

Insurance & Risk Management FAQ's

1. What type of insurance do we have?

The Fraternity 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.

2. Who is covered under the insurance policy?

The insurance coverage will pay claims up to \$1,000,000 per occurrence and \$2,000,000 aggregate 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 Delta Sigma Pi Fraternity have been followed:

- A. Fraternity Chapters that are chartered and colonies that are recognized by the Named Insured but only while acting within the scope of the Insured's duties and in compliance with the Risk Management Policies of Delta Sigma Pi;
- B. Delta Sigma Pi Leadership Foundation, Alumni Chapters, Board of Directors, and Board of Trustees, but only while acting within the scope of the Insured's duties and in compliance with the Risk Management Policies of Delta Sigma Pi;
- C. Officers, Directors, Trustees, Employees of the National Fraternity, Committee Members, Council Members, Volunteers, Faculty Advisors, Fraternity Members and Pledges of those entities listed in A and B above, but only while acting within the scope of the Insured's duties and in compliance with the Risk Management Policies of Delta Sigma Pi.

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

Example: Suppose that someone is injured during a chapter event and this claim becomes a lawsuit. You're named as a defendant. Our insurance will cover you, as well as the Fraternity, as long as you are a member 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 while in compliance with its policies.

3. Who is not covered by this policy?

- Any individual member, alumnus, trustee, employee or advisor who is performing tasks outside of his responsibility (i.e. spontaneous social function planned by an individual member, 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

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4. 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
- Responsible thing to do

5. What coverage does each Delta Sigma Pi Chapter have?

- \$1,000,000 per occurrence chapter sub-limit (Per Location)
- \$2,000,000 policy aggregate chapter sub-limit (Per Location)
- Deductible: \$2,500 per occurrence

6. What happens if a chapter does not pay its insurance premiums to the National Fraternity?

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

7. Why are insurance fees so expensive?

Fraternities 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:

1. Lack of interest in insuring fraternities and sororities by the insurance industry in general
2. Loss experience for the fraternity or sorority group as a whole and the individual organizations.
3. Poor public reputation of fraternities and sororities
4. Men's general fraternities are the 6th highest underwriting risk
5. A "headline" loss will impact everyone.
6. Individual loss experience.
7. Fraternities are in the same class code as toxic waste dumps, carnivals and amusement parks.

8. What is considered a Fraternity event?

Delta Sigma Pi's Risk Management & Conduct Policy defines a Fraternity Event as:

"Any event, activity or situation sponsored, co-sponsored or endorsed by the chapter or colony, or any event a reasonable person would associate with the Fraternity".

An event sponsored by a chapter or the Fraternity is a "Fraternity event". An event, regardless of where it is held or who sponsors it, can be construed to be a Fraternity event based on the circumstances surrounding the planning and conduct of the event.

To understand what may be considered a Fraternity event, consider the following questions. If the answer to any question is "yes", then regardless of the location, your

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University, the National Fraternity, or a court of law may consider it a Fraternity event. Therefore, the policies of Delta Sigma Pi need to be followed.

- a. Was the event pre-planned or pre-meditated?
- b. Was the event discussed during a chapter meeting or executive committee meeting?
- c. Was it advertised or promoted among the brothers through any means (word of mouth, flyer, email, Facebook, text message, other electronic means)?
- d. Were chapter funds used in any way?
- e. Did chapter officers help plan the event in any way?
- f. Did the event occur as a result of a Fraternity function (e.g. big brother night, bid night, post-initiation party)?
- g. Was the property where the gathering occurred owned, rented, or leased by a brother or pledge?
- h. Would a third party construe the function as Fraternity related?

9. When is a chapter required to obtain additional insurance for events?

Chapters and colonies are required to purchase liability insurance and list the National Fraternity as additional insured for any event that has anticipated attendance or participation of approximately 300 or over and that meets the following criteria:

- a. Any social, professional, philanthropic or Fraternity event or activity they originate, plan, develop, encourage, sponsor and/or co-sponsor that is not coordinated/managed by the Central Office staff.
- b. Pledge class events are not exempt from this policy.
- c. Joint Initiations
 - i. Social events including, but not limited to, banquets or receptions related to joint initiations are not exempt from this policy.
 - ii. On-campus facilities for the actual initiation ceremony itself are specifically exempt from this policy.

For any event covered by this policy, the hosting chapter or colony is required to submit any necessary contracts to the Executive Director at least 90 days in advance of the event for advice and suggestions before signing them. All contracts must be clearly signed on behalf of the specific chapter or colony (e.g. The Alpha Alpha Chapter or the Alpha Alpha Chapter of Delta Sigma Pi) and not on behalf of the International Fraternity of Delta Sigma Pi (or just Delta Sigma Pi). Once the event has been approved and the insurance purchased a copy of the certificate of insurance must be sent to the Executive Director for the files.

Chapters or colonies failing to comply with this policy are subject to disciplinary action as provided in the Bylaws.

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10. How do we get insurance for large events or for events that require a venue to be listed as additional insured?

Chapters can contact our broker:

Holmes Murphy
Client Manager: Wendy Roth
13810 FNB Parkway Suite 300
Omaha, NE 68154
402-898-5502 (direct), toll free: 800-736-4327
E-Mail: WRoth@holmesmurphy.com

The chapter may also find a local insurance agent in your area to inquire about purchasing insurance for just the one event.

11. What is a Certificate of Insurance and how can our chapter get one?

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. Sometimes your university will want to see a Certificate of Insurance as proof that you have adequate insurance.

Delta Sigma Pi's Certificate of Insurance can be found on our website www.dsp.org, under the Collegiate and Alumni Resources links, under the link Insurance Certificate of Coverage. You can print it from the website and there is no charge.

This certificate will provide evidence of general insurance coverage but will not meet requirements for *additional named insured* – see additional information below.

Please note that just as chapters are often required to show proof of insurance, chapters should request Certificates of Insurance from vendors they contract with to host events, provide transportation, serve alcohol, etc. Seek coverage values from these vendors that are equal or greater than those provided by our insurance broker.

12. Adding Additional Insureds

Only staff at the Central Office or our agents at Holmes Murphy (our insurance broker) 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 that *also* names them as an additional insured, start off by making a request to Holmes Murphy. They will review the request and, if necessary, contact the Central Office staff for 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 (the form is located in the Appendix section of the DSP Insurance and Claim Manual as well as on the DSP website under the Resources tab.)

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In accordance with Section S – “Insurance” of the national Policies and Procedures, the Fraternity will **not** add additional named insureds to its insurance coverage unless the request is:

- a. from staff for Grand Chapter Congress or LEAD event purposes;
- b. from school administration for chapter recognition or campus facility use; or
- c. in conjunction with a philanthropic activity, at which alcohol is not involved in any way.

Thus, requesting this for a chapter party or other social event will **not** be approved.

13. 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 Central Office. 330 South Campus Avenue, Oxford OH 45056, phone 513-523-1907; fax 513- 523-7292 or email the Executive Director, Bill Schilling at bill@dsp.org

14. How do we file a claim?

Contact the Central Office staff and they will work with you and the insurance staff to properly address any potential claims.