



MJ INSURANCE

INTEGRITY • INNOVATION • INTENSITY

Sorority Leadership

March 20, 2006

RE: Fund Raising Activities at Sports Stadiums

We have seen an increase in the number of requests from the collegiate chapters to participate in the concession area for an athletic event at the sports stadiums.

The requests generally come about because the company managing the concessions wants the group to show evidence of insurance; thus a request to us for a Certificate of Insurance.

From an underwriting standpoint, we have some concerns about this exposure and will work with each request to minimize the ultimate liability to your organization. Below are some specific guidelines:

We will not support adding the concession management firm to your policy as an Additional Insured, if the chapter members will be serving alcohol.

We will not support the request if the chapter members will be serving alcohol for the concession management firm.

We will support adding the concession management firm to your policy as an Additional Insured if it meets all other qualifications.

We will produce a Certificate of Insurance to the firm wanting to see the evidence of insurance if the event meets the above guidelines.

Fortunately we are finding that the concession management firms will work with the participating chapter and will enlist their assistance for areas other than the alcohol sales of an event.

stored in Shared/Underwriting guidelines

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SORORITY DIVISION

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We bring this to your attention not only to point out a trend of increased requests, but also to inform you of a lawsuit last year, which speaks to support our underwriting position on this fundraising activity. See ABC News article attached.

You will note that Aramark Corp, the concession management firm was liable for the punitive damages of \$75 million.

If the person selling the alcohol was an employee of Aramark, then the litigation trail and liability stops there. If however the individual who dispersed the alcohol was involved in an organization i.e. a sorority, then there exists a very strong probability that that organization would be brought in to the lawsuit, hence our fear about the ultimate liability, of not only the local chapter, but also the national organization.

We encourage you to communicate these risk management guidelines within your organization to ensure that each activity being considered is addressing the many different risk exposures.

Should you have any questions or concerns on the above information, feel free to contact us.

MJ Insurance, Inc.

Regards,



Cindy H. Stellhorn
Vice President



Expert: \$135M Beer Vendor Lawsuit a Sign

Expert: \$135 Million Verdict in Alcohol Liability Case Should Send Wakeup Call to Teams

The Associated Press

Jan. 21, 2005 - A jury's \$135 million award to the family of a girl paralyzed in a car wreck caused by a drunken football fan should be a wake-up call to teams and their vendors, said the head of a nonprofit group that advises pro sports leagues.

Jill Pepper, executive director of Techniques for Effective Alcohol Management, or TEAM, said Thursday that all stadium concession workers should know that their job is more than handing someone a beer, making change or opening a cash register.

"It's providing a safe, secure experience for everyone at the ballpark," said Pepper, whose group is a coalition of representatives from professional football, basketball, baseball and hockey.

A jury Wednesday awarded \$75 million in punitive damages to Ronald and Fazila Verni, whose 7-year-old daughter, Antonia, was paralyzed from the neck down in the crash in 1999. A day earlier, the family was awarded \$60 million in compensatory damages.

The compensatory damages were assessed equally against David Lanzaro, 34, and Aramark Corp., the Giants Stadium concessionaire that sold beers to him at the game. The jury ruled that Aramark was liable for the additional \$75 million.

Lanzaro, whose blood-alcohol level was more than twice the legal limit, is serving a five-year prison term for vehicular assault.

Debbie Albert, spokeswoman for Philadelphia-based Aramark, declined to comment on the award Thursday but the company has said it would appeal.

The award was the largest alcohol liability award in the United States in at least 25 years, said Jennifer Shannon of Jury Verdict Research, a Pennsylvania firm that analyzes trends in personal injury lawsuits.

At a news conference Thursday, Ronald Verni said his daughter needs round-the-clock care that has been provided up to now by him and his wife, Fazila, who was also injured in the accident.

"Hopefully she'll be able to get the care she needs and deserves," Verni said, choking back tears. "Hopefully she'll be able to enjoy some of the things she wouldn't have been able to enjoy."

The NFL did not comment on the verdicts, and spokesman Greg Aiello did not say whether the league was considering changing its stadium alcohol policies. "We review those policies and we will continue to do so," he said.

The Vernis had sued the NFL as well as the Giants and the New Jersey Sports and Exposition Authority but a judge dismissed those complaints last fall, ruling they were not liable.

Currently, the NFL forbids beer sales after the third quarter. The Giants choose to shut down beer vendors at the start of the third quarter and the stadium also mandates that fans can buy only two beers at a time a rule Lanzaro sidestepped by tipping the vendor \$10, allowing him to buy six beers.

In a statement, the Giants said, "No words can express the sorrow we feel for what the Verni family has gone through. We believe that Aramark has the right alcohol policies in place and will take the necessary and appropriate steps to enforce those policies."

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