



Willis of Nebraska
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www.WillisFraternity.com
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July 1, 2013

Brian Brooks
 Beta Beta Alumni of Delta Sigma Phi, Inc.

**RE: Fraternal Property Management Association
 Property and Equipment Breakdown Premium Indication
 805 Richmond Ave. Columbia, MO 65201**

Dear Brian:

Thank you for allowing us the opportunity to provide a property insurance quote. The due diligence required when comparing your current coverage to other options requires the insurance buyer consider a number of items such as breadth of coverage, client service, claims handling and cost. Below is an overview of the annual premium and coverage overview of our property program based upon the information you provided:

Line of Coverage	Stated Value	
	Option	GRC Option
Building	\$2,330,000	\$2,770,075
Business Personal Property (BPP)	\$189,948	\$189,948
Business Income/Extra Expense (BI/EE)	\$269,093	\$269,093
Total Insurable Value	\$2,789,041	\$3,229,116

Line Item	Stated Value		Stated Value	
	Option	Prorata	GRC Option	GRC Prorata
Property Premium	\$7,028	\$4,083	\$8,137	\$4,728
California Earthquake	N/A	N/A	N/A	N/A
Tier 1 Windstorm Premium	N/A	N/A	N/A	N/A
Modern, Safe Facility Discount (10%)	(\$703)	(\$408)	(\$814)	(\$473)
Professional Property Management Discount (10%)	\$0	\$0	\$0	\$0
Mutliple Location Discount (5%)	\$0	\$0	\$0	\$0
Stratgic Assessment Discount (5%)	\$0	\$0	\$0	\$0
Equipment Breakdown/Steam Boiler Premium	\$384	\$223	\$448	\$260
Inspection Fee	\$530	\$530	\$530	\$530
Association Fee	\$250	\$250	\$250	\$250
Total Premium and Associated Fees	\$7,490	\$4,678	\$8,552	\$5,295
Estimated Date of Inception for Pro Rata Calculation *	9/1/2013			

Optional Coverages	Stated Value	Stated Value	GRC	GRC
	Annual	Prorated	Annual	Prorated
\$10,000 All Other Peril Deductible (10% Credit)	(\$703)	(\$408)	(\$814)	(\$473)
Bed Bug Infestation Coverage	Need Number of Beds in Facility			

The FPMA property insurance program is a master policy which renews annually on April 1st. Participants entering the program mid-term will be charged a pro-rata premium from the date coverage is incepted to the end of the current term. The Inspection and Association Fees are not pro-rated.

Coverage Overview

Property Coverage: RSUI Indemnity Company
AM Best & Co. Rating: A (XII)

Equipment Breakdown: Hartford Steam Boiler Insurance and Inspection Company
AM Best & Company Rating: A++ (X)
Equipment Breakdown Limit \$5,000,000
Comprehensive Coverage Form (Freestyle Policy)
Replacement Cost Coverage (All Direct Damage Claims)
Actual Loss Sustained- Loss of Rents/Extra Expense
\$1,000 Deductible

* If you would like a complete overview of the Equipment Breakdown Coverage, please see the Additional Coverage section at our web site at www.willisfraternity.com.

Please see the side by side coverage comparison for complete details on the key differences between your current coverage, if a copy of the policy was provided prior to the quote, and the FPMA Stated Value and Guaranteed Replacement Cost options.

Discounts

We offer a number of premium discount opportunities for: new facilities, major renovations, fire sprinklers, professional property management, higher deductibles and multiple insured locations. Please see the attached Premium Discount Memorandum for specific details.

Physical Plant Inspection Process

The inspection fee shown in the premium cost overview covers the cost to conduct an on-site physical plant inspection, complete a replacement cost valuation of the building, provide a written report and any follow up required for compliance. The initial fee of \$530.00 is charged upon inception of coverage. Thereafter, the physical plant will be inspected biennially and the cost will be billed in annual installments of \$265.00. The inspection is a requirement for participation in the FPMA program. It ensures participating locations are being properly maintained and all facilities are properly insured. The program also allows for greater degree of field underwriting which in turn helps to keep premiums in control by reducing the severity and number of claims.

If you elect to participate in the FPMA commercial property insurance program, we will make arrangements to have the building inspected shortly thereafter. At the initial inspection, the building(s) will be measured and a Boeckh Valuation System (BVS) replacement cost valuation will be completed to determine the actual building limit required. The building must be insured to a minimum of 100% of the Boeckh Valuation System (BVS) replacement cost valuation on file with Willis to participate in the program. Willis cannot confirm the building limit you provided meets the minimum requirement for participation in the FPMA commercial property insurance program. We cannot be responsible for the accuracy or validity of the square footage measurement you report to us. In accepting the insurance quote and requesting that coverage be bound, the insured accepts that the building limits may need to be adjusted due to information obtained in the initial inspection.

Items Required to Bind Coverage

1. Written Request to Bind for each building. Please indicated whether you wish to bind the Stated Value or GRC option in your written communication; and
2. Payment in full within 10 days of binding, or a signed and approved finance agreement with 60% down. (Please note locations entering the program after September 1st do not have an option to finance any portion of their premium.)

If you should have any questions regarding the program, please contact me at 1-800-736-4327 ext. 4191, or send me an email at thavelka@willis.com. In the event of my absence, please contact Ned Kirklin at ext. 4195 or by email at nkirklin@willis.com. Thank you.

Sincerely,

Tiffanie Havelka

Tiffanie Havelka
Marketing Assistant

FRATERNAL PROPERTY MANAGEMENT ASSOCIATION DISCOUNTS

Outlined below are discounts available under the Fraternal Property Management Association insurance program:

1. **10 % discount for employing a Professional Property Management Company** – In order to qualify for this discount, a facility must employ a professional property manager who provides a minimum level of service. A brief overview of the minimum service standard is provided below:
 - a. Complete and annually update a Facility Audit;
 - b. Manage, organize and pay general operating expenses relating to the facility management;
 - c. Provide and secure housing contracts and security deposits, from the undergraduate tenants;
 - d. Authority to authorize and pay expenses incurred to rectify immediate maintenance needs;
 - e. Secure and monitor the facility during extended school breaks;
 - f. Rent collection;
 - g. Complete an initial walk through and check out process with each tenant. Any tenant related damage then will be deducted from the security deposit held; and
 - h. Development of annual operating budgets
2. **5 % discount for undergoing a Strategic Assessment** - A strategic assessment is a three-prong educational process developed for volunteer housing corporations by Pennington & Company, the leader in fraternity and sorority fundraising. The process utilizes extensive organizational research, a written survey of the housing corporation board members, discussions with local volunteers and campus officials and a review of the most current insurance inspections on file. Its intent is to assist the volunteer housing corporation become a more effective landlord by teaching them how to operate as a business. The assessment will help them:
 - a. Know what they are supposed to do;
 - b. How to do it;
 - c. Why they should do it;
 - d. Fully understand there are obstacles beyond their control; and
 - e. Develop long term plans for the future of their facility.

The discount provided to a housing corporation that utilizes this tool will be provided for the first policy term, full or partial, and the next full term. The discount will not exceed the actual cost of the strategic assessment whether realized in the first partial term or proportionally in the second full policy term.

3. **10% discount provided for modern, safe facilities**
Qualifying locations need to be 1990 or newer construction or complete electrical and plumbing renovation since 1990 and have ONE or more of the following:
 - a. central station fire and burglar alarm.
 - b. no smoking and candle burning policy.
 - c. resident advisor or house mother living on site.
4. **Newly Installed Fire Sprinkler Systems**
 - 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 installed. If your system meets National Fire Code R13 installation and was installed subsequent to January 1, 2005, your facility will qualify for an additional premium discount of 40%.
5. **10% discount for increasing the deductible to \$10,000**
If desired there is a 10% discount available to increase the all other perils deductible from \$2,500 to \$10,000



REQUEST TO BIND PROPERTY INSURANCE COVERAGE

TO: Tiffanie Havelka, Willis, Fax # 800.328.0522
FROM:
RE: Fraternal Property Management Association
Pages: 4 (including this page and the 3 page FPMA property application)

It is the request of the House Corporation for which I serve as an officer that you bind coverage as directed below:
Please bind property coverage for:

Beta Beta	Delta Sigma Phi
(Chapter)	(National Fraternity Name)
Beta Beta Alumni of Delta Sigma Phi, Inc.	805 Richmond Ave
(House Corporation Entity Name)	(Street address of property)
	Columbia MO 65201
(Effective Date)	(City) (State) (Zip Code)
Property Insurance Limits to be bound:	
Building	Contents Loss of Rent

Optional Boiler & Machinery Coverage (Equipment Breakdown Coverage): ☐ Accept ☐ Decline

Increased Deductible (\$10,000 All Peril Deductible In Lieu of \$2,500): ☐ Accept ☐ Decline

Acceptance: ☐ Guaranteed Replacement Cost ☐ State Value

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

- That 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.
- That 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's commissions are built into the cost of your insurance.
- That 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 2009 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 2009 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 premium if requested by you.
- That 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.

I serve as an officer of the corporation entity that owns the facility and am empowered by the corporation to sign this document on its behalf. I am requesting that property insurance be placed for the above location on the stated effective date. I am fully aware that the insured values under the Fraternal Property Management Association Stated Value insurance policy may not be sufficient to rebuild the property should the property sustain significant damage by a covered cause of loss under the insurance coverage placed on our behalf by Willis NA. Should the corporation have insufficient limits of coverage to rebuild the property it will hold Willis NA harmless of any and all liability due to this deficiency.

Printed Name: _____ Signature: _____
Title: _____ Date: _____