

MJ INSURANCE – SORORITY DIVISION

# INSURANCE SUMMARY

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A RESOURCE FOR SORORITY DIVISION CLIENTS



**MJ INSURANCE**  

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**SORORITY DIVISION**

PO BOX 50435  
INDIANAPOLIS, IN 46240  
888.442.7470  
MJSORORITY.COM

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## INTRODUCTION

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The purpose of the *Insurance Summary* is to inform you of the important features of the insurance protection provided by your national organization and to present some basic risk management information for your reference.

Our philosophy has been that the more informed the volunteers and members are of the insurance protection and the exposures to risk, the better risk manager they will be in performing their duties for their organization.

In addition to this *Insurance Summary*, we email the *Insurance Overview* to every chapter and house corporation at the beginning of the new policy term. The *Insurance Overview* illustrates in detail the specific coverages and features for your location. Should you wish to obtain a copy of your *Insurance Overview*, please [contact us](#) to request a copy.

MJ Insurance | Sorority Department specializes in writing insurance products and providing risk management resources and services to fraternal organizations. We hope that you will read the attached *Insurance Summary* and find it valuable. We look forward to your feedback, as we continually strive to improve our communication to our clients.

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## CONTACT US

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9225 Priority Way West Drive, Suite 100  
 Indianapolis, IN 46240  
 Toll-Free: 888-442-7470  
 Fax: 317-805-7580  
 Emergency After-Hours: 317-374-5039 (Cindy Stellhorn's cell phone)  
[www.mjsorority.com](http://www.mjsorority.com)

Contact	Position	Need	Direct Line/ Extension	Email Address
Ruth Akers	Assistant Account Manager	Certificate of Insurance	317-805-7585 888-442-7470 (ext. 7585)	<a href="mailto:ruth_akers@mjinsurance.com">ruth_akers@mjinsurance.com</a>
Heather Cox	Claims Account Manager	Submit a claim/Claim questions	317-805-7598 888-442-7470 (ext. 7598)	<a href="mailto:heather_cox@mjinsurance.com">heather_cox@mjinsurance.com</a>
Bev Stiles	Claims Account Manager	Submit a claim	317-805-7582 888-442-7470 (ext.7582)	<a href="mailto:bev_stiles@mjinsurance.com">bev_stiles@mjinsurance.com</a>
Lisa Ripley	Account Executive	Policy Service (see page 5)	317-805-7583 888-442-7470 (ext. 7583)	<a href="mailto:lisa_ripley@mjinsurance.com">lisa_ripley@mjinsurance.com</a>
Heidi Lewis	Account Executive	Policy Service (see page 5)	317-805-7584 888-442-7470 (ext. 7584)	<a href="mailto:heidi_lewis@mjinsurance.com">heidi_lewis@mjinsurance.com</a>
Sara Sterley	Director of Risk Management Education	Newsletter & Website Suggestions	317-805-7588 888-442-7470 (ext. 7588)	<a href="mailto:sara_sterley@mjinsurance.com">sara_sterley@mjinsurance.com</a>
Cindy Stellhorn	Vice President		317-805-7581 888-442-7470 (ext. 7581)	<a href="mailto:cindy_stellhorn@mjinsurance.com">cindy_stellhorn@mjinsurance.com</a>

Please use the table below to determine which Account Executive to contact with questions or concerns regarding your specific organization.

If you belong to any of the following groups, please contact [Heidi Lewis](#) with any questions or concerns:

<b>Organization</b>	<b>Account Executive</b>
Alpha Epsilon Phi Sorority	<a href="#">Lisa Ripley</a>
Alpha Gamma Delta Fraternity	<a href="#">Heidi Lewis</a>
Alpha Phi Fraternity	<a href="#">Lisa Ripley</a>
Alpha Sigma Tau Sorority	<a href="#">Heidi Lewis</a>
Chi Omega Fraternity	<a href="#">Heidi Lewis</a>
Delta Delta Delta Fraternity	<a href="#">Heidi Lewis</a>
Delta Gamma Fraternity	<a href="#">Heidi Lewis</a>
Delta Phi Epsilon Fraternity	<a href="#">Lisa Ripley</a>
Delta Zeta Sorority	<a href="#">Heidi Lewis</a>
Gamma Phi Beta Sorority	<a href="#">Heidi Lewis</a>
Kappa Alpha Theta Fraternity	<a href="#">Heidi Lewis</a>
Kappa Delta Sorority	<a href="#">Heidi Lewis</a>
Kappa Kappa Gamma Fraternity	<a href="#">Lisa Ripley</a>
National Panhellenic Conference	<a href="#">Heidi Lewis</a>
Pi Beta Phi Fraternity	<a href="#">Lisa Ripley</a>
Phi Mu Fraternity	<a href="#">Lisa Ripley</a>
Phi Sigma Sigma Fraternity	<a href="#">Lisa Ripley</a>
Sigma Delta Tau Sorority	<a href="#">Lisa Ripley</a>
Sigma Kappa Sorority	<a href="#">Heidi Lewis</a>
Sigma Sigma Sigma Sorority	<a href="#">Lisa Ripley</a>
Theta Phi Alpha Fraternity	<a href="#">Lisa Ripley</a>
Zeta Tau Alpha Fraternity	<a href="#">Lisa Ripley</a>

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## GENERAL LIABILITY INSURANCE

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Your organization's General Liability insurance program provides coverage for bodily injury, property damage and personal injury. The insurance program protects the following entities and individuals as Named Insureds:

- The local undergraduate chapter, its officers, members (including new members) and volunteers while acting on behalf of the organization
- House/Facility corporations, alumnae associations, colonies, parent's clubs and all members, employees and volunteers thereof while acting on behalf of the organization
- The national fraternity/sorority, foundation, other national entities, and all officers, employees, and volunteers thereof while acting on behalf of the organization

This coverage protects any Named Insured from third-party claims alleging bodily injury, property damage, or personal injury. This coverage will defend Named Insureds against any covered claim, even if the claim is groundless.

Please refer to your location-specific *Insurance Overview* for coverage limits. Your organization's liability coverage includes the following types of coverages:

TYPE OF COVERAGE	COVERAGE DESCRIPTION
Premises/Operations Each Occurrence	Covers liability arising out of the fraternity/sorority premises and operations.
Products/Completed Operations Liability	Covers injury directly resulting from the preparation and consumption of food and beverages.
Personal Injury & Advertising Injury	Covers libel, slander, wrongful eviction from, wrongful entry into or invasion of the right of private occupancy, and discrimination or humiliation that results in injury to the feelings or reputation of a person.
Damage to Premises Rented to You	Covers damage to premises rented to you.
General Aggregate Limit	The most the insurance company will pay for claims in any one policy term. This limit applies per location.
Guest Medical Payments	Covers medical expenses for bodily injury caused by an accident on premises you own or rent or because of your operations. This coverage does <b>not</b> apply to any insured, any tenant, any employee or to a person injured while participating in any sports or athletic event.

## GENERAL LIABILITY: FREQUENTLY ASKED QUESTIONS

### **Am I covered under the General Liability policy?**

The policy defines an insured as the Organization, Foundation, House Corporations, Chapters, Colonies and Alumnae Associations. In addition, any member, volunteer or employee is also an insured, while they are acting on behalf of the organization. Your organization has purchased a comprehensive policy to protect you should you be named in a lawsuit while acting on their behalf.

### **Are all activities covered by the insurance policies?**

The General Liability policy covers premises, as well as operations liability. Premises liability means that coverage exists for claims arising on owned or rented property. Operations liability means that coverage exists for any typical event that is held off premises, such as philanthropic activities, dances, and social events. The organization's policies are very comprehensive and protect that organization and its members. Virtually all sponsored events are covered; however, intentional acts (defined as deliberate intent to harm or break the law) that produce a loss are not covered.

**Remember:** as long as you are following the policies and/or guidelines of your organization and are acting on behalf of your organization, your interests will be protected by the insurance policy.

### **If I am injured during a sponsored event or at the chapter house, will the organization's insurance policy pay for my injuries?**

When a member or volunteer is injured during a sponsored event or at the chapter house, they need to rely on their own medical insurance to pay for their injuries, unless the organization is grossly negligent in causing their injuries. The General Liability policy exists to defend the organization's members and volunteers should they be named in a lawsuit. It is not a substitute for a personal medical insurance policy.

### **Is the exposure for alcohol-related activities covered by the insurance program?**

Under the insurance program, the fraternity/sorority is covered under host liquor liability coverage, which is similar to the type of coverage under a homeowner's policy. This coverage protects an insured should they be named in a civil lawsuit in which someone was injured due to the consumption of alcohol. This coverage will respond as long as the courts interpret that the insured is **not in the business** of serving, selling, manufacturing, furnishing or distributing alcoholic beverages.

**Remember:** It is extremely important that all members of the fraternity/sorority follow the organization's alcohol policy.

## GENERAL LIABILITY: HOT TOPICS

### Signing Contracts

We have recently seen an increase in the number of contracts that our clients are signing that obligate their organization to coverages that are beyond those available under the General Liability program or are contradictory to their organization's policies.

Please contact MJ Insurance – Sorority Division if you are reviewing a contract that includes any of the following requirements:

- Hold Harmless Agreement/Indemnification Provisions
- Additional Insured request
- Primary Insurance request
- Any other reference to providing evidence of insurance to the third party.
- For more information, refer to the [Reviewing Contracts](#) on our website.

### Fundraising and Athletic Stadiums – Is There A Problem?

Many of our clients, including both collegiate and alumnae chapters, have contacted us recently to discuss their desire to raise funds by selling concessions at various sporting events. Is this a problem? More than likely – yes!

The majority of concession caterers and stadiums sell and serve alcoholic beverages. Your organization's alcohol policy specifically states that you may not sell or serve alcoholic beverages while acting on behalf of your organization. If your agreement with the caterer or stadium requires you to sell or serve alcoholic beverages or does not specifically state that you will be allowed to sell non-alcohol related products only, then we recommend that you consider other fundraising options.

A recent claim against Aramark demonstrates the importance of carefully reviewing any and all fundraising activities at athletic stadiums:

A two-year old was tragically injured as a result of a drunk driving accident. The man that struck the family of the two-year had a blood alcohol level of 0.226 and admitted to having sixteen beers at the football game from which he was driving home. The two-year old's family sued Aramark, the company that manages beer sales at the stadium. A jury returned a verdict in favor of the family and against Aramark for \$105 million. The case was appealed and eventually settled for \$25 million.

### Babysitting Services

Many chapter members have contacted us to find out if it is acceptable for them to provide babysitting services as a fundraiser or to just allow chapter members to baby-sit at the chapter facility. Our response has been that this exposure is not acceptable from an insurance standpoint and the chapter should not participate in or sponsor any activities related to childcare.

The insurance company does not contemplate the difficult exposures involved with childcare in your General Liability rates. We cannot support this activity because this exposure is not expected by the underwriting. In

addition the potential for physical and sexual abuse exists, and the chapter houses are not furnished with “little ones” in mind.

### **Watercraft Coverage**

The insurance policy covers any liability associated with events held on any watercraft under 55 feet in length. The policy covers any liability associated with events held on any watercraft over 55 feet **IF** there is a contract in place and a crew is utilized. If you are contemplating holding an event on a watercraft and have a question as to whether or not coverage would apply, please contact Ruth Akers at MJ Insurance ([ruth\\_akers@mjinsurance.com](mailto:ruth_akers@mjinsurance.com) or (888)442-7470).

Refer to [www.mjsorority.com](http://www.mjsorority.com) for additional topical information.

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## CERTIFICATES OF INSURANCE

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### A THIRD-PARTY REQUESTS EVIDENCE OF THE FRATERNITY'S/SORORITY'S INSURANCE

It is very common for third parties to request a Certificate of Insurance that proves the fraternity/sorority or chapter has purchased insurance coverage. This request can be satisfied by obtaining a Certificate of Insurance that shows your limits and coverages. When a third party asks for evidence of your insurance, you need to complete the Certificate of Insurance Request Form in the appendix of this document or complete the [Certificate of Insurance Request Form on our website](#).

### IS THERE A CONTRACT THAT YOU HAVE TO SIGN THAT CONTAINS INSURANCE REQUIREMENTS?

**If yes, do not sign the contract until you have contacted [Ruth Akers at MJ Insurance](#).**

If you are unsure if the contract contains insurance requirements, look for the following verbiage examples:

- “The renting party [i.e. the chapter] shall be solely liability and responsible for all costs, expenses, damages, liabilities, claims or suits incurred or resulting from the use of the property rented.”
- “The renting party agrees to fully indemnify and save and hold harmless [specific venue/entity name] from and against any and all claims.”
- “The renting party shall submit proof of insurance naming [specific name of venue/entity] as additional insured.”

While these examples are the most frequently used phrases that cause us concern from an insurance standpoint, contract language is often complicated, so it is always better to be safe and send the contract to Ruth Akers for review.

If a third-party is requiring Additional Insured status, they are looking to your organization's policy to defend them and pay claims on their behalf, even if they are negligent in causing a claim. Therefore, these requests are reviewed on an individual basis with our contact at Fraternity/Sorority Headquarters and Certificates will not be issued until a decision is reached. Additional Insured requests relating to social events are heavily scrutinized; therefore, it is important that you allow **two weeks** to allow for the necessary parties to review.

Ruth Akers can be reached at 888-442-7470 (ext. 7585) or [ruth\\_akers@mjinsurance.com](mailto:ruth_akers@mjinsurance.com)

You may also request Certificates of Insurance via the website at [www.mjsorority.com](http://www.mjsorority.com)

### WHEN SHOULD YOU REQUEST A CERTIFICATE OF INSURANCE FROM A THIRD-PARTY VENDOR?

**The below suggestions are recommendations only, not requirements. The information below should be kept on file for your records. We do not need copies of this information.**

**Please refer to your organization's risk management policies for specific conditions required by your fraternity/sorority.**

When you rent an establishment or engage the services of someone, it is recommended that you obtain a Certificate of Insurance to ensure they have purchased insurance for their operation. If the third-party vendor does not have insurance, then the fraternity's/sorority's policy may have to respond, which is not preferable. Your agreement with a third party vendor will dictate what coverages should be represented on the Certificate of Insurance. For example:

- If you are renting an establishment, you will need to have evidence of their General Liability coverage.
- If an establishment is providing alcohol related services, you will need to have evidence of their General Liability, Liquor Liability and Workers' Compensation coverages.
- If you are hiring a contractor, you will need to have evidence of their General Liability, Workers' Compensation and Automobile Liability coverages.
- If you are hiring a bus company for group transportation, you will need to have evidence of their Automobile Liability coverage.

As a **guideline**, the following limits of liability are a minimum that you should accept from a third- party:

General Liability	\$1,000,000
Liquor Liability	\$1,000,000
Automobile Liability	\$1,000,000
Workers' Compensation/Employer's Liability	\$100,000/\$500,000/\$100,000

We have established the above minimum recommendations for the following reasons:

- Increased cost of materials and health care costs have significantly impacted the average cost of a claim.
- If there is bodily injury, the costs could very easily exceed the minimum threshold notes above.
- The cost of the insurance premium for a lower limit of insurance would likely be less than a fifteen percent discount for the contractor or venue. The industry now views the minimum limits above as the minimum they will offer and rarely provides limits lower than \$1M.
- We and our clients believe that those that control the exposure should bear the most responsibility in paying for a claim.

A red flag should arise any time a contractor or venue shows resistance to or hesitation with these minimum limits of insurance, and you may want to reconsider your arrangement. In our experience, if a contractor or venue refuses to provide proof of adequate insurance limits, it is because they do not have any insurance, not because they do not have adequate limits.

Any time a chapter contracts with a venue, contractor or any third-party for services, it should be clear that each party is responsible for the consequences of their performance and/or work and the conditions under which the service will be rendered. This contractual relationship exists so those who are in the best position to control the exposure are also the most likely to incur the liability for those incidents that may occur. In an

ideal world, each party's insurance policies would respond to the extent that they are negligent in causing either property damage or bodily injury. The essence of this risk management technique is to transfer the liability to the entity/individual the most able to control the exposure. Establishing a minimum expectation is a reasonable effort to ensure that this transfer happens and that you are doing business with a professional and reputable entity or individual.

#### FURTHER RESOURCES AVAILABLE

<b>Resource &amp; Link</b>	<b>Description</b>
<a href="#">Certificate of Insurance Request Form</a>	Hardcopy form to be used to request Certificates of Insurance
<a href="#">Reviewing Contracts</a>	Helpful document that delves more deeply into what to look for when dealing with a contractual obligation
<a href="#">Certificates of Insurance</a> (website section)	Several sections on the website that describe the various types of Certificates of Insurance, as well as other helpful details.
<a href="#">Contract Review 101</a>	A presentation created to educate chapter members about the basics of contracts.
<a href="#">Certificates of Insurance – Part I</a>	The Certificates of Insurance webinar is a very simplified explanation of what to do when a collegian or volunteer is asked for proof of insurance.

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## NON-OWNED AND HIRED AUTOMOBILE LIABILITY INSURANCE

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Non-Owned and Hired automobiles are included for liability coverage automatically. Hired Automobile Physical Damage coverage is provided subject to the policy deductibles.

**Hired Autos:** Autos you lease, hire, rent or borrow; except autos from your employees and members. For example, vehicles you rent from Avis, Hertz, etc. When you are renting an automobile on behalf of the Sorority, there is no need for you to purchase the physical damage coverage for the automobile from the rental car company.

**Non-owned Autos:** Autos you do not own, lease, hire, rent or borrow that are used in connection with your organization. This includes autos owned by your employees and members but only while used in your organization.

Provides coverage for sums you legally must pay as damages because of bodily injury or property damage caused by an accident and resulting from the use of a covered auto.

It is important to note that the Hired Automobile Physical Damage coverage extends to direct damage or theft of a rented automobile and operates for the benefit of the insured, which is the fraternity/sorority. Automobile rental agreements, therefore, should always be executed in the name of the fraternity/sorority, rather than an individual's name.

Any Named Insured using a non-owned or hired auto is an insured, **except:**

1. The owner or anyone else from whom you hire or borrow a covered auto.
2. Your employee if the covered auto is owned by that employee or a member of his/her household.
3. Someone using a covered auto while he/she is working in the business of selling, servicing, repairing, parking or storing autos.

**Individuals who use their own vehicles on behalf of the fraternity/sorority must look to their own automobile insurance for protection should they be involved in an automobile accident.**

## **NON-OWNED AUTOMOBILE LIABILITY: FREQUENTLY ASKED QUESTIONS**

### **If I drive my personal automobile on fraternity/sorority business, will I be covered by the fraternity/sorority policy?**

If you drive your personal automobile for fraternity/sorority-related business and are involved in an accident, you need to rely on your own personal automobile insurance to pay for any injuries or damages to a third party or to your own automobile.

The organization's policy will protect the organization if they are named in a lawsuit, but you would need to look to your own policy for your protection. With the use of automobiles, the liability always follows the automobile.

We strongly discourage the use of members' vehicles for transportation of members and guests from fraternity/sorority functions, including recruitment and social activities. We encourage our clients to utilize professional transportation services when at all possible that meet the following criteria:

- The transportation company supplies proof of commercial automobile insurance that provides coverage for transporting people and property for a few and a minimum of \$1,000,000 combined single limit for bodily injury and property damage.
- The transportation company engages professional drivers who have valid commercial vehicle operator's license in the state in which the company is located.

## **NON-OWNED AUTOMOBILE LIABILITY: HOT TOPICS**

### **Designated Driver/Sober Sis Programs**

We cannot support designated driver programs unless they are held in conjunction with official fraternity/sorority events. We cannot support Sober Sis programs that entail chapter members signing up for random Friday and Saturday nights to pick-up other chapter members who have been drinking. Not only does this pose significant risks to the fraternity/sorority from a liability standpoint, but it also exposes the chapter members who are acting as the designated driver to liability (because, as mentioned above, a chapter member involved in an accident in their own personal vehicle must rely on their personal automobile insurance). Please refer to the claim examples in the Appendix for more information.

Please refer to your *Insurance Overview* for Non-owned and Hired Automobile Liability insurance limits.

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## DIRECTORS & OFFICERS AND EMPLOYMENT PRACTICES LIABILITY INSURANCE

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### DIRECTORS & OFFICERS: EXPLANATION OF COVERAGE

#### Who is an Insured?

Any director, officer or employee of the organization

#### Why the need for D&O insurance?

Individuals who serve as the leadership and staff of the organization are fiduciaries of that organization. They are responsible for managing the affairs of the organizations and must act with due diligence in discharging their responsibilities. If the absence of such care causes a loss, the leadership can be held liable.

D&O Liability insurance functions as “errors and omissions” coverage to protect individuals who serve on the boards of an organization and make decisions for the organization.

The insurance company shall have the right and “duty to defend” any covered claim, up to the policy limit and will pay on behalf of the Insureds all judgments that the Insureds shall be legally obligated to pay.

### EMPLOYMENT PRACTICES LIABILITY: EXPLANATION OF COVERAGE

#### Who is an Insured?

Any director, officer, employee or volunteer of the organization

#### Why the need for EPL insurance?

Executive Directors, board members and others are responsible for abiding by employment laws in managing the workforce employed by nonprofit organizations. This coverage protects the organization and its leadership from financial peril in circumstances of employment practice violations.

**Common allegations:** Wrongful discharge, employment-related discrimination, sexual harassment

Please refer to your *Insurance Overview* for the Directors & Officers and Employment Practices Liability insurance limits.

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## PROPERTY INSURANCE

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The following coverage applies to those locations that place their Building, Contents and/or Loss of Income coverage through the Insurance Program:

- Coverage is written on an “All Risk” form, which means that all damages are covered unless they are specifically excluded under the coverage form.
- Coverage is also written on a Replacement Cost basis, unless noted differently on your *Insurance Overview*. The insurance company will not deduct for depreciation in the event of a loss. Each location is obligated to insure the Building, Contents and Loss of Income and Extra Expense to the full replacement cost value.
- Personal property of resident members is not covered under this program. The program does provide a homeowner’s policy deductible reimbursement of up to \$500 per person with an annual aggregate limit of \$50,000. This coverage is intended to reimburse a parent's homeowners policy deductible or a tenant’s policy deductible for a loss that occurs at the chapter house. **For theft claims, there must be a total loss of \$2,500 before this extension will apply.**
- If covered property is damaged by an insured peril and the property cannot be occupied as normally intended, this coverage can respond as follows:
  - Covers the Loss of Rental Income during the period of repair or rebuilding, up to 24 months. Coverage can continue for a period of nine months after the date the property is repaired or rebuilt if the timing of the loss causes residents to commit to other housing contracts for the entire school year.
  - Covers Extra Expenses that are incurred to continue normal operations.

The perils of mechanical breakdown, electrical injury, and steam explosion of boilers or pressurized vessels are not covered under the property policy. Therefore, in order to insure your property for these perils, you need to purchase the Electrical Equipment or Boiler coverage. For those locations that purchase this coverage, the policy provides direct damage, loss of income, extra expense and a separate limit for consequential damage (food spoilage).

Please refer to your *Insurance Overview* for location-specific Building, Contents, Loss of Income, Boiler/Electrical Equipment, Flood and Earthquake limits and deductibles.

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## OTHER INSURANCE COVERAGES

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### UMBRELLA LIABILITY

This policy provides coverage over and above the coverages provided by the underlying General Liability, Non-owned & Hired Automobile Liability, and Employers Liability (workers' compensation) policies.

Please refer to your location-specific *Insurance Overview* for your organization's umbrella liability limits.

### CRIME

Employee dishonesty coverage applies to funds stolen by any of the following individuals: Any elected officer, trustee or director, any person who renders service to the insured as a volunteer worker, or any employee (excluded any independent contractors such as accounting firms).

To help minimize your exposure to a claim in this area, we recommend that the following guidelines be followed: two signature checks should be utilized, do not pre-sign checks and someone other than the individuals authorized to withdraw funds should reconcile the monthly statements.

Please refer to your location-specific *Insurance Overview* for your organization's crime limits.

### WORKERS' COMPENSATION

Workers' Compensation is a "no fault system" in which injured workers receive medical and compensation benefits no matter who causes the job-related accident.

In almost every state, if you are involved in an employer/employee relationship, you are required to buy workers' compensation insurance. States impose significant fines if you do not purchase this coverage and your employee is injured.

Cash is not the sole determination on whether or not you are involved in an employer/employee relationship. Also, consider the following:

- Non-cash compensation: Room or board
- Employer's right to exercise control of the individual

Please refer to your location-specific *Insurance Overview* to determine whether or not MJ Insurance carries your location's workers' compensation coverage.

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## IN THE EVENT OF A CLAIM

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### In the event of a Property claim:

- Do whatever is necessary to prevent further damage from occurring.
- Call or e-mail **Bev Stiles** or **Heather Cox** at MJ Insurance with the following information as soon as possible, even if you believe the claim will be less than the deductible:
  - What happened
  - Date damage occurred
  - Any estimates for repair or replacement of the damaged items
  - MJ Insurance will advise you if an adjustor will need to be sent to your property prior to repairs being made.

### In the event of Injury to Members or to the Public:

- Make no statements accepting blame.
- Call or e-mail **Heather Cox** at MJ Insurance with names, date of loss, and details of incident.

### In the event of Injuries to Employees:

- Call or e-mail **Bev Stiles** at MJ Insurance with name of employee, date of loss, and what happened.
- The employer must fill out an "**Employer's First Report of Injury Form**." This form *must* be filed within *five* days of the injury in most states. This form is available [via our website](#) or in the Appendix of this document. Mail, e-mail, or fax the report to **Bev Stiles** at MJ Insurance.

### In the event of an Embezzlement or Forgery claim:

- Notify **Bev Stiles** or **Heather Cox** at MJ Insurance as soon as possible.
- Remove all financial responsibilities from the individual immediately.
- Begin the process of developing the details to the loss.

### Claims Contact Information

Phone: (888) 442-7470  
Direct: (317) 805-7582 (Bev) or  
(317) 805-7598 (Heather)  
Fax: (317) 805-7580  
E-mail: [bev\\_stiles@mjinsurance.com](mailto:bev_stiles@mjinsurance.com)  
[heather\\_cox@mjinsurance.com](mailto:heather_cox@mjinsurance.com)

**Emergency After-Hours Contact:**  
Cindy Stellhorn  
(317) 374-5039  
[cindy\\_stellhorn@mjinsurance.com](mailto:cindy_stellhorn@mjinsurance.com)

# APPENDIX

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## CERTIFICATE OF INSURANCE REQUEST FORM

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If you have been asked to provide a Certificate of Insurance to a venue where you are having an event, what do you do? This form outlines the information needed to request a Certificate of Insurance. Once you have completed this information, please email or fax this form along with any contract that you have with the venue to:

Email: ruth\_akers@mjinsurance.com  
Fax: 317-805-7580

**PLEASE NOTE:** Many times you are required to enter into a contract with a venue where you are holding your event. Please email or fax the contract to us **BEFORE** signing it to ensure that your Sorority/Fraternity can comply with the request.

**Failure to accurately complete this form may result in a delay.**

Sorority and Chapter \_\_\_\_\_

Date of the event \_\_\_\_\_

Type of Event (i.e. philanthropic, social, chapter oriented) \_\_\_\_\_

Will alcohol be served at this event? Yes \_\_\_\_\_ No \_\_\_\_\_

If alcohol is being served, who is serving it? \_\_\_\_\_

Have you verified that the vendor providing the alcohol has adequate insurance? (MJ recommends a minimum of \$1M in Liquor Liability)

Yes \_\_\_\_\_ No \_\_\_\_\_

Name and address of the venue requesting the Certificate of Insurance

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Whether or not the venue is requesting Additional Insured status

Yes \_\_\_\_\_ No \_\_\_\_\_

Do you have a contract with this venue? If so, please return the contract prior to it being signed when you return this form.

To whom the Certificate should be sent (via fax, email, snail mail, etc.)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Your name: \_\_\_\_\_

Phone: \_\_\_\_\_

Email: \_\_\_\_\_

Once we have the above information, we will immediately review and contact you if we have questions. To ensure prompt service, please forward contracts for review in a timely manner.

Please feel free to print this and make copies to have on hand for future events.

Thanks so much for your time and help...we'll look forward to hearing from you!  
Ruth

*This form can also be completed and submitted directly to us via our website at [www.mjsorority.com](http://www.mjsorority.com).*

## CERTIFICATE OF INSURANCE EXAMPLE

When a Third Party requests evidence of insurance, this is the information that we will need:

CERTIFICATE OF INSURANCE				DATE (MM/DD/YYYY) 5/5/2005	
<b>PRODUCER</b> M-J Insurance, Inc. P.O. Box 50435 Indianapolis, IN 46250-0435 Phone: (888) 442-7470 FAX: (317) 805-7580 ruth_knauer@mjininsurance.com			THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND, OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.  <input type="checkbox"/> Event Specific		
<b>INSURED</b>  Insured Name & Address			<b>COMPANIES AFFORDING COVERAGE</b> COMPANY A CNA Insurance Companies COMPANY B COMPANY C		
<b>COVERAGES</b> <small>THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS, AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.</small>					
CO. LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE	POLICY EXPIRATION DATE	LIMITS
A	<input checked="" type="checkbox"/> General Liability <input checked="" type="checkbox"/> Commercial General Liability <input checked="" type="checkbox"/> Occurrence <input checked="" type="checkbox"/> Host Liquor Liability <input type="checkbox"/> Automobile Liability <input type="checkbox"/> Any Auto <input type="checkbox"/> All Owned Autos <input type="checkbox"/> Scheduled Autos <input type="checkbox"/> Hired Autos <input type="checkbox"/> Non-Owned Autos <input type="checkbox"/> Garage Liability <input type="checkbox"/> Excess Liability <input type="checkbox"/> Umbrella Form <input type="checkbox"/> Other Than Umbrella Form <input type="checkbox"/> Worker's Compensation And Employers' Liability Other:	9		1/2005	General Aggregate Products/Comp/Op Agg. \$2,000,000 Personal & Adv Injury \$2,000,000 Each Occurrence \$1,000,000 Fire Damage(Any one fire) \$1,000,000 Med Expense(Any one person) \$15,000  Combined Single Limit Bodily Injury Person Bodily Injury Accident Property Damage  Each Occurrence Aggregate  Statutory Limits Each Accident Disease Limit Disease Each Employee  Other Limit
<b>Description of Operations / Locations / Vehicles / Special Items:</b> Butler University is an Additional Insured with respect to liability arising out of the premises leased to the Insured. This insurance does not apply to claims arising out of the sole negligence of the Additional Insured.					
<b>Certificate Holder:</b>  Butler University 4600 Sunset Avenue Indianapolis IN 46220			<b>Cancellation</b> Should any of the above described policies be cancelled before the expiration date thereof, the issuing company will endeavor to mail 30 days written notice or 10 days notice for non-payment of premium, to the certificate holder named to the left, but failure to mail such notice shall impose no obligation or liability of any kind upon the company, its agents or representatives.  Authorized Representative  CINDY H. STELLHORN		

**Contracts:**

Does the contract require the fraternity/sorority or chapter to add the third-party as an Additional Insured or does the contract include a Hold Harmless provision, or some other form of indemnification? **If yes, do not sign the contract until you have contacted MJ Insurance.** If a third party is requiring Additional Insured status, they are looking to the fraternity/sorority's policy to defend them and pay claims on their behalf, even if they are negligent in causing a claim. Therefore, these requests are reviewed on an individual basis with our contact at Fraternity/Sorority Headquarters and Certificates will not be issued until a decision is reached. Additional Insured requests relating to social events are heavily scrutinized; therefore, it is important that you allow two weeks to make alternative arrangements if necessary. If there are no complications to the request, we can give immediate turn around on the Certificate request.

The date of the event and the type of event that is being held

Name & Address of the organization that is requesting the certificate

**For Certificate requests, please contact:**

- Ruth Akers at (888) 442-7470 (ext. 7585) or [ruth\\_akers@mjininsurance.com](mailto:ruth_akers@mjininsurance.com)
- You may also request a Certificate of Insurance via the website at [www.mjsorority.com](http://www.mjsorority.com)

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## CLAIM EXAMPLES

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### BODILY INJURY CLAIM EXAMPLES

- A chapter held a social function at a facility that was adjacent to a lake. At the end of the event, four chapter members and their dates walked to the edge of the lake and were approached by two men in a speed boat that offered them a ride around the lake. The members and their dates accepted the offer. Because of the driver's lack of vision due to darkness and excessive speed, the boat hit land and several individuals were thrown from the boat. One chapter member died.
- A social function involving four fraternities and four sororities took place at a chapter house owned by one of the fraternities. During the function, a sorority member was raped in a room that was adjacent to the area where other attendees were dancing and drinking. All of the participating chapters were sued due to a lack of security.
- During a warm spring evening, an unknown male cut the screen to a first floor window that had been left open and entered the chapter house. He then brutally attacked and raped a chapter member who was asleep in her room. The suspect was arrested one week later and was charged with committing four rapes during a one-week period of time.
- A member attended a party at an "unofficial" chapter house. A men's fraternity member drove her home, but accidentally ran over her as he was backing out of her driveway, causing paralysis to the chapter member's legs. The insurance company has placed a \$1.2M reserve on this claim.
- During a gathering hosted at an off-campus house, a male guest was assaulted by other male guests, sustaining serious injuries. The insurance company has placed a \$75,000 reserve on this claim.
- A guest was visiting an "unofficial" chapter house when he fell and sustained severe brain damage. The claimant is currently in a coma, and the insurance company has placed a \$500,000 reserve on this claim. In addition, the lease that the chapter members signed with the landlord of the facility in question had language in it that prohibited the property being used as a fraternity/sorority house.
- A guest was leaving the chapter house when he fell down the steps and sustained injuries to his eyes. The insurance company has placed a \$100,000 reserve on this claim.
- A chapter member fell during a team-building rope activity at the chapter house. Her injuries caused paralysis from the neck down. The insurance company settled this claim on the insured's behalf for \$4.5M.

### HAZING CLAIM EXAMPLES

- An uninitiated member of the organization claimed that she was subjected to hazing. Her allegations included the following: she was forced to receive every active's signature before being initiated, she was forced to dress like other pledge members, she was subjected to being screamed at and treated in a disrespectful manner by active sisters, she was forced to clean active sisters' rooms and run personal errands for them, she was forced to do activities until late hours in the evening, therefore only getting a few hours of sleep each evening, she

was exposed to degrading comments by active sisters, she was forced to do humiliating activities, she was pushed down a flight of stairs while being forced to hold hands with other new members, she was deprived of eating meals to the point of fainting, she was forced to remain at men's fraternity parties until the last active sister was gone, among other allegations. The plaintiff is suing the national organization, the Chapter President, and two individual members of the organization.

- A chapter member fell during a ropes course at the chapter house and injured her ankle. The claim was originally closed for no payment, but the chapter member has filed a lawsuit against the fraternity/sorority for hazing. The insurance company has placed a \$100,000 reserve on this claim.

#### EMBEZZLEMENT CLAIM EXAMPLES

- A Chapter President embezzled \$23,000 over a period of one year to pay off her personal credit card bills. The newly elected Chapter Treasurer noticed a discrepancy in the chapter's financial records and alerted the Advisory Board. The Chapter President has admitted to embezzling the funds and has resigned from office.

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## MJ INSURANCE/SORORITY DIVISION

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### FIRST REPORT OF INJURY FORM FOR WORKERS' COMPENSATION CLAIMS

Sorority and House Corporation/Chapter			
Street Address			
City, State ZIP			
Contact Name		Contact Phone	( )

#### Employee Information:

Injured Employee's Name			
Injured Employee's Street Address			
City, State ZIP			
Male or Female		Marital Status	
Injured Employee's Social Security Number		Employee Phone	( )
Number of Dependents			
Date of Birth		Date of Hire	
Occupation		Average Weekly Wage	
Number of days worked per week		Number of hours worked per week	

#### Accident Information:

Accident Date		Time of Accident	
Description of Accident			
Any days lost		First day of lost time	
Last day worked		Date of return	
Was employee paid for date of injury?		Time employee begins work	
Eyewitness Name		Eyewitness Phone Number	( )

#### Doctor/Hospital Information:

Doctor's Name	
Doctor's Street Address	
Doctor's City, State ZIP	
Hospital Name	
Hospital Address	
Hospital City, State ZIP	

#### First Report of Injury Form Preparer Information:

Name		Title	
Street Address			
City, State ZIP			

Fax or e-mail the completed form to Bev Stiles at (317)805-7580 or [bev\\_stiles@mjinsurance.com](mailto:bev_stiles@mjinsurance.com).  
*Time is of the essence in the reporting of workers' compensation claims. Please submit the above form to Bev Stiles within 10 days of the date of the accident. Should you have any questions, please contact Bev Stiles at (888)442-7470 (ext. 7582)*

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## GLOSSARY OF TERMS

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**Aggregate Limit:** A limit in an insurance policy stipulating the most it will pay for all covered losses sustained during a specified period of time, usually one year. Aggregate limits are commonly included in liability policies and apply per chapter location.

**Bodily Injury:** Injury to the body, sickness or disease sustained by a person, including death resulting from any of these at any time.

**Certificate of Liability Insurance:** This is a certificate issued by the insurance company detailing the particulars of the insurance coverage in place for all chapters and regions under the general liability policy. This certificate may be used to document the existence of coverages for chapters and regions. This document is not sufficient when a third-party requests a certificate where they are named as an additional insured.

**Certificate of Liability Insurance for an Additional Insured:** This is a certificate issued by the insurance company detailing the particulars of the insurance coverage in place for all chapters and regions under the general liability policy. This document specifically identifies a third party as being expressly covered under the general liability policy for a specified period of time (i.e. an additional insured). This form of insurance certificate is often requested by facilities where chapters or regions are planning to hold events.

**Claim:** An incident where the injured party is making a demand for compensation under the terms of an insurance contract.

**Director's & Officer's Liability Insurance:** Offers directors and officers protection from personal liability and financial loss arising out of wrongful acts committed or allegedly committed in their capacity as officers and/or directors.

**Exposure:** The measure of your vulnerability to loss.

**General Liability insurance:** Coverage that pertains, for the most part, to claims arising out of the insured's liability for injuries or damage caused by ownership of or responsibility for property, sale or distribution of products, and liability for the insured's operations.

**Incident:** An occurrence involving bodily injury to a member or guest that does not result in a formal claim. All incidents must be reported when discovered due to possibility of them becoming a claim.

**Intentional Act:** Deliberately fraudulent acts or omissions, wanton, willful, reckless or intentional disregard of any law or laws.

**Occurrence:** An accident, including continuous or repeated exposure to substantially the same general, harmful conditions.

**Property Damage:** Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the “occurrence” that caused it.

**Underwriting:** The process of selecting risks for insurance and classifying them according to their degree of insurability, so that the appropriate rates and premiums may be assigned. The process also includes rejection of those risks that do not qualify.

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## CLAIM TRENDS

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The MJ Sorority Division has been providing insurance coverage for women's fraternities/sororities since 1984. Since that time, much has changed; however, much has stayed the same. Because of this perspective and with our current book of business, we can be more sensitive to emerging trends and react to them with additional risk management and education.

What follows is an analysis of the claims and trending:

### Property Exposure

- Number of claims is trending downward
  - Increase in property deductibles
  - Property owners doing more preventative maintenance on their properties
- Average time required to settle a claim has gone from 55 days to 34 days
- At the same time, we have seen an increase in the amount of time required to meet with and satisfy local governmental entities responsible for zoning, codes, etc.
- Recent "University Housing Fires Report" for the 2005-2007 term recorded 3,800 fires resulting in \$26,000,000 in property damage. Cooking fires accounted for 84 percent of the fires.
- We have seen very little exposure to the more "catastrophic type" claims such as hurricanes, tornados, etc.

Peril	Frequency (Number of claims)
Water Damage	24%
Wind	5%
Equipment Breakdown	4%
Glass Breakage	4%
Hail Damage	4%

## **General Liability Exposures**

- The General Liability claims make up 15 percent of the total claims
- The recent two-year study (2008-2009) revealed the following:
  - 15 percent increase in incidents
  - 68 percent increase in incidents involving collegiate members as the injured party
  - Sources of bodily injury claims
    - Premises (Chapter House, Lodge, Suite, etc.): 56 percent
    - Operations (official activities): 44 percent
  - Impact of alcohol on the incidents
    - 20 percent of the incidents
    - 60 percent of the dollars spent
- Claims are more severe in nature

## **Workers' Compensation Exposures**

- The Workers' Compensation claims make up eighteen percent of the total claims
- Claims have increased during this difficult economic time; perhaps due to the employees not having health insurance and "manufacturing" their injury as a Workers' Compensation claim.

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## WEBSITE HIGHLIGHTS

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- Use some of our [case studies](#) for a risk management presentation
- [Request a Certificate of Insurance](#) for an upcoming event or for the University, if requested
- Review the [Automatic Sprinkler Toolbox](#) if you are contemplating the installation of a sprinkler system
- Review our [recommended websites](#) for further information
- Read more about [our associates](#)
- [Need some help with a University or housing agreement?](#)
- Learn more about our [Individual Health Insurance Program](#) for employees and members of our member groups
- Develop your own [Crisis Plan](#) after reviewing our samples
- Post and distribute our [Employee's Guide to Workers' Compensation Claims](#)
- Read more about our role as your [Claim Advocate](#)
- [Who needs a flood policy?](#)
- Check the [carbon monoxide recommendations](#) for your facility
- Use the [Chapter House Self-Inspection](#) to review your property and life-safety risk management
- We are developing [e-learning modules](#) that can be presented to larger audiences and/or viewed personally via podcast.
- Use our [House Corporation Inventory Checklist](#) to inventory your chapter property
- Check out the [Library](#) for Sorority Department position papers, fire safety information, claim trends, current events, past newsletters, alcohol education resources, and much, much more
- [Contact Us](#)

*We are constantly updating the website, so please continue to check for updates at [www.mjsorority.com](http://www.mjsorority.com)*