police station.
- The police should be asked to include the Lodge in their patrol. If the police are unable to do that, consider a private patrol service.

Handling of Money and Securities

- Lodges with safes should be aware of their safes' limitations. Most safes provide limited protection and will not deter a burglar.
- Keep only enough money in the Lodge overnight to start operations the next day. The balance should be taken to the bank at the end of each day (use the bank's night depository if necessary). In some areas, a police escort is available for the asking.
- In the absence of a police escort, two people should lock up the Lodge at night and two people should make a trip to the bank.
- All receipts should be recorded as soon as possible. If money is collected and simply put in a box, it will be difficult to prove the amount of loss. Keep receipts separate.
- All checks should be endorsed "For Deposit Only" upon receipt.

Internal Security

- The safe combination should be known only by two or three people who must know; it should be memorized and only written down for placement in a safety deposit box. The combination should be changed whenever the people handling the money change.
- The workings of the burglar alarm system; for going to bank; etc., should only be known by those who need that information.

- The Lodge's daily receipts or the amount of money in the cash drawer/safe are not matters for general discussion/information.
- Cash handling procedures should be formalized so that certain people are responsible for cash while it is in the Lodge (the circumstances and the facts of their responsibility should be clearly identified).
- People who are honest may succumb to the temptation of apparent easy access to money. A Lodge's double-check procedures are intended to eliminate those temptations.

Water Damage Prevention

Anytime the temperature drops below 32 degrees, there is the potential risk of frozen pipes, particularly outdoor pipes or indoor pipes located in poorly insulated areas such as attics, crawl spaces and basements. Water damage can occur if frozen and cracked indoor pipes are not caught quickly.

To Prevent Frozen Pipes

- Wrap electrical heating tape on exterior pipes; remove garden hoses from faucets.
- Cover pipes with foam rubber or fiberglass insulation and secure it with tape.
- Let cold and hot water faucets drip (running water helps prevent freezing pipes).
- Open cabinet doors to promote warm air circulation around plumbing.
- Leave the thermostat at the same temperature both day and night: at least 55° F.

To Thaw Frozen Pipes

- Locate the problem pipe and open a faucet. As the pipe thaws, running water aids the melting process.
- Apply heat to the frozen pipe using a hand-held hair dryer or portable electric space heater. Do not use a blowtorch as it could cause the pipe to explode. Do not use a propane or kerosene heater as these are hazardous for indoor use.
- If the frozen pipe area is not accessible, call a licensed plumber.
- If there is a burst pipe and water damage, shut off the main water valve and contact a professional water damage restoration company with trained technicians and extraction, drying and dehumidifying equipment.

NOTE: SERVPRO is the preferred vendor for Water Damage claims. For emergency cleanup services, call 1-800-SERVPRO (1-800-737-8776) 24 hours a day, 7 days a week.

To Prolong Roof Life

- Coverage does not apply to damage caused by wear and tear or deterioration. To protect from an uninsured loss, have a professional roof inspection annually. Request a detailed inspection report that includes the condition of the flashing, roof covering, parapets and drainage system. Keep that report to document the condition of the roof in the event of a claim.
- Repairs are needed if there are cracked or missing shingles; if flashing has deteriorated, particularly around chimneys and vents; or if pooling water is present.
- Leaks are particularly common around chimneys, plumbing vents and attic vents.

Program Costs

Individual Lodge assessments will be invoiced, billed and collected by AFCO Insurance Premium Finance. All assessments are on an annual basis.

A finance program is available through AFCO Insurance Premium Finance to pay the assessment in installments. A finance agreement will accompany the AFCO Invoice. To establish an installment plan, simply sign the finance agreement and mail it to AFCO along with the down payment.

Please note: If a Lodge has been delinquent on a previous finance agreement, AFCO may not offer an installment plan to that Lodge.

Coverage Scope

Basic Coverage Provided

All Lodges of the Order are provided Basic Property and Crime Coverages under the Property Plus Program. The Lodge Certificate of Coverage and Coverage Summary indicates the Basic Coverages and Limits of Liability.

Included are:

1. The building, furniture, equipment, inventory, stock, signs and other Lodge property, is covered under this section for loss by fire, wind, hail, lightning, theft, and explosion. If insurance for other perils is provided for your Lodge, it will be identified on the Certificate of Coverage.
2. Crime coverage, including Employee Dishonesty, Forgery, and Broad Form Money and Securities, is provided. This protects the assets of the Lodge from employee theft, disappearance, theft or destruction of money or checks and from the forgery of checks by non-employees.
3. System and Equipment Breakdown (Boiler and Machinery) coverage is provided to all Lodges for sudden and accidental breakdown of a "covered object" that results in physical damage necessitating repair or replacement.

Other Optional Coverages Available*

Additional, optional insurance coverages may be provided under your Property Plus Program. These include, but are not limited to:

1. *Scheduled Mobile Equipment, Fine Arts, Cameras, Paraphernalia, Musical Instruments or other special Inland Marine coverage such as trailers*, if this coverage is indicated on the Lodge's Certificate of Coverage. Any item of value over \$10,000 must be established with a valid appraisal from a qualified appraiser or a copy of the purchase invoice.
2. *Tees, Fairways and Greens Special Endorsement* for Lodges with golf courses is available. Losses to greens, tees and fairways will be covered for the perils of Vandalism, Malicious Mischief and Wind perils ONLY if the Lodge elects this coverage.

These coverages are available to you for an additional nominal charge; if they are not presently shown on your Certificate of Coverage, then you **do not have the coverage. You must contact Aon to request the coverage.*

Policy Information

Insurance Company Name, Certificate of Coverage Number, and Amounts of Insurance are listed on the Lodge's Certificate of Coverage. **NOTE:** If you do not see an item on your Certificate of Coverage, then it is not covered and the Lodge needs to contact Aon.

Coverage Limits

The Amounts of Insurance for the Lodge are shown on the Lodge's Certificate of Coverage and Coverage Summary. All Lodge owned buildings must have a mandatory replacement cost appraisal every five (5) years. An estimator from Verisk/Insurance Services Office (ISO), will need to inspect the Lodge. THERE IS NO COST TO THE LODGE FOR THESE APPRAISALS and the Lodge is under no obligation to make any coverage changes.

There is no coinsurance provision in the program, so any loss will be adjusted on a replacement cost basis. There is no deduction for depreciation if the damaged property is repaired or replaced.

The Amounts of Insurance selected for buildings and personal property are at the sole discretion of the Lodge. The Property Plus Program will not pay for a building loss more than the Amount of Insurance shown on the Certificate of Coverage unless the following requirements are met:

- A. A Replacement Cost Estimate for the buildings has been performed within the last five (5) years; AND,
- B. An Amount of Insurance is selected at 80% or more of the estimated Replacement Cost value to replace buildings.

If the above requirements are met, an additional amount of insurance for the building is available, up to a combined maximum of 150% of the selected Amount of Insurance for the damaged building, for the repair or replacement of the building. In addition, any additional costs to comply with enforcement of Ordinances and Laws is included. This benefit is "Capped Replacement Cost Coverage" ("CRCC"). CRCC is only available for buildings and not Business Personal Property, Business Income or any other coverage.

Deductibles

The Deductible shown on the Lodge's Certificate of Coverage will apply to any covered Loss.

Higher deductibles may apply for loss or damage by a Named Storm in the southeastern and south coastal areas, as well as Hawaii and Puerto Rico. Areas where the Named Storm deductible applies is referred to as Wind Tier 1 (refer to the applicable Named Storm Deductible outlined below).

The Certificate will not specifically indicate if a Named Storm deductible applies. Look at the criteria to see if the Lodge is in a Named Storm state or county. For ease of reference, the criteria below listing where the Named Storm deductible applies is included with every Certificate of Coverage.

If a "Named Storm Deductible" is applicable, the sum subtracted shall be based upon the total insured values at the time of loss at each separate location that has sustained loss or damage.

The Named Storm Deductible Applies to the Total Insured Value

- The deductible is calculated as 3% to 5% of the total insured values at the time of loss.
- Named Storms shall be established by the U.S. National Weather Services.
- This deductible shall apply to those locations in the following “Tier I” wind areas:

All reference herein to “Tier I”, “Tier I Windstorm” or similar “Tier I” references, shall be defined as all locations situated within *Tier I States or Counties* as specified below:

A 5% deductible applies to the following counties:

Alabama:	Baldwin, Mobile;
Florida:	Entire State of Florida;
Hawaii:	Entire State of Hawaii;
Louisiana:	Calcasieu, Cameron, Iberia, Jefferson, LaFourche, Livingston, Orleans, Plaquemines, St. Bernard, St. Charles, St. James, St. John the Baptist, St. Mary, St. Tammany, Tangipahoa, Terrebonne, Vermilion;
Mississippi:	Hancock, Harrison, Jackson;
Puerto Rico:	Entire Commonwealth of Puerto Rico
Texas:	Aransas, Brazoria, Calhoun, Cameron, Chambers, Galveston, Harris (entire county), Jackson, Jefferson, Kenedy, Kleberg, Liberty, Matagorda, Newton, Nueces, Orange, Refugio, San Patricio, Victoria, Willacy

A 3% deductible applies to the following counties:

Georgia:	Bryan, Camden, Chatham, Glynn, Liberty, McIntosh;
North Carolina:	Beaufort, Bertie, Brunswick, Camden, Carteret, Chowan, Columbus, Craven, Currituck, Dare, Hyde, Jones, New Hanover, Onslow, Pamlico, Pasquotank, Pender, Perquimans, Tyrell, Washington;
South Carolina:	Beaufort, Berkley, Charleston, Colleton, Georgetown, Horry, Jasper;
Virginia:	Accomack, Chesapeake, Gloucester, Hampton City, Isle of White, James City, Lancaster, Mathews, Middlesex, Newport News, Norfolk City, Northampton, Northumberland, Poquoson City, Portsmouth City, Suffolk City, Surry, Virginia Beach City, Westmoreland, Williamsburg City, York

3. Coverage Description

Property

The Property Plus Program will pay, subject to the limits shown on the Certificate of Coverage and Property Plus Coverage Summary, for direct physical loss of or damage to Covered Property, except as provided below or excluded (see Exclusions on pages 13-14).

The perils of Earthquake and Flood are excluded, except for inland marine coverages as specified in the policy form. For Lodges that choose to buy Earthquake or Flood coverage contact the Customer Service Agent at Aon's Affinity Commercial Solutions, Inc. at 1-800-421-ELKS (3557) to obtain a quote.

Covered Property

Real Property:

Buildings or structures, such as fences or pools; permanently installed fixtures; machinery and equipment.

Personal Property:

All Personal Property owned by the Lodge and used for Lodge business; Personal Property of others in the care, custody or control of the Lodge; the Lodge's use interest, as tenant, in improvements and betterments (improvements and betterments are fixtures, alterations, installations or additions made a part of Real Property the Lodge occupies as a tenant but does not own that the Lodge acquired or made at the Lodge's expense, but cannot legally remove).

Personal Property owned by the Lodge that is used to maintain or service real property, including fire extinguishing equipment; outdoor furniture; floor coverings and appliances used for refrigerating, ventilating, cooking, dish washing, or laundering; Additions under construction; Alterations and repairs to real property; materials, equipment, supplies, and temporary structures used for making alterations or repairs to real property.

"Personal Property-Off Premises" is limited to the Amount of Insurance shown on the coverage Summary. This includes property in transit, at any exhibition or away from scheduled locations. Property is covered while located anywhere in the United States, its territories or possessions, or Canada.

Business Income, Rents and Extra Expense:

Net Income (net profit or loss before income taxes) that would have been earned or incurred and continuing normal operating expenses incurred, including payroll, when such loss ensues from a covered loss. Rents refer to the loss of Rental Income incurred during the "period of restoration" that would have incurred if there had been no loss. Extra Expense refers to necessary expenses incurred during the "period of restoration" that would not have been incurred if there had been no loss.

The policy will also pay for the actual loss of Business Income sustained if an act of a civil authority, like the fire or police department, prohibits access to the Lodge. There must be a direct physical loss of or damage to property at locations other than the Lodge. The coverage will apply while access is denied, up to four consecutive weeks from the date access was prohibited.

The following coverages are limited to the amounts shown on the Property Plus Coverage Summary page of the Certificate of Coverage and does not increase the total limits of coverage for Real and/or Personal Property provided by the policy.

Building Collapse:

The policy will pay for loss due to building collapse if caused by one or more of the following: Hidden decay; hidden insect or vermin damage; weight of people or personal property; weight of rain that collects on a roof; fire; lightning; explosion; hail; smoke; aircraft; vehicles; riot; civil commotion; vandalism; leakage from fire extinguishing equipment; sinkhole collapse; volcanic action; falling objects; weight of snow, ice or sleet; or water damage.

Debris Removal:

The policy will pay the expense to remove debris caused by or resulting from a covered loss up to 25% of the direct physical loss paid if the debris removal expense is reported in writing within 180 days of Date of Loss.

Defense Costs:

The policy will defend any claim or suit made against the Lodge and/or its officers, directors or employees that allege physical loss or damage as insured against, to the property of others in the care, custody or control of the Lodge. The claim or suit may be investigated and settled without prejudice as deemed expedient.

EDP Hardware, Software and Extra Expense:

Electronic Data Processing (EDP) Systems equipment and component parts; Data processing media, programs, instructional materials and materials on which data is recorded; Extra Expense incurred to continue the normal operation of business as nearly as practicable.

Expediting Expense

Expediting Expenses are reasonable extra costs for temporary repairs and/or expediting repairs or replacement of covered property damaged by a covered cause of loss.

Exterior Signs and Glass:

Exterior signs and exterior and semi-exterior glass owned by the Lodge or owned by others but in the Lodge's care, custody or control, including lettering and ornamentation.

Fine Arts:

Property that is rare and/or has artistic or historic value, including elk heads, owned by the Lodge or others, but in the Lodge's care, custody, or control. Coverage is provided while the property is in a covered building.

If there are specifically scheduled items, they are shown on the Coverage Summary.

If there is an item valued at more than \$10,000, the value must be established by a valid, written appraisal or other valid documentation, and that value must be reflected on the Property Plus certificate prior to the loss.

Food Spoilage:

Loss or damage to perishable goods contained in refrigeration units caused by or resulting from mechanical or electrical breakdown of the refrigeration units, their controls, and related equipment; refrigerant leakage; a power failure beyond the Lodge's control that caused a change in temperature or humidity; or contamination by the refrigerant.

Loss Data Preparation Costs:

If a covered loss occurs to covered property, the policy will pay the necessary and reasonable cost to prepare a complete inventory or appraisal (that is required for loss settlement).

Newly Acquired Property:

If Real Property is covered, we will cover a building the Lodge acquires. If the Lodge has Business Personal Property coverage, we will cover Personal Property at a newly acquired

location. However, the most we will pay for any one loss is \$1,000,000 whether the loss occurs to real or personal property (or to both). This coverage ends 90 days from the date the Lodge acquires the property; on the date the Lodge reports the values of the property to us; or on the date the policy expires, whichever occurs first.

Off-Premises Services:

The policy will pay if loss or damage occurs to covered property caused by the interruption of Water, Communication, or Power Supply Services. The interruption must be caused by direct physical loss or damage to off-premises supply services by a covered loss.

Personal Property in Transit or Off Premises:

The policy will pay for covered loss or damage to personal property in transit or off premises.

Volcanic Action - Ash, Dust, or Particulate Matter:

In the event of volcanic action, the policy will pay the cost to remove ash, dust, or particulate matter that does not cause direct physical loss or damage to Covered Property. The most the policy will pay under this coverage is \$2,500.

The following coverages are in addition to the policy limits for Real and Personal Property:

Accounts Receivable:

Amounts due from customers that the Lodge is unable to collect because of loss or damage to your accounts receivable records.

Automatic Extinguishing System Activation:

Refill, recharge, or cleanup of extinguishing agent activated for the control of a covered loss. No Deductible applies to this coverage; however the most the policy will pay is \$2,500 per occurrence, per location.

Ordinance or Law Coverage:

If a covered loss occurs, the policy will pay for loss or damage caused by enforcement of any ordinance or law that requires the demolition of parts of the property not damaged; the increased cost to build or repair the property caused by enforcement of building zoning or land use ordinance or law; and the cost to demolish and clear the site of undamaged parts of the property destroyed caused by enforcement of the building, zoning or land use ordinance or law. The policy limit for this coverage is limited to 10% of the Real Property values shown on the Certificate of Coverage if the Lodge is not "insured to value." If the Lodge is insured to value as defined in the policy, this coverage is included within the CRCC.

Personal Effects:

Personal Effects of officers, members, employees, and guests.

Pollutant Clean Up and Removal

The policy will pay expenses to extract "pollutants" from land or water if their release is caused by a covered loss that occurs during the policy period and if the expense is reported within 180 days of the Date of Loss.

Trees, Shrubs and Plants:

Loss caused by Fire, Lightning, Explosion, Riot or Civil Commotion, Aircraft, Vehicles, Wind, Vandalism, "Sinkhole Collapse," Volcanic action, and Debris Removal Expense.

Valuable Papers:

The cost to research, replace, or restore the lost information contained in lost or damaged valuable papers and records when duplicates do not exist (including those that existed on electronic or magnetic media).

Property Not Covered

- A. Personal Property once sold by the Lodge and delivered to the purchaser if sold under a conditional sale, trust, agent, installment plan, or another deferred payment plan.
- B. Vehicles or self-propelled machines (including watercraft or aircraft) that:
 - 1. Are licensed for use on public roads,
 - 2. Are operated principally away from your premises. (This does not apply to rowboats or canoes out of water at a location.)
- C. Foundations of buildings, structures, machinery or boilers if the foundations are below the basement floor or surface of the ground.
- D. Currency, deeds, evidence of debt, money, notes or securities except as provided in the Crime section of the Program.
- E. Land, water, growing crops or lawns.
- F. Animals, fish, birds or fowl.
- G. Steam boilers, steam pipes, steam engines or steam turbines - damages caused by or resulting from any conditions or events inside such equipment. Damage to hot water boilers or water heating equipment caused by or resulting from any condition or event inside such boiler, except as provided by the Boiler and Machinery Coverage.

Valuation

In the event of a covered loss, the value of lost or damaged Real or Personal Property will be on a replacement cost basis.

Replacement Cost

The actual cost to rebuild or replace lost or damaged property without deduction for depreciation. If the property is not rebuilt or replaced, the valuation is replacement cost minus depreciation of the lost or damaged property.

In the event of loss or damage to Fine Arts or EDP Hardware, the company will pay the actual cost to repair or replace the damaged property up to the limit of insurance.

Exclusions

Your policy will not pay for loss or damage caused directly or indirectly by any of the following:

- A. Earth Movement
 - Any earth movement such as earthquake, landslide, mine subsidence or earth sinking, rising or shifting, except for a "sinkhole" collapse (defined as the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite). However, if loss or damage by fire or explosion results, we will pay for that resulting loss or damage. Coverage may be available for an additional charge.
- B. Volcanic Eruption, Explosion or Effusion
 - Direct damage resulting from the eruption, explosion or effusion of a volcano when the loss or damage is caused by airborne volcanic ash or shock waves, ash, dust or particulate matter or lava flow. However, if loss or damage by fire or explosion results, we will pay for that resulting loss or damage.
- C. Government Action
- D. Nuclear Hazard
- E. War and Military Action

- F. Smoke, vapor or gas from agricultural smudging or industrial operations
- G. Wear, tear, rust, corrosion, fungus, decay, deterioration, hidden or latent defect
- H. Settling, cracking, shrinking or expansion
- I. Insects, birds, rodents or other animals
- J. Mechanical breakdown except as covered under System and Equipment Breakdown
- K. Dampness or dryness of atmosphere; changes in or extreme temperatures; marring or scratching to personal property; rain, snow, ice or sleet damage to Personal Property in the open.
- L. Flood, surface water, waves, tides, tidal waves or overflow of any body of water whether driven by wind or not, mudslide, or mudflow. *Flood coverage may be purchased from the National Flood Program.*
- M. Building Collapse unless caused by one or more of the following: hidden decay; hidden insect or vermin damage; weight of people or personal property; weight of rain that collects on a roof; fire, lightning, explosion, hail, smoke, aircraft, vehicles, riot, civil commotion, vandalism, leakage from fire extinguishing equipment, sinkhole collapse, volcanic action, falling objects, weight of snow, ice or sleet, or water damage.
- N. Property that is missing, but there is no physical evidence to show what happened to it, such as shortage disclosed in taking inventory.
- O. Release, discharge, or dispersal of "pollutants" defined as any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

Claims Reporting

In the event of a loss to property, please call the Customer Service Agent at Aon's Affinity Commercial Solutions, Inc. at 1-800-421-ELKS (3557).

Written communications can be sent to:
Aon's Affinity Commercial Solutions, Inc.
Elks Insurance Program
200 E. Randolph St, Suite 400
Chicago, IL 60601
elks.insurance.program@aon.com
Fax: 1-312-381-2751

A Customer Service Agent will ask for the date and description of the loss; an estimate of the value of the loss; whether the fire or police departments were involved; and any other information pertinent to the loss. The Customer Service Agent will then immediately notify the Insurance Company of the loss and work to quickly resolve the claim.

A claims adjuster will contact the Lodge as soon as possible after receipt of the claim. In most cases, this will be the same day, but no more than 48 hours later. The claims adjuster will work with the Lodge and the Aon's Affinity Commercial Solutions, Inc. Agent to:

- Quickly evaluate the nature and extent of the loss.
- Assist in making reasonable or necessary temporary repairs and, if necessary, obtaining repair estimates and otherwise adjusting the loss.
- Assist in completing any paperwork, such as proof of loss.
- Deliver the claim check.

Please call the Customer Service Agent with any questions during the claim process.

It is important to know the Lodge's duties in the event of loss or damage to covered property:

- Notify the police if a law may have been broken.
- Provide notice of loss or damage within 90 days of the date of loss. Include a description of the property involved and a description of how, when and where the loss or damage occurred.
- Take all reasonable steps to protect the property from further loss or damage. Keep a report of all expenses for emergency and temporary repairs.

Crime

Crime Insurance is provided to each Lodge. This program includes limits and coverages as shown on the Lodge Certificate of Coverage.

This coverage satisfies the bond requirements for lodge officers, per Section 12.050 and 12.060 of Grand Forum Statutes.

Employee Dishonesty

An employee is an officer, director, trustee, volunteer or employee of the Lodge. Employee Dishonesty coverage will pay for loss resulting from employee dishonesty by any employee, whether identified or not, acting alone or in collusion with others, employees or non-employees.

Property covered includes money, securities, and any tangible property including stock, furniture and equipment.

Forgery

Forgery coverage will pay for loss involving checks, drafts, promissory notes, similar written promises, orders or directions to pay a certain sum of money made or drawn or purported to have been drawn by the Lodge, which have been forged or altered.

Legal expenses are also included if the Lodge is sued for refusing to pay because the check or covered instrument has been forged or altered.

Money and Securities

Money and securities coverage will pay for loss of covered property described below resulting directly from theft, disappearance or destruction by anyone other than an employee. Includes robbery, safe burglary and other property. Covered property includes money (currency, coins and bank notes in current use and having a face value, travelers' checks, register checks and money orders held for sale to the public) and securities (negotiable and nonnegotiable instruments or contracts representing either money or other property and includes tokens, tickets, revenue and other stamps in current use and debt with credit cards). Coverages are provided in and away from Lodge premises.

Computer and Funds Transfer Fraud

Computer and Funds Transfer Fraud provides coverage against theft of money, securities or property using a computer to transfer covered property from the insured's premises or bank to another person or place. No coverage for theft of information or computer vandalism.

Deductible

The amount of deductible for each loss is shown on your Certificate of Coverage. No Deductible Amount shall apply to any covered loss attributable to individuals serving in the following

capacities at the time of such covered loss: (i) The Lodge Exalted Ruler; or (ii) Treasurer; or (iii) Secretary.

Exclusions

The policy will not cover loss or damage caused by:

- A. An employee for whom similar insurance has been canceled and not reinstated, when such cancellation is known to the lodge; however, this only applies if the loss exceeds \$5,000.
- B. For any loss exceeding \$5,000, insurance is canceled immediately for any employee who has committed a dishonest act that has been discovered by you, or any officers or directors not in collusion with the employee, whether the commission of the dishonest act occurred before or after becoming employed by the Lodge.
- C. Inventory shortages if the proof of loss, as to its existence or amounts, depends on an inventory computation or a profit and loss computation.

Claims Reporting

In the event of a loss, please call the Customer Service Agent at Aon's Affinity Commercial Solutions, Inc. at 1-800-421-ELKS (3557) as soon as possible after the loss is discovered.

Written communications can be sent to:
Aon's Affinity Commercial Solutions, Inc.
Elks Insurance Program
200 E. Randolph St, Suite 400
Chicago, IL 60601
elks.insurance.program@aon.com
Fax 1-312-381-2751

The Customer Service Agent will ask for the date and description of the loss, an estimate of the value of the loss, whether the fire or police departments were involved and any other pertinent information. The Customer Service Agent will then immediately notify the Insurance Company of the loss and work with the Lodge to quickly resolve the claim.

A claims adjuster will contact the Lodge as soon as possible after receipt of the claim. The adjuster will work with the Lodge and Aon's Affinity Commercial Solutions, Inc. Agent to:

- Quickly evaluate the nature and extent of the loss.
- Assist you in making reasonable or necessary temporary repairs, if necessary, obtaining repair estimates and otherwise adjusting the loss.
- Assist you in completing any paperwork, such as proof of loss.
- Deliver your claim check.

Please call the Customer Service Agent with any questions during the claim process.

It is important to know the Lodge's duties in the event of loss or damage:

- Do not contact the police unless instructed to do so by a claims adjuster. Lodges should not file any criminal charges against a suspected individual; such charges should only be made by local prosecutors.
- Report notice of loss or damage as soon as possible after discovering the loss. Include a description of the property involved as well as a description of how, when and where the loss or damage occurred.

- Take all reasonable steps to protect the property from further loss or damage. Keep a report of all your expenses for emergency and temporary repairs.
- Provide a sworn proof of loss within 120 days.
- If the policy is cancelled, notice must be given within 1 year of cancellation for any 'discovered' loss that happened before the policy was cancelled.

System and Equipment Breakdown Coverage (Boiler and Machinery)

System and Equipment Breakdown (Boiler and Machinery) coverage is provided to all Lodges that own a building.

The Property Plus Program will pay subject to limits shown on the Certificate of Coverage for sudden and accidental breakdown of a "covered object" that results in physical damage necessitating repair or replacement.

Direct Coverage Description

System and Equipment Breakdown (Boiler and Machinery) coverage provides protection against:

- A. Direct loss to any "covered object" the Lodge owns or for which the Lodge is liable.
- B. Expediting Expenses incurred, including the extra cost to make temporary repairs, permanent repairs and permanent replacement of "covered objects."
- C. A direct or indirect loss caused from damage to a Public Utility Company's transformer or electrical apparatus, wherever located, used to supply power to the premises.
- D. Cleanup of a "covered object" polluted or contaminated due to a direct loss, if the substance is declared to be hazardous to health by a Governmental Agency.

Indirect Coverage Description

Business Interruption for actual loss of income and/or extra expense incurred by the Lodge during the time to repair or replace a "covered object."

Covered Objects

The following are "covered objects":

- Boilers, Fired Vessels and Electric Steam Generators;
- Unfired Vessels;
- Refrigerating and Air Conditioning Vessels and Piping;
- Auxiliary Piping;
- Compressing and Refrigeration Units;
- Air Conditioning Units;
- Pumps, Compressors, Fans and Blowers;
- Miscellaneous Electrical Apparatus;
- Turbines, Generators;
- Transformers; and
- Ice Machines

Exclusions

The policy will not pay for loss or damage caused by:

- A. Nuclear Hazard;
- B. War and Military Action;
- C. Water;
- D. Any Earth Movement;
- E. Wear, tear, rust, corrosion, fungus, decay, deterioration, hidden or latent defects; and
- F. Settling, cracking, shrinking or expansion.

Deductible

The Deductible shown on the Certificate of Coverage applies to this coverage if this coverage is applicable to the Lodge. The deductible is a dollar amount; the policy pays the amount of loss or damage that exceeds the deductible up to the applicable limit of insurance.

Claims Reporting

In the event of a loss, please call the Customer Service Agent at Aon's Affinity Commercial Solutions, Inc. at 1-800-421-ELKS (3557).

Written communication can be sent to:

Aon's Affinity Commercial Solutions, Inc.
Elks Insurance Program
200 E. Randolph St, Suite 400
Chicago, IL 60601
elks.insurance.program@aon.com
Fax 1-312-381-2751

The Customer Service Agent will ask for the date and description of the loss, an estimate of the value of the loss, whether the fire or police departments were involved and any other pertinent information. The Customer Service Agent will then immediately notify the company of the loss and work to quickly resolve the claim.

A claims adjuster will contact the Lodge as soon as possible after receipt of the claim. The adjuster will work with the Lodge and the Aon's Affinity Commercial Solutions, Inc. Agent to:

- Quickly evaluate the nature and extent of the loss.
- Assist in making reasonable or necessary temporary repairs, if necessary, obtaining repair estimates and otherwise adjusting the loss.
- Assist in completing any paperwork, such as proof of loss.
- Deliver the claim check.

Please call the Customer Service Agent, with any questions during the claim process.

It is important for you to know the Lodge's duties in the event of loss or damage to covered property:

- Notify the police if a law may have been broken.
- Give prompt notice of loss or damage. Include a description of the property involved and a description of how, when, and where the loss or damage occurred.
- Take all reasonable steps to protect the property from further loss or damage. Keep a report of all expenses for emergency and temporary repairs.
- Provide the adjuster with a reasonable amount of time to examine the "covered cause of loss". Failure to do so could result in denial of coverage.

- **Never remove or dispose of the equipment until the adjuster has had time to examine it.**

4. Other Insurance

There may be other insurance subject to the same plan, terms, conditions, and provisions as the insurance under this policy. The Insurance Company will pay its share of the covered loss or damage. The Insurance Company's share is the proportion that the applicable Limit of Insurance under this policy bears to the Limits of Insurance of all insurance covering on the same basis.

5. Mortgage Holders and Loss Payees

Mortgage holders—including most banks and savings and loans—will require that a borrower provide them with evidence of insurance coverage on the property; e.g., building or business personal property securing a loan.

Inquiries from mortgage holders should be directed to Aon's Affinity Commercial Solutions, Inc., the Program Administrator.

It is important to provide the following information to the Administrator when writing or calling regarding a request from a mortgage or lien holder:

- Complete name and address of mortgage or lien holder;
- Complete address or description of property on which their interest is secured;
- Loan number if any; and
- Name of person at mortgage company or lien holder that needs to be contacted.

The Program Administrator will write or call and fulfill the requirements of the mortgage or lien holder.

6. Changes in Coverage/Amounts of Insurance

The Lodge may increase, decrease, add, delete or change amounts of insurance, valuation, coverages or deductibles, subject to policy program rules. The Lodge may make changes in the policy at any time with the consent of the company by contacting the Program Administrator:

Aon's Affinity Commercial Solutions, Inc.

Elks Insurance Program

200 E. Randolph St, Suite 400

Chicago, IL 60601

Tel 1-800-421-3557

Fax 1-312-381-2751

elks.insurance.program@aon.com

7. Coverages Not Included

There are exposures that the Lodge must evaluate and insure separately. Among them are:

- General Liability*
- Employment Practices**
- Directors and Officers Liability**
- Publisher's Liability
- Insurance on Owned Automobiles
- Insurance for Owned Watercraft or Non-Owned Watercraft
- Pollution Liability
- Accident, health, life or disability, or any type of Employee Benefit Coverage
- Surety Bonds of any kind, including those required by Federal, State, or Local governmental bodies
- Coverage under Workers Compensation, Unemployment Compensation, or Disability Benefit Law ***
- Flood and Earthquake

** General Liability insurance coverages, including Bodily Injury, Property Damage, Personal Injury, Employee Benefit Liability, Liquor Liability, and Hired/Non-Owned Automobile Liability, are provided by the Benevolent and Protective Order of Elks Master Liability Insurance Program. Please refer to the General Liability Insurance Program Guide for complete details.*

***A sponsored Directors and Offices/Employment Practices Liability policy written specifically for the Elks is offered by Aon's Affinity Insurance Services Inc. For a free quote, contact Aon's Affinity Insurance Services, Inc.*

+++Aon's Affinity Insurance Services, Inc. offers a voluntary Workers Compensation Program for the Elks that can include coverage for Volunteers. For a free quote, contact Aon's Affinity Insurance Services, Inc. at 1-800-421-3557

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