

*Phi Kappa Sigma International Fraternity  
Insurance Allocation Methodology  
Category Information*

**Category: Chapter National Property Program Participation Status**

**Definition**

Chapter National Property Program Participation status reflects participation in the International Fraternity's Property Insurance Program. This status only applies to chapters that exist in a dwelling (house or other physical structure) that accommodates 5 or more members living together and is owned by the chapter (typically through a Home Owning Corporation). Chapters that live in a dwelling of this type but that rent, lease, or are provided a dwelling by their University/College are not subject to this surcharge.

**Element of Risk**

Chapters that exist in an owned dwelling of this type have been afforded an opportunity to participate in a Property Insurance Program the International Fraternity believes is very cost competitive and also is the most comprehensive in terms of coverage limits and indemnifications. Participation in this program also benefits the chapter by ensuring annual dwelling assessment for replacement cost coverage is maintained.

**Surcharge Trigger(s)**

- Chapters that exist in a dwelling of this type and do not participate in the Fraternity's Property Insurance Program will be surcharged 5% on the following policy year's Chapter Insurance Base Rate (see Actions to Reduce/Eliminate this surcharge for a special exception).
- Chapters that exist in a dwelling of this type and participate in the Fraternity's Property Insurance Program will not be surcharged on the following policy year's Chapter Insurance Base Rate.

**Actions to Reduce/Eliminate the Surcharge**

- Chapters may opt out of the Property Insurance Program but only after completing the following process and meeting the standard described.
  1. Forward a complete copy of the chapter's current property insurance policy to the Fraternity's insurance company to allow for review and comparison no later than July 31<sup>st</sup> of the year in question.
  2. Upon receipt of the feedback results from the Fraternity's insurance company, review the results within the chapter.
  3. If the Fraternity's Property Insurance Program meets or beats the chapter's existing policy either in terms of premium cost for equal or better coverage, or in terms of better coverage components (e.g. current replacement cost, higher limits, etc.), the chapter must elect to switch the chapter's property insurance to the Fraternity's Property Insurance Program.
  4. Failure to do so subjects the chapter to the surcharge.
- If the chapter's current property insurance policy affords better premium cost for equal or better coverage, the chapter will not be subject to the surcharge for that next policy year but must conduct an annual review of the policy by the Fraternity's insurance company to ensure maintenance of those standards (and exemption from the surcharge). Submission of a complete

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copy of the chapter's current property insurance policy to the Fraternity's insurance company to allow for review and comparison to be completed no later than July 31<sup>st</sup> of the year in question or the chapter will be subject to the surcharge.