

# INSURANCE FAQ

## WHAT TYPE OF INSURANCE DO WE HAVE?

The Fraternity/Sorority purchases liability insurance, which is insurance that protects the organization against claims from legal liability, provides legal defense, and pays sums necessary to settle claims against the Fraternity/Sorority.

## WHO IS INSURED UNDER THIS INSURANCE POLICY?

The insurance coverage will pay claims for the following organizations and/or people while performing the duties of their elected or appointed positions within the organization **ONLY IF** the laws and policies of the institution, city, county, state, country and Fraternity/Sorority have been followed:

- A collegiate chapter, **when it obeys the laws** of the institution, city, county, state, and country entities and the **policies of the Fraternity/Sorority**.
- Collegiate chapter officers, executive board, committee chairman and members while performing the duties of their positions within the organization.
- All volunteer advisors while performing the duties of their positions within the organization.
- Local house corporations/property management teams while performing their duties.
- Alumnae chapters, clubs and associations and chapter-related educational foundations, their officers and volunteers while performing their duties.
- Parents clubs and their volunteers when acting within the scope of their duties.

Our insurance does not cover anyone who is acting in a criminal way, or a way that could intentionally cause harm to someone else. This is not a personal liability policy; it only protects volunteers working within the scope of their duties.

## WHO IS NOT INSURED UNDER THIS POLICY?

- Any individual member, alumna/us, trustee or advisor who is performing tasks outside of their responsibility (e.g., spontaneous social function planned by an individual member, chapter advisor consuming alcohol with collegians, hazing of members, etc.).
- Any member whose illegal or intentional actions result in death or injury to an individual or property damage.
- Members' parents or family members and guests of chapter members.
- College/University administration

## WHY DO WE NEED INSURANCE COVERAGE?

- More Colleges and Universities demand it for recognition
- Opens the door to expansion and growth
- Perpetuate the organization: Let us continue for the next 100 years
- Recruit and retain alumni involvement
- Protect our undergraduate members when they are acting for and on behalf of the Fraternity/Sorority
- Responsible thing to do

Suppose that someone is injured during a chapter event, the injured party files a lawsuit, and you are named as a defendant. Our insurance will cover you, as well as the Fraternity/Sorority, as long as you are an active, paid member of the organization in good standing, you did not violate any laws or the risk management policy, or intentionally cause harm to the other person, and you were acting in good faith. An individual is protected when acting in the scope of their duties on behalf of the Fraternity/Sorority while in compliance with its policies.

## WHAT IS CONSIDERED A CHAPTER EVENT?

To understand what may be considered a Fraternity/Sorority event, consider the following questions. If the answer to any question is "yes", then regardless of the location (annex, brother's/sister's house, apartment), your University, the Fraternity/Sorority, and a court of law may consider it a Fraternity/Sorority event. Therefore, the policies of the organization need to be followed.

- Was the event pre-planned or pre-meditated?
- Was the event discussed during a chapter meeting or executive committee meeting?
- Was it advertised among the brothers/sisters through any means (word of mouth, flyer, email)?
- Were chapter funds used in any way?
- Did chapter officers help plan the event in any way?
- Did the event occur as a result of a Fraternity/Sorority function (e.g. big brother/sister night, bid night, post-initiation party)?
- Was the property where the gathering occurred owned, rented or leased by a member of the organization?
- Would a third party construe the function as Fraternity/Sorority related?

## WHAT DO WE DO IF SOMEONE IS HURT?

Assist the injured by administering first aid to the best of your ability and call for help (police, fire department, ambulance, 911, etc.) Secure the area to keep others from getting hurt. While on the scene, if possible, get names, addresses and phone numbers of all parties involved, as well as any witnesses to the accident.

It is imperative all losses or incidents be reported immediately to the Fraternity/Sorority (must provide contact information). If you question whether to report a potential claim, **report it!** To file a claim, your contacts at Holmes Murphy are MK Mashek, ext. 5500, [mmashek@holmesmurphy.com](mailto:mmashek@holmesmurphy.com) or Rob Meraz, ext. 4189, [rmeraz@holmesmurphy.com](mailto:rmeraz@holmesmurphy.com).

## WHAT IS A CERTIFICATE OF INSURANCE?

A Certificate of Insurance is a form that verifies that you have insurance, states the coverage limits, and identifies who is covered under the policy. All recognized certificates and a copy of the Insurance and Claims manual are sent to the chapter president after full payment is received by Holmes Murphy. Sometimes your university will want to see a Certificate of Insurance as proof that you have adequate insurance. Contact the National Office, and we will send a copy to your university. But usually, when someone asks for a Certificate of Insurance, they want the Fraternity/Sorority to name them as an additional insured, which means that they want our insurance policy to cover them.

## HOW TO NAME AN ADDITIONAL INSURED?

Only the National Office can approve naming an additional insured to our policy. We consider these requests carefully. If a third party asks you for a Certificate of Insurance naming them as an additional insured, start off by making a request to Holmes Murphy. They will review the request and then contact us for our approval. The process can take 10 to 14 days. If you are planning an event at a hotel or other venue please also submit a copy of your contract with the facility along with the complete Additional Insured request form from the Insurance and Claims manual.

## WHY ARE RISK MANAGEMENT FEES SO EXPENSIVE?

Fraternities and Sororities are a high risk market, so our insurance premium, the amount we pay to the insurance company, is very expensive. Factors influencing those fees include:

- Lack of interest in insuring fraternities and sororities by the insurance industry in general
- Loss experience for Fraternity/Sorority and sorority organizations as a whole and the individual organizations
- Poor public reputation of fraternities and sororities
- Men's general fraternities are the 6th highest underwriting risk
- A "headline" loss will impact everyone
- Individual loss experience
- Premise exposure

## WHAT HAPPENS IF WE DO NOT PAY?

The chapter will be suspended, lose its insurance coverage, and face other disciplinary action by the National Office.