

ACORD**EVIDENCE OF PROPERTY INSURANCE**

DATE (MM/DD/YYYY)

01/14/2014

THIS EVIDENCE OF PROPERTY INSURANCE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE ADDITIONAL INTEREST NAMED BELOW. THIS EVIDENCE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS EVIDENCE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE ADDITIONAL INTEREST.

AGENCY Willis of Minnesota, Inc. 10707 Pacific Street, Ste 200 Omaha, NE 68114		PHONE (A/C, No, Ext): 800.736.4327	COMPANY Swett & Crawford	
FAX (A/C, No): 800.328.0522	E-MAIL ADDRESS: nkirklin@willis.com			
CODE:		SUB CODE:		
AGENCY CUSTOMER ID #: 00004498				
INSURED Beta Beta Alumni of Delta Sigma Phi, Inc. 414 E. Broadway Columbia, MO 65201		LOAN NUMBER		POLICY NUMBER NHD384757
		EFFECTIVE DATE 04/01/2014	EXPIRATION DATE 04/01/2015	<input type="checkbox"/> CONTINUED UNTIL TERMINATED IF CHECKED
THIS REPLACES PRIOR EVIDENCE DATED:				

PROPERTY INFORMATION

LOCATION/DESCRIPTION 1 Loc 00001 Bldg 00001 805 Richmond Ave Columbia, MO 65201
THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS EVIDENCE OF PROPERTY INSURANCE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

COVERAGE INFORMATION

COVERAGE / PERILS / FORMS		AMOUNT OF INSURANCE	DEDUCTIBLE
1	Building, AA,, Special form	2,770,775	2500
1	Business Personal Property, ALS, Special form	189,948	2500
1	BI w/ Extra Expense, ALS, Special form	269,093	2500
1	Equipment Breakdown, The Charter Oak Fire Ins. Co. BME1 7B31100A	5,000,000	1000

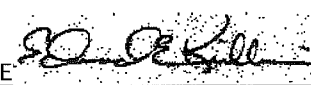
REMARKS (Including Special Conditions)

Deductibles; \$100,000 Flood Zone A or V; \$25,000 Flood All Other & Minimum Earthquake Deductible. California EQ is 5% of line of coverage for locations that have paid additional premium. Tier 1 Windstorm locations \$10,000 if additional premium is paid otherwise 2% of line of coverage. \$10,000 vacant locations, all other perils as shown above in the coverage information.

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

ADDITIONAL INTEREST

NAME AND ADDRESS Beta Beta Alumni of Delta Sigma Phi, Inc, c/o Marberry & Eagle, CPA 414 E. Broadway Columbia, MO 65201	MORTGAGEE	ADDITIONAL INSURED
	<input checked="" type="checkbox"/> LOSS PAYEE	
	LOAN #	
	AUTHORIZED REPRESENTATIVE Edward (Ned) Kirklin/QUINE 	

ACORD 27 (2009/12)

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800-736-4327
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www.WillisFraternity.com
www.WillisSorority.com

MEMORANDUM

PREMIUM INVOICE ENCLOSED AND NOW DUE FOR PAYMENT

February 15, 2014

To: House/Alumni Corporation Officers & Undergraduate Chapters

From: Rich Jungman, Managing Partner, Extension 4179
Ned Kirklin, Executive Vice President, Extension 4195
Becky Menetre, Client Manager, Extension 4183

RE: Fraternal Property Management Association Property Insurance Program
Policy Renewal of April 1, 2014 - April 1, 2015

If this billing reaches you in error, please contact Becky Menetre in our office immediately at 1-800-736-4327 Ext. 4183 or bmenetre@willis.com.

If you are forwarding the invoice to another party to pay the renewal billing, please forward ALL INFORMATION enclosed to the person paying the invoice. Willis and many FPMA participants are working hard to improve the loss experience for their individual locations. The commitment of all participating locations in reducing avoidable losses is needed on a daily basis. We are very happy to be able to continue the relationship with RSUI Indemnity (rated A (XII) by AM Best & Co.) in the property program and continue with the program premium discounts we have offered in the past. The RSUI relationship was established in 2002 and they will begin their 15th underwriting year in 2014.

Together, Willis and RSUI continue to provide you with:

- 1) An insurance contract providing a breadth of coverage that is second to none in the fraternity world.
- 2) A service level that exceeds your expectations.
- 3) A fair premium charge.

Despite the significant losses resulting from human error that remains a challenge for student housing, (e.g. smoking and candle burning), physical plant neglect and intentional acts (e.g. vandalism and arson), RSUI and FPMA continue to provide a consistent property program **that will not see any rate increase for 2014.**

****IMPORTANT INCREASED CHANGES AND CONTUNUED OPTIONAL COVERAGES AS OF APRIL 1, 2014****

A. Equipment Breakdown: We are excited to announce The Charter Oak Fire Insurance Company will be the new insurance carrier for the Equipment Breakdown coverage under the Fraternal Property Management Association Program effective April 1, 2014 providing an approximate premium reduction of 15-20% over the expiring coverage with Hartford Steam Boiler for all locations less than \$ 6 million in total insured values. The facilities larger than \$ 6 million are being priced to better reflect the insured exposures. The Charter Oak Fire Insurance Company is affiliated with Travelers Companies and has an A.M. Best rating of A+ (superior). Coverage and premium has been included in your renewal **unless** you previously declined the coverage. Please review your invoice and Evidence of Property Insurance to determine if you have this important coverage. If you do not wish to carry Equipment Breakdown coverage, please send us your written request to non-renew this coverage by e-mail or fax. Be sure to include the Fraternity and Chapter name and the address of the facility. Before you make your decision to eliminate this coverage, please visit our web site at http://willisfraternity.com/Insurance_Products/ to view the coverage provided. Also if you currently are not carrying Equipment Breakdown coverage and believe it is needed please contact your Client Manager, Becky Menetre at Ext.4183, or bmenetre@willis.com.

B. Business Personal Property (BPP): RSUI Indemnity Company has agreed to provide Guaranteed Replacement Cost protection for Business Personal Property (BPP) as they have done for years with Real Property/Building Coverage for many years. For a facility to receive GRC protection for BPP they need to carry a **BPP limit equal to \$12.00 per square foot** of the facility. Historically RSUI has only offered GRC protection for BPP with submission of a property inventory. This new feature provides an easy method in which any Local or National House Corporation can easily purchase this important protection. Historically the policy has paid replacement cost protection for BPP up to the limit

of coverage purchased. In any large loss we have found that almost all facilities are significantly underinsured and do not have ample proceeds to replace all BPP. As with any insurance policy, this change does not negate the insured location, at the time of the property loss, to have to document their property claim. It just makes the process much easier for an insured location to improve their breadth and limit of coverage without additional documentation. If you wish to change your insurance protection as outlined above, please contact your Client Manager,

- C. **Business Income/Extra Expense:** RSUI Indemnity Company has agreed to provide Actual Loss Sustained (ALS) protection for the Loss of Rents/Extra Expense exposure without a cap on the limit of coverage available. For a facility to receive ALS protection they need to carry a **Loss of Rents/Extra Expense limit equal to \$17 per square foot**. Historically RSUI has only offered ALS protection submission of a Loss of Rents worksheet. Now this new feature provides an easy method in which any Local or National House Corporation can easily purchase this important protection. Historically the policy has paid Actual Loss Sustained protection only up to the limit of coverage purchased. In any large loss we have found that almost all facilities are significantly underinsured and do not have ample proceeds to cover all Loss of Rents. As with any insurance policy, this change does not negate the insured location, at the time of the property loss, to have to document their property claim. It just makes the process much easier for a insured location to improve their breadth and limit of coverage without additional documentation. If you wish to change your insurance protection as outlined above, please contact your Client Manager,

*******IMPORTANT ISSUES AFFECTING INSURANCE COVERAGE AND PREMIUM COST*******

- I. **Building:** To participate in the program, your building must be insured to a minimum of the most current Boeckh Valuation System (BVS) replacement cost value on file with Willis at renewal. The minimum valuation requirement of RSUI eliminates the usual and customary coinsurance clause/penalty clause and provides Guaranteed Replacement Cost that will provide the actual cost of like, kind quality repairs regardless of the stated building limit. If your building was previously valued below 100% of the most current Boeckh Valuation System (BVS) replacement cost value on file, we have adjusted your building value accordingly.

Please review your enclosed Evidence of Property Insurance (EPI). Confirm all buildings you own and wish to insure are declared and have a value shown. Only buildings listed are currently insured. If you have any additional buildings/structures on your property that are not listed and you wish for them to be insured, please contact your Client Manager, Becky Menetre at Ext.4183, or bmenetre@willis.com to make the needed changes to your policy.

- II. **Is your facility vacant?** If your facility is vacant or becomes vacant during the policy year, and you have not previously notified our office, please contact Becky Menetre at Ext.4183, or bmenetre@willis.com. Please note a facility that is only idle over the summer or holiday breaks WILL NOT be considered vacant. **You only have 60 days to report a vacancy. Do not jeopardize your coverage by failing to report the vacancy.**
- III. **The inspection program continues:** Each participating location with an insured physical building is required to be inspected once every two years. The cost will remain constant from last year's renewal. The cost is \$530. To assist budgeting for this expense, we charge one-half (\$265) of the inspection fee at each renewal. The fee is non-refundable.
- IV. **Fire Sprinkler discounts available:** Sprinkler systems save lives and insurance premiums. In an effort to encourage the installation of fire sprinklers in Greek housing through insurance premium reductions, we are pleased to offer an increased initial premium discount upon activation of a newly installed system. **If your system meets NFPA R13 sprinkler installation design your facility will qualify for a significant premium discount.**

A participating facility wishing to apply for this discount needs to submit ALL of the following documentation:

- a. Contract invoice outlining the type of fire suppression system installed and area of coverage;
- b. Contractor's Test Certificates for Interior Sprinkler;
- c. Documentation the sprinkler system has been tested and approved by the local authority having jurisdiction;
- d. A copy of the yearly service and monitoring contract with a licensed and insured fire sprinkler contractor; and
- e. Completion of the Willis sprinkler discount form which can be found on our website: www.willisfraternity.com/FPMA_Property_Program/Sprinkler_Discount_Application/

- V. **Additional discounts available:** In an effort to reward the facilities that differentiate themselves from their peers by taking additional steps to reduce their risk, RSUI offers a number of premium discount opportunities. Highlighted below are the additional discounts offered:

1. Employing a Professional Management Company (10%)
2. Modern, Safe Facility (10%)
3. \$10,000 All Other Perils Deductible (10%)
4. Undergoing a Strategic Assessment or Feasibility Study by Pennington & Company (5%)

Please refer to our website www.willisfraternity.com/FPMA_Property_Program for additional information or contact your Client Manager.

- VI. **Premium surcharges may apply:** To hold premiums to a minimum for locations with no claims, a surcharge has been included for those locations with a claim, or multiple claims, with total payments in excess of \$100,000. In addition, due to the catastrophic nature of hurricane and earthquakes, **surcharges** may be included within the premium charged. Tier one wind counties, defined as counties bordering the coast from the states of North Carolina to Texas and the entire state of Florida may pay a windstorm surcharge to lower the Named Storm deductible to \$10,000. Otherwise, the Named Storm deductible is 2% of insured value of each line of coverage a claim is made under. All California locations are subject to a surcharge for Earthquake coverage. **If the surcharge is not paid, there is no coverage for the peril or earth movement. Please review your invoice as the surcharge is clearly noted as a separate line item if charged. If you have any questions as to whether or not you have the needed or required coverage, please contact your Client Manager,**

Review your stated limits by line of coverage! Please review all limits of insurance shown on your enclosed evidence of property insurance for accuracy. It is important to review all limits of coverage.

*******OTHER THINGS YOU NEED TO KNOW*******

1. **PREMIUM FINANCING AVAILABLE.** We have a premium financing option available. We can provide the opportunity for you to pay 60% down now with the remainder to be paid in one installment due September 1, 2014. Finance costs will vary from \$150 to \$500 depending on the amount of premium. If you wish to finance your property premium, you must remit 60% of your invoice amount prior to April 1, 2014. A finance agreement will be forwarded for your execution upon receipt of your down payment. Upon receipt you can either execute the agreement or pay the balance owed. For additional information regarding premium financing contact Gail Wolf, gwolf@willis.com, 1-800-736-4327 ext. 4192.
2. **PREMIUM PAYMENTS REQUIRED FOR RENEWAL OF COVERAGE.** Coverage will not be renewed until payment is received. If you have any difficulty in making your premium payment, contact your Client Manager Becky Menetre at 800-736-4327 Ext.4183, or bmenetre@willis.com. We will do our best to help you keep your coverage in force.
3. **MORTGAGEE OR LOSS PAYEE EVIDENCE OF PROPERTY INSURANCE CERTIFICATES.** An Evidence of Property Insurance Certificate for any mortgagees and loss payees will be mailed to the appropriate party after premium payment is received.
4. **HOW TO REPORT A CLAIM.** Any incident which may damage your property should be reported immediately by telephone to Rob Meraz, Claim Advocate, Willis 1-800-736-4327, Ext. 4189 or by email at rob.meraz@willis.com. Claim personnel will give you instructions as to how to proceed. **If you are reporting a claim after hours, please call 1-800-818-5619.** A possible claim can also be reported on line at www.WillisFraternity.com; however, if your claim is of an urgent nature, we recommend you call us. The policy requires reasonable efforts be made by an Insured to protect the property from further damage and mitigate the extent of the damage. Please take immediate appropriate action to fulfill this obligation under the policy. Two companies which provide emergency mitigation services are Service Master 1-800-RESPOND and Belfor Residential Services 1-800-856-3333.
5. **RISK AND PROPERTY MANAGEMENT RESOURCES.** Willis strives to provide risk management resources to complement the loss prevention and control efforts of its clients. We have an Education Consultant on staff to assist you in this area. Please visit our website at www.WillisFraternity.com to review our downloadable risk prevention resources. Should you like assistance with your educational efforts in loss prevention and control, please contact: Bobbi Larsen at 800-736-4327, Ext. 4178 or by email at blarsen@willis.com.
6. The FPMA property program is a master policy that utilizes the combination of 6 or more insurance policies to provide the participating members with the needed limits and breadth of coverage. To complete the allocation of program costs and invoicing, blended rates are developed to pay the premium obligation of all FPMA property program insurance companies and billed as a property premium line item with the exception of any premium surcharges or credits outlined on the invoice. This procedure results in differences between monies collected in the aggregate across all program

participants and owed to the insurance carriers to pay the different policy premium obligations. Any difference is treated as revenue to Willis and accounted for under generally accepted accounting practices

7. Neither your property insurance nor your liability insurance provides Workers' Compensation Coverage for chapter employees. It is the duty of each house corporation to make certain they are familiar with their State laws and requirements to carry Workers' Compensation Coverage for employees of the Chapter.

Each State provides a State Assigned Risk Pool that can insure the Workers' Compensation exposures of the Chapter. The State Assigned Risk Pool can be accessed by contacting a local insurance agent or Willis, your insurance broker, to obtain coverage. It is important to note that in addition to payrolls paid to a chapter cook and housemother, subsidized housing or meals provided to chapter members in exchange for service in a position (i.e. house manager, kitchen steward, chapter officer) is also considered payroll and if injured, the individual likely has the right to recover damages under the Workers' Compensation laws of your State. If you have any questions, please contact your Client Manager, Becky Menetre at Ext.4183, or bmenetre@willis.com.

*****AGENCY DISCLOSURE STATEMENT*****

As a Willis agency Customer, you have the right to know:

- Willis, like other insurance agents, represents insurance companies and is paid by insurance companies for selling insurance to clients like you.
- The amount of compensation received by the Willis Group of companies ("Willis") in connection with your insurance placement. We are also required to obtain your consent to our commission compensation prior to binding the coverage. In that regard, please note that unless you instruct us otherwise, your direction to bind coverage and/or payment of the premium related to your insurance placement will be deemed consent to the compensation disclosed during the quotation process or as outlined in the binding documentation provided by the carrier.
- Willis earns a commission based on a percentage of the premium you pay to the insurance company. Willis, like other insurance agents, may also be paid additional amounts by insurance companies based on other factors, such as the number of policies placed or renewed with an insurer, the amount of premiums paid, or the loss histories of clients placed or renewed with an insurer.
- Willis commissions are built into the cost of your insurance.
- Willis, like other insurance agents, may receive compensation for placing your insurance from other intermediaries, such as wholesalers and premium finance companies, which may or may not be affiliated with Willis. That compensation may be in the form of commissions, administrative fees, placement fees, interest, or other compensation.
- Should Willis use a wholesaler to place your insurance coverage, Willis will disclose (1) any interest or contractual agreements Willis may have with the wholesaler (2) the compensation received by Willis, and (3) any alternatives to using a wholesaler. In 2014 Willis has utilized Swett & Crawford as an independent wholesaler to place insurance coverage with RSUI and other carriers to insure the California earthquake exposures of the FPMA participants. These carriers require use of a wholesale intermediary by Willis to obtain a quotation. Willis has no ownership interest in Swett & Crawford.
- Willis Associates are prohibited from accepting any gifts, entertainment or trips from insurers that could create the appearance of a conflict of interest.
- That Willis may earn interest on your premiums before paying your premium to the applicable insurance companies.
- Willis will disclose all quotes and indications sought and all quotes and indications received, including declinations of each insurer competing for your business. For the 2014 renewal Willis approached other insurance carriers to discuss their interest in underwriting the FPMA insurance program but due to the competitive option provided by the incumbent carrier RSUI we obtained no other formal quotations
- Willis will disclose all compensation to be received for each quote in dollars or as a percentage of premiums if requested by you.
- Willis may receive additional compensation from the underwriter of the Fraternal Property Management Association based on the overall profitability of that business to the underwriter.

Please contact Gail Wolf, Ext. 4192, gwolf@willis.com. For other questions please speak with Becky Menetre, Client Manager, Ext. 4183 bmenetre@willis.com. We appreciate your continued business and look forward to helping you this next policy term. Thank you.