



James R. Favor & Company, LLC

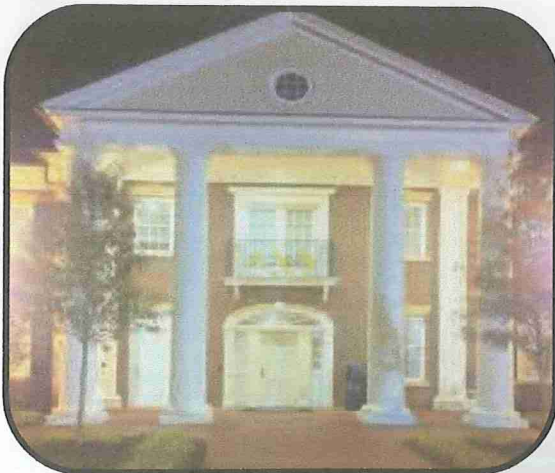
INSURANCE BROKERS AND RISK MANAGEMENT CONSULTANTS

Toll-Free: (800) 344-7335 • FAX: (303) 745-8669 • www.jrfco.com

Fraternity House Corporation Property Insurance Program

James R. Favor & Company has been serving the complex insurance needs of college-based fraternal organizations for over 35 years. Our exclusive Fraternity House Corporation Property Insurance Program offers the following advantages over most other competing products:

- ◆ Competitive premiums with discount opportunities
- ◆ Insurance protection specifically designed for a Fraternity's unique needs
- ◆ Detailed Inspection and Loss Control Program
- ◆ Marshall & Swift Replacement Cost Building Valuations
- ◆ Simple and quick application process to obtain premium indications and quotations
- ◆ Deductible options
- ◆ Premium financing options
- ◆ 24-hour professional claims reporting and claim management oversight
- ◆ Long-term, financially secure insurance market
- ◆ Outstanding, dedicated client service
- ◆ Timely insurance renewal process



James R. Favor & Company, LLC

Property Insurance Program Coverage Highlights

BLANKET PROTECTION LIMIT FOR BUILDINGS, BUSINESS PERSONAL PROPERTY, BUSINESS INCOME (LOSS OF RENTS) AND EXTRA EXPENSE: \$5,000,000

Your Annual Premium is Based on your Statement of Insured Values:

Building:	To Be Determined
Business Personal Property (Contents):	" "
Business Income (Annual Rental Income):	" "
Extra Expense:	" "
Total Insured Statement of Values Limit:	To Be Determined

James R. Favor & Company's Lloyd's Fraternity Property Insurance Program includes the following Property and Supplemental Insurance Coverage within the \$5,000,000 Blanket Limit of coverage established for your location:

- ◆ Buildings
- ◆ Building Glass (Exterior and Interior)
- ◆ Tenants Improvements and Betterments
- ◆ Business Personal Property including Fraternity Ritual Ceremony Regalia & Equipment
- ◆ Furniture, Fixtures, Equipment
- ◆ Personal Property of Others in Your Care, Custody & Control
- ◆ Business Personal Property at Conventions, Conferences & Exhibitions
- ◆ Fine Arts Coverage
- ◆ Accounts Receivable Coverage
- ◆ Valuable Papers & Records
- ◆ Electronic Data Processing Equipment and Media
- ◆ Outdoor Property, Fences, Flag Poles and Other Structures
- ◆ Outdoor Signs & Fraternity Emblems and Insignia
- ◆ Parking Lots, Sidewalks, Retaining Walls, and Decorative Structures
- ◆ Property In-Transit or Stored at Temporary Locations
- ◆ Antennas, Satellite Dishes

Personal Property of Residents, Lessors and / or Members is excluded from coverage. Be sure that your lease or housing agreement contains provisions that eliminate any responsibility on your part for members or others property and advises them that they are responsible for securing their own Homeowners or Renters Insurance.

Property Insurance Program Coverage Highlights

BUSINESS INCOME / EXTRA EXPENSE COVERAGE ENHANCEMENTS:

- Business Income (Loss of Rents):**.....Included in Blanket Coverage Limit
Actual Loss Sustained
- Extra Expense:**Included in Blanket Coverage Limit
Actual Loss Sustained
- Extended Period of Indemnity:**..... Included in Blanket Coverage Limit
365-days coverage
- Loss of Income from Civil Authority:** 30-days coverage
- Loss of Income from Ingress / Egress:** 30-days coverage
- Loss of Income from Conventions,
Conferences & Exhibitions Cancellations:**Included in Blanket Coverage Limit
- Loss of Income from Loss of Utilities:**.....Included in Blanket Coverage Limit
- Loss of Income from Pollution Cleanup or Removal:** \$25,000
- Loss of Income from any other Location:**.....Included in Blanket Coverage Limit
- Loss of Income While In-Transit:**Included in Blanket Coverage Limit

PROPERTY COVERAGE DEDUCTIBLES:

Deductibles Apply For Each Separate Loss:	Deductible
"All-Risk" Perils:.....	\$ 5,000
Named Windstorm Coastal Hurricanes (Minimum):	2% of Values
Vacant Locations:	\$25,000
Earthquake (Minimum):.....	\$25,000
Earthquake Deductible California Locations (Minimum):.....	5% of Building Loss
Flood (Minimum):	\$25,000

NOTE: Only one property deductible applies per loss. The deductible that applies is the one that relates most directly to the primary cause of loss.

Property Insurance Program Coverage Highlights

PROPERTY INSURANCE COVERAGE TERMS & CONDITIONS:

Blanket Limits Each Claim: Building, Personal Property,
Business Income, Extra Expense

Supplemental Property Coverages: See Coverage Limits Schedule

Co-Insurance Contribution Clauses: None / Agreed Value Coverage

Valuation Basis:

Real & Personal Property Replacement Cost

Loss of Rents Actual Loss Sustained

Extra Expense Actual Loss Sustained

Vacancy or Occupancy Restrictions: YES – NOTICE REQUIRED

Perils Limited – Increased Deductible

Same Site Limitation Clauses: None

Business Personal Property Includes: Furniture, Fixtures, Equipment, Tenants
Improvements & Betterments

Premium Quotation and Rates are based on information provided by the insured. Should such information provided be inaccurate or contain errors, premium costs, applicable limits of insurance coverage or other terms and conditions may be subject to change.

All insured locations are subject to a satisfactory risk management survey and loss control inspections. Response and / or compliance with risk management or life-safety improvement requirements is mandatory within 30-days of notification.

NOTABLE POLICY EXCLUSIONS:

Standard Policy exclusions apply. The following is not a complete listing of all policy exclusions. The actual policy language reflects all exclusions that pertain to and affect your coverage.

Some examples of the standard policy exclusions include:

- | | |
|---|---|
| ⊗ <i>Governmental Action</i> | ⊗ <i>Nuclear Hazard</i> |
| ⊗ <i>War & Military Action</i> | ⊗ <i>Loss of Market Value</i> |
| ⊗ <i>Power Failure</i> | ⊗ <i>Electrical Current</i> |
| ⊗ <i>Mechanical Breakdown</i> | ⊗ <i>Wear & Tear or Deterioration</i> |
| ⊗ <i>Rust, Corrosion, Decay</i> | ⊗ <i>Inherent Vice / Latent Defect</i> |
| ⊗ <i>Faulty Design, Materials, or Maintenance</i> | ⊗ <i>Voluntary Parting with Property</i> |
| ⊗ <i>Settling, Cracking, Shrinking or Expansion</i> | ⊗ <i>Insects, Bird, Rodents</i> |
| ⊗ <i>Protective Safeguards</i> | ⊗ <i>Money & Securities</i> |
| ⊗ <i>Pollution</i> | ⊗ <i>Employee Dishonesty</i> |

James R. Favor & Company, LLC

Property Insurance Program Coverage Highlights

VALUATION DEFINITIONS

Agreed Amount

The Agreed Amount endorsement suspends or eliminates the Coinsurance clause. The insurance company and the insured must first agree on the amount of insurance on the property to qualify for the Agreed Amount endorsement, the property insurance limits must equal 100% of the Replacement Cost of the Property and 100% of the Estimated Annual Rental Income & Extra Expense.

Actual Cash Value

The Actual Cash Value is the cost to repair or replace the damaged or destroyed property at the time of loss with property of like kind and quality less allowance for the physical deterioration or physical depreciation of the damaged property.

Extra Expense

Extra Expense includes all necessary expenses that exceed your normal operating expenses that would have been incurred if no physical loss or damage had occurred, all necessary expenses that reduce the business income loss that otherwise would have been incurred, and all necessary expenses to temporarily continue as nearly normal and practicable the conduct of the insured's business and extra costs of temporarily using property or facilities of the insured or others.

Loss of Rental Income

The rental income of your fraternity chapter house before the direct physical loss or damage occurred. Loss of Rental Income also includes your continuing operating expenses, including your ordinary payroll expenses that are necessary to continue or resume operations with the same quality of service that existed just before the direct physical loss or damage.

Replacement Cost

The Replacement Cost is the cost to repair or replace the damaged or destroyed property at the time of loss with property of like kind and quality for the same use or occupancy without any deduction for depreciation.

Coinsurance

A policy provision that requires the insured to carry insurance in an amount equal to a specific percentage (usually 80% or 90%) of the total value of the property covered. It only provides for the full payment of losses, up to the amount of the insured value, if the insured has carried insurance at least equal to the specified percentage of the total value of the property covered. If the amount of insurance carried is less than the amount of insurance required by the coinsurance clause, the loss payment is reduced proportionately. The coinsurance penalty formula is shown below:

$$\left[\frac{\text{amount of insurance purchased}}{\text{amount required}} \right] \times \text{Amount of Loss} - \text{Deductible} = \text{Amount Paid}$$

The Lloyd's Fraternity Property Insurance Program has NO COINSURANCE CLAUSE!

Building and Contents coverage is provided on a Replacement Cost Coverage Basis. Loss of Rental Income & Extra Expense coverage is provided on an Actual Loss Sustained Basis. All coverage is written on an Agreed Value Blanket Limits of Protection Basis, because it is the broadest and most favorable manner to provide property insurance protection for the specialized needs of our customers.

James R. Favor & Company, LLC

Property Insurance Program Coverage Highlights

MECHANICAL, ELECTRICAL AND PRESSURE EQUIPMENT BREAKDOWN

COVERAGE DESCRIPTION

Proposed Limits of Coverage:

LIMITS

Blanket Protection Limits for Direct Damage, Business Income (Loss of Rents) and Extra Expense, Service Interruption & Newly Acquired Property (90 Days):	\$ 5,000,000
Equipment Breakdown Combined Deductible:	
Property Damage, Business Income, Extra Expense	\$ 1,000

James R. Favor & Company's Fraternity Equipment Breakdown Program provides the important protection for losses that are typically excluded under property insurance policies. Examples include losses caused by mechanical breakdowns, electrical arcing, steam boiler and pressure vessel damage or explosions and breakdowns due to centrifugal force. Equipment Breakdown coverage fills these gaps in property insurance. This coverage provides protection for direct damage to mechanical and electrical equipment and income loss and extra expense that result from the equipment breakdown.

Equipment Covered: Included in \$5,000,000 Blanket Coverage Limit

Equipment that generates, transmits or utilizes energy including electronic communication and data processing equipment or Equipment which during normal use operates under vacuum or pressure, other than the weight of its contents. The Equipment must be at a described location and must be owned or leased by you or operated under your control.

Typical Examples of Covered Equipment Include:

- | | | |
|------------------------|-------------------------|--------------|
| ✓ Boilers | ✓ Hot Water Heaters | ✓ Compressor |
| ✓ Pressure Equipment | ✓ Electrical Equipment | ✓ Generators |
| ✓ Mechanical Equipment | ✓ Refrigeration Systems | ✓ Computers |
| ✓ Telephone Systems | ✓ Fiber Optic Cables | ✓ Copiers |
| | ✓ Air Conditioning | |

Property Insurance Program Coverage Highlights

MECHANICAL, ELECTRICAL AND PRESSURE EQUIPMENT BREAKDOWN

James R. Favor & Company's Fraternity Equipment Breakdown Insurance Program includes protection against the following Types or Causes of Loss:

PERILS / CAUSES OF LOSS INSURED:

Accidents or Events that causes direct physical damage such as:

- ◆ Mechanical Breakdown Including Rupture or Bursting Caused by Centrifugal Force
- ◆ Electrical Current that Damages Electrical Devices Appliances or Wires
- ◆ Explosion of Steam Boilers, Steam Piping, Steam Engines or Turbines
- ◆ Events inside Boilers, Steam Pipes, Steam Turbines that Damages the Equipment
- ◆ Bursting, Cracking or Splitting

Typical Examples of Accidents or Events Include:

- ◆ Explosion of Steam Boilers, Pipings, Engines, Turbines
- ◆ Boiler or Hot Water Heater Cracking, Burning or Bulging
- ◆ Short Circuits and Burnouts of Electrical Equipment
- ◆ Electrical Arching Damage
- ◆ Air Conditioning Equipment Failure
- ◆ Refrigeration System Breakdown and Resultant Leakage
- ◆ Mechanical Breakdown of Motors, Fans and Pumps

Equipment Breakdown Coverage Limits Per Accident	Maximum Limits
Blanket Protection Limit for Buildings, Business Personal Property	
Business Income (Loss of Rents) and Extra Expense	
Service Interruption and Newly Acquired Property (90 Days)	\$ 5,000,000
Demolition	\$ 1,000,000
Building Code Compliance.....	\$ 1,000,000
Expediting Expenses	\$ 1,000,000
Spoilage of Perishable Goods.....	\$ 250,000
Data Restoration.....	\$ 100,000
Property Damage to Equipment Off-Premises	\$ 25,000
Hazardous Substance Contamination.....	\$ 25,000
Contingent Business Income	\$ 25,000

Property Insurance Program Coverage Highlights

MECHANICAL, ELECTRICAL AND PRESSURE EQUIPMENT BREAKDOWN

COVERAGE ENHANCEMENTS:

Business Income (Loss of Rents):	Included in Blanket Coverage Limit (Actual Loss Sustained)
Ordinary Payroll:	Included in Blanket Coverage Limit (365 Days Coverage)
Extra Expense:	Included in Blanket Coverage Limit (Actual Loss Sustained)
Extended Period of Indemnity:	Included in Blanket Coverage Limit (365 Days Coverage)
Loss of Income from Civil Authority:	30 Days Coverage
Mold Contamination from Equipment Breakdown:	\$ 25,000
Equipment Upgrades for Environmental Safety & Efficiency, More Energy Efficient, Safer, Environmental Friendly:	150% Increased Coverage
Green Equipment Breakdown:	Additional Limit \$25,000
Co-Insurance Contribution Clauses:	None / Agreed Value Coverage
Valuation Basis:	
Real & Personal Property	Replacement Cost
Loss of Rents	Actual Loss Sustained
Extra Expense	Actual Loss Sustained
Same Site Limitation Clauses	None

NOTABLE POLICY EXCLUSIONS:

Standard Policy exclusions apply. The following is not a complete list of all policy exclusions. The actual policy language reflects all that pertain to and affect your coverage. In addition to the standard Fire & Extended Coverage Perils where coverage is afforded under your property insurance policies, some examples of the standard policy exclusions include:

- | | | |
|------------------------------------|------------------------------|--|
| ⊗ <i>Earthquake</i> | ⊗ <i>Lost of Data Access</i> | ⊗ <i>Deterioration</i> |
| ⊗ <i>War & Military Action</i> | ⊗ <i>Computer Virus</i> | ⊗ <i>Wear & Tear</i> |
| ⊗ <i>Water Damage</i> | ⊗ <i>Flood</i> | ⊗ <i>Computer Programming
Errors</i> |
| ⊗ <i>Maintenance</i> | ⊗ <i>Nuclear Hazard</i> | ⊗ <i>Malicious Code</i> |
| ⊗ <i>Rust</i> | ⊗ <i>Mold</i> | |

Premium quotation and rates are based on the information provided by the insured.
Should such information be inaccurate or contain errors, costs, applicable limits
of insurance coverage, or other terms and conditions may be subject to change.

James R. Favor & Company, LLC

Program Advantages for your House Corporation

James R. Favor & Company, LLC customers benefit from a number of unique advantages not typically available from other fraternal organization insurance programs:

Competitive Insurance Premiums: Our customers benefit from the savings enjoyed from competitive premium pricing. Long-term customers of James R. Favor & Company pay considerably less for their insurance than most other college-based fraternal organizations. Several of our customers are paying the same premium rates that they paid over 25 years ago. The program is designed to provide competitive stable pricing from year to year without the fluctuations resulting from outside insurance industry hard or soft market pressures. Customers with good loss records are rewarded with premium pricing reflective of their experience. As with all insurance programs, customers with less favorable claim frequency and severity pay more, but generally less than competing programs.

Custom Designed Unique Insurance Coverage: Our insurance program provides custom designed unique insurance protection based on the special needs and requirements of college-based fraternal organizations. For over the last 35 years, we have designed and copyrighted customized manuscript policy forms. These tailored policy forms provide specialized coverage designed to protect the unique needs of your organization. Our policy language is updated regularly to address the ever-changing exposures, risks and case-law developments that emerge.

Copyrighted Chapter House Property Survey and Loss Control Inspection Program: Customers of James R. Favor & Company also benefit from a thorough chapter house risk management survey and physical inspection program for all of their locations. This program assists each of our customers in identifying hazards and safety concerns that when corrected, dramatically improve the risk profile and life-safety conditions of their chapter house facilities. The program has also benefited our customers by providing valuable and accurate statistical data about their chapter property that is not easily obtainable through other efforts. These professionally conducted inspections provide valuable information for house corporations and chapters that help identify priority areas requiring attention for more effective utilization of resources. Favor customers have seen measurable improvement over time in reduced claims and improved chapter house life-safety as a direct result of this program.

Professional Claims Management Oversight and Coordination: James R. Favor & Company has a very successful track-record for actively assisting our customers in claims recovery. We have been actively involved with over 6,000 claims recovering over \$60,000,000 on behalf of our fraternity customers. We have developed a top tier network of defense counsel across the country, that in partnership with our Lloyd's underwriters have successfully defended our customers interests, and in doing so, have helped establish some valuable landmark case law beneficial to all college-based fraternal organizations. We work closely with our customers to make sure their claims are handled promptly and that they receive the fullest extent of the benefits of their insurance policy coverage. We guide and consult with our customers in every step of the claim process from start to finish. We also offer 24-hour claim reporting / emergency assistance, and for your added convenience on-line reporting for all claims via the internet.

Long Term Stable Market Source Of Insurance Coverage: Favor Company customers benefit from the comfort of knowing that their underwriters are committed to them and to the fraternal community's insurance needs. Unlike some other programs that need to secure new insurance companies every few years due to their program's deteriorating loss experience and uncompetitive pricing, the Favor program has maintained continuous coverage with Lloyd's of London underwriters for over 25 years. Favor customers do not need to wonder or worry year to year who their next insurance company is going to be. James R. Favor Company, LLC is privileged to have earned the respect and confidence of Lloyd's, and is appointed as the exclusive Coverholder / Underwriter for the Lloyd's Fraternity Program. For over 300 years, Lloyd's has been recognized as the best known and most highly respected insurance market in the world. Their experience in insuring the toughest risks on earth makes them uniquely qualified to cover the specialized and difficult hazards faced by college-based fraternal organizations.

James R. Favor & Company, LLC



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GENERAL INFORMATION

Fraternity/Sorority: _____ School Name: _____

Chapter Name: _____
(ex: Iowa Gamma Chapter of XYZ Fraternity, Beta Zeta Chapter of XYZ Fraternity)

Property Address: _____
Street City State Zip County

Property Type: Owned House University House Rental House Lodge Apartment Storage Unit

House Corporation: _____ Phone: _____
Legal Name of House Corporation

H.C. Mailing Address: _____
Street City State Zip

Billing Contact: _____ Phone: _____
Name

Billing Contact Address: _____
Street City State Zip

Billing Contact Title: _____ E-mail: _____

MORTGAGE / LOSS PAYEE INFORMATION

Name: _____ Loan #: _____ Phone: _____

Address: _____
Street City State Zip

FACILITY INSPECTION INFORMATION

Inspection Contact: _____ Phone: _____
Name

Inspection Contact Address: _____
Street City State Zip

Inspection Contact E-mail: _____

BUILDING INFORMATION

Year property was built? _____ Number of stories? _____

Number of Buildings at location? _____ ** Separate information for each building is required*

Is property currently occupied? Yes No If No, how long has it been vacant? _____

Maximum number of occupants: _____ Number of Total chapter members: _____

Is location classified as a historic building? Yes No

Building Construction: Frame Joisted Masonry Masonry Non-Combustible Modified Fire Resistive

Please provide what year each of the following was last replaced / updated / renovated:

Electrical Wiring: _____ Heating: _____ Cooling: _____

Plumbing: _____ Roof: _____

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BUILDING INFORMATION CONTINUED

TYPE OF FIRE PROTECTION SYSTEMS

Hardwired Smoke Detectors Central Monitored Alarm Battery Operated Smoke Detectors Other None

SQUARE FOOTAGE

Total building square footage (inc. basement) _____ Basement finished square footage _____

Is there a basement? Yes No Basement unfinished square footage _____

ANY UNUSUAL HAZARDS NEARBY?

Bodies of Water (stream, lake, etc.)? Yes No Swimming Pool? Yes No

Elevators on Premises? Yes No Operating Kitchen? Yes No

Recreational Areas on Premises? _____

HEATING / COOLING

Type of heating: Boiler Forced Air Is the premises air-conditioned? Yes No

SPRINKLER SYSTEM

Is the building sprinklered? Yes No *If yes, answer the following questions:*

What percent of the total area is covered? _____ Year sprinkler system was installed _____

Is the sprinkler system serviced by an outside contractor? Yes No *If yes, please provide:*

Contractor: _____ Name _____ Phone: _____

Address: _____ Street _____ City _____ State _____ Zip _____

E-mail: _____ Date of last inspection: _____

CURRENT COVERAGE INFORMATION

A copy of your most recent Evidence of Property Insurance should be included with the application.

Current Carrier: _____ Expiration Date of Current Policy: _____

Current Property Premium: _____ Current Deductible: _____

Current Building Value: _____ Current Contents Value: _____

Current Annual Rental Income: _____ Current Extra Expense Value: _____

Any Losses in the last 5 Years? Yes No *If Yes, provide details on separate page*

APPLICATION WARRANTY AND INSTRUCTIONS

I hereby warrant and confirm that the above information, to the best of my knowledge, is true and correct, and further certify that I have read all of the questions and answers of this application. I understand this application is a requirement for coverage and evidence of my acceptance of this insurance, and any falsification or misrepresentation will be deemed a breach of contract, voiding all insurance coverage. It is understood and agreed that the completion of this application shall not be binding either to the proposed insured or the company until accepted by the company or companies in writing from James R. Favor & Company, LLC.

Completed by: _____ Title: _____

Signature: _____

Address: _____ Street _____ City _____ State _____ Zip _____

Phone: _____ E-mail: _____

SEND COMPLETED APPLICATION TO: Bob@jrfco.com or FAX to (303) 745-8669