

INSURANCE & RISK MANAGEMENT SUMMARY

A RESOURCE FOR MJ SORORITY CLIENTS

Created By:

MJ SORORITY

571 Monon Blvd., Suite 400
Carmel, IN 46032

P 317 805 7500 **F** 317 805 7515

mjsorority.com



SORORITY

TABLE OF CONTENTS

- Introduction- 2 -
- Risk Management Education.....- 3 -
- Our website.....- 3 -
- Who to Contact- 4 -
- In the Event of a Claim- 7 -
- General Liability Insurance- 9 -
- Certificates of Insurance- 15 -
- Non-owned and Hired Automobile Liability- 21 -
- Directors & Officers and EPL.....- 23 -
- Employment Hot Line- 24 -
- Property Insurance- 25 -
- Crime.....- 29 -
- Workers' Compensation- 32 -
- Medical Provider Network.....- 35 -
- Umbrella Liability- 35 -
- Cyber Liability- 35 -

- APPENDIX**
- Certificate of Insurance Request form- 38 -
- Certificate of Insurance Example- 39 -
- Claim Examples.....- 40 -
- First Report of Injury Form for Work Comp ...- 45 -
- Glossary of terms- 47 -

INTRODUCTION TO THE INSURANCE & RISK MANAGEMENT SUMMARY

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 and Risk Management 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.

Our primary role as your insurance agent and risk manager is to understand the exposures or threats to your organization that could ultimately produce an “economic” loss to your organization, thus putting it at a greater risk of operating successfully. Then we analyze the probability of loss and recommend that the exposure either be:

- Eliminated in its entirety
- Reduced with good risk management
- Transferred to another

It is only after this analysis that the decisions of risk management and/or buying insurance can be made. Securing adequate but not excessive insurance is the balance that we strive to achieve with our clients.

MJ Sorority 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.

RISK MANAGEMENT EDUCATION

Our extensive and exclusive experience in insuring women's fraternities and sororities gives us the unique ability to recognize trends as they emerge and communicate them to our clients accordingly. In addition, we take our role as your "risk manager" very seriously; therefore, we are proactively on the frontlines of issues, risks, and opportunities facing our clients.

The following are just a few of the services that we offer our clients to help equip you to better educate your members and volunteers:

- Policy/manual review and suggestions
- Creation and implementation of e-learning on the risk management topics of your choice
- Risk management presentations on various risk management topics and trends
- Newsletters, bulletins, and position papers on issues and opportunities of concern
- Library of hundreds of risk management resources and articles
- Claims analysis to detect trends and corrective measures
- Development of articles and resources for our clients' use in your publications

WWW.MJSORORITY.COM

We have literally hundreds of resources available on our website: event planning, claims case studies, risk management webinars, position papers, frequently asked questions, and much, much more. Be sure to bookmark www.mjsorority.com for 24-7 access to requesting a Certificate of Insurance, submitting a claim, and learning more about your organization's insurance program, just to name a few.

The *Insurance and Risk Management Summary* is continually revised and updated, but to ensure you have the most updated version, please refer to [this page](#) on our website. All of the resources and information available in the *Summary* are available and expanded upon at the website. We work tirelessly to create a one-stop resource for all of your insurance and risk management questions at www.mjsorority.com.

A few current highlights at the website include the following:

- + 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

- + 30+ [Frequently Asked Questions](#) with more added all of the time
- + Use the [Chapter House Self-Inspection](#) to review your property and life-safety risk management
- + We have developed and continue to develop [e-learning modules](#) that can be presented to larger audiences and/or viewed personally via podcast.
- + 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

571 Monon Blvd. Suite 400 | Carmel, IN 46032
Toll-Free: 888-442-7470 | Fax: 317-805-7580
Emergency After-Hours: 317-374-5039 (Cindy Stellhorn's mobile phone)
www.mjsorority.com

WHO TO CONTACT

CONTACT	POSITION	NEED	DIRECT LINE/ EXTENSION	EMAIL ADDRESS
Ruth Akers	Senior Account Manager	Certificate of Insurance & Contracts	317-805-7585 888-442-7470 (ext. 7585)	Use this form for all Certificate requests
Heather Cox	Claims Account Manager	Submit a claim/Claim questions	317-805-7598 888-442-7470 (ext. 7598)	heather.cox@mjsorority.com
Estacia Brandenburg, JD	Client Executive	Risk Management & Policy Questions (see page 5)	317-805-7583 888-442-7470 (ext. 7583)	estacia.brandenburg@mjsorority.com
Heidi Lewis	Senior Client Executive	Back-up for Client Executives	317-805-7584 888-442-7470 (ext. 7584)	heidi.lewis@mjsorority.com
Tiffany Maurovich	Client Executive	Risk Management & Policy Questions (see page 5)	317-805-7588 888-442-7470 (ext. 7588)	tiffany.maurovich@mjsorority.com
Allison Mrasek	Account Manager	Risk Management & Policy Questions (see page 5)	317-805-7583 888-442-7470 (ext. 7583)	allison.mrasek@mjsorority.com
Jessica Gunter	Account Coordinator	Contact Changes, Risk Control & Claims Backup	317-805-7655 888-442-7470 (ext. 7655)	jessica.gunter@mjsorority.com
Sara Sterley	Director of Risk Management Education	Newsletter Topic & Website Suggestions	317-805-7589 888-442-7470 (ext. 7589)	sara.sterley@mjsorority.com
Cindy H. Stellhorn	Executive Vice President, Sorority Division	Opportunities & Suggestions	317-805-7581 888-442-7470 (ext. 7581)	cindy.stellhorn@mjsorority.com

Please use the table below to determine which Client Executive to contact with questions or concerns regarding your specific organization. If you do not belong to any of the following organizations and have a question, please contact [Heidi Lewis](#) with any questions or concerns.

Organization	Client Executive
Alpha Chi Omega Fraternity	Tiffany Maurovich
Alpha Epsilon Phi Sorority	Jessica Gunter
Alpha Gamma Delta Fraternity	Estacia Brandenburg
Alpha Sigma Tau Sorority	Tiffany Maurovich
Chi Omega Fraternity	Tiffany Maurovich
Delta Delta Delta Fraternity	Estacia Brandenburg
Delta Gamma Fraternity	Allison Mrasek
Delta Phi Epsilon Fraternity	Allison Mrasek
Delta Zeta Sorority	Estacia Brandenburg
Gamma Phi Beta Sorority	Allison Mrasek
Kappa Alpha Theta Fraternity	Tiffany Maurovich
Kappa Delta Sorority	Allison Mrasek
Kappa Kappa Gamma Fraternity	Estacia Brandenburg
National Panhellenic Conference	Estacia Brandenburg
Pi Beta Phi Fraternity	Estacia Brandenburg
Phi Sigma Rho Sorority	Jessica Gunter
Phi Sigma Sigma	Jessica Gunter
Sigma Kappa Sorority	Tiffany Maurovich
Sigma Sigma Sigma Sorority	Allison Mrasek
Theta Phi Alpha	Jessica Gunter
Zeta Tau Alpha Fraternity	Tiffany Maurovich

IN THE EVENT OF A CLAIM

IN THE EVENT OF A PROPERTY CLAIM:

- + Do whatever is necessary to prevent further damage from occurring.
- + Call or e-mail [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:
 - o What happened
 - o Date damage occurred
 - o Any estimates for repair or replacement of the damaged items
 - o MJ Sorority will advise you if an adjuster 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.
- + Treat any potential or actual claim or lawsuit as a high priority item and immediately notify your organization Headquarters and MJ.
- + Call or e-mail [Heather Cox](#) at MJ Insurance with names, date of loss, and details of incident.

Complete the [Crisis Plan Template](#) to prepare for possible emergencies.

IN THE EVENT OF INJURIES TO EMPLOYEES:

- + Call or e-mail [Heather Cox](#) 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 [Heather Cox](#) at MJ Insurance.

IN THE EVENT OF AN EMBEZZLEMENT OR FORGERY CLAIM:

- + Notify [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) 805-7598 (Heather)

Fax: (317) 805-7580

E-mail: heather.cox@mjsorority.com

Emergency After-Hours Contact:

Cindy Stellhorn

(317) 374-5039

cindy.stellhorn@mjsorority.com

GENERAL LIABILITY INSURANCE

WHO IS COVERED?

Your organization's General Liability insurance program provides coverage for bodily injury, property damage and personal injury claims. 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, 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.

This coverage is for general public liability. It is not accident insurance covering members for injuries sustained on the chapter premises and/or during chapter activities. **This program is not a substitute for personal health or medical insurance.**

*Refer to the Letter to Member's Parents
and the Insurance for Member's
Personal Property resources at
www.mjsorority.com.*

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.
Total Policy Limit (Aggregate)	The most the insurance company will pay for claims in any one policy term.
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 not apply to any insured, any tenant, any employee or to a person injured while participating in athletic activities.

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 harm or injury (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, within the scope of your duties and responsibilities, and are acting on behalf of your organization, your interests will be protected by the insurance policy, subject to its provisions.

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: TRENDS

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:

- + Additional Insured request
- + Primary Additional Insurance request
- + Any other reference to providing evidence of insurance to the third party.
- + For more information, refer to the following resources:
 - o The [Event Planning section of our Library](#)
 - o And more...check out the [Quick Reference Guide for Event Planners](#)

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. This exposure is not acceptable and coverage is excluded. Because coverage is excluded, the chapter should not participate in or sponsor any activities related to childcare either at the chapter house or elsewhere.

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 of the fraternal exposure. In addition the potential for physical and sexual abuse exists, chapter members are not necessarily trained appropriately, and the chapter houses are not furnished with “little ones” in mind.

Chapters involved with other organizations that involve children, such as Girl Scouts, in which the organization's representatives are primarily responsible for the childcare, are acceptable from a risk management standpoint.

Riskier Activities

We are seeing an increase in the number of riskier and more robust activities being proposed as chapter events, such as the following:

Ropes courses	Hay rides
Bounce Houses and Dunk Tanks	Mud/color/zombie runs
Rock climbing	Skeet shooting
Paintball	Trampoline-a-thon
Slip-and-Slides	Haunted attractions
Mazes	Food eating contests

On their own, these activities are concerning because of the greater potential for injury due to the more physical and/or dangerous nature of these activities. In addition, acceptable activities can fall into the risky category because of the contractual requirements, such as additional insured or no liquor liability coverage. For additional information, please refer to our [position paper](#) on the topic.

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 complete [this form](#).

Increase in incidents

We are seeing an increase in the frequency and severity of liability incidents – both at the chapter premises and at chapter events. Liability incidents are up 15 percent, and member injuries are up an alarming 68 percent. ***There has never been a more important time for the property owner to ensure a safe property for members and guests.***

Parental involvement

We and our clients have noticed a substantial increase in parental involvement with membership, claims, and other issues. We encourage our clients to educate their member's parents about the insurance program, and we have created two resources to help our clients communicate this information to member's parents: a [sample letter to member's parents](#) and the [Insurance Basics for Member's Parents webinar](#).

Liquor Liability

Good risk management should be used in determining the providers that you wish to use for your functions. As such, you should only engage an establishment that has comprehensive and adequate general liability insurance, including liquor liability when the function includes the serving of alcoholic beverages. There is much confusion over the differences between liquor liability and a liquor license. We have created a position [paper on the topic](#) that we encourage those involved with planning events with alcohol to read thoroughly before signing an agreement with a third-party vendor.

CERTIFICATES OF INSURANCE

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

For non-event specific Certificate of Insurance requests, such as those required by a University Agreement, a mortgagee, or a loss payee, please complete the [Non-Event Specific Certificate of Insurance form](#).

If you need a Certificate of Insurance for a specific event, please continue reading.

A THIRD-PARTY REQUESTS EVIDENCE OF THE FRATERNITY'S/SORORITY'S INSURANCE FOR A SPECIFIC EVENT

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, 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 completed the Certificate/Event Review Request Form. If you sign the contract, you may unknowingly be obligating your organization to unfavorable liability and/or indemnification requirements that could put your organization in jeopardy.

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.”

Over the years we have found that most contracts contain these clauses and more times than not we were unsuccessful in having the clauses removed. Amending or rewriting a contract is more of a legal issue rather than an insurance issue; therefore, MJ is not in a position to provide legal advice on these clauses. We will still be reviewing contracts for

insurance requirements (i.e. Additional Insured and Primary Additional Insured); however, when the only items embedded are hold harmless and indemnification clauses, we are advising that the contract meets the insurance review. This is not saying that you should not be mindful of these conditions and take greater precaution than you normally would with your event because of these contractual requirements.

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 by Headquarters.**

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.

WE RECOMMEND THAT YOU SUBMIT REQUESTS TWO WEEKS IN ADVANCE IN ORDER TO ENSURE TIMELY DELIVERY. COMPLETING [THE CERTIFICATE OF INSURANCE REQUEST FORM](#) ON THE WEBSITE IN ITS ENTIRETY IS THE BEST WAY OF ENSURING TIMELY PROCESSING OF YOUR CERTIFICATE REQUEST.

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 by paying for a claim, 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	\$500,000/500,000/\$500,000

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

- Increased cost of construction and building 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. Liability follows control.

A red flag should arise any time a contractor or venue shows resistance to or hesitation with this request for 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.

CERTIFICATES OF INSURANCE: FREQUENTLY ASKED QUESTIONS

Does MJ Sorority approve events?

No, MJ Sorority offers recommendations based on prudent risk management. Your National Organization has the ultimate decision as to the approval of your event. It is important that you review the rules and policies of your national organization before you begin the event planning process.

I have a Certificate of Insurance that I received for an event we had last month. Can I use it again for an event that is being held next week?

No, Certificates of Insurance are all issued on an event specific basis; therefore, each time someone requests a Certificate of Insurance from you, you must obtain another Certificate of Insurance. Furthermore, the venue/third-party requesting the Certificate of Insurance will want to be sure that their name is listed as a Certificate Holder on the Certificate of Insurance, which is another reason why Certificates are issued on an event specific basis.

I have an *Insurance Overview* that shows we have coverage. Can I use it when I am asked for a Certificate of Insurance?

No, the *Insurance Overview* contains specific and confidential information regarding your chapter and should not be shared with anyone outside your organization.

How long does it take to process a Certificate of Insurance?

It depends on what exactly is required by the specific venue and the nature of the event. We recommend that you submit requests two weeks in advance in order to ensure timely delivery. Completing the [Certificate of Insurance Request Form](#) on the website *in its entirety* is the best way of ensuring timely processing of your Certificate request.

We are renting a venue that will be serving alcohol. Is evidence of their state liquor license sufficient?

Each state has very strict guidelines for businesses who are licensed to sell alcohol, and we certainly recommend that you only use businesses that have a current liquor license. However, it is equally if not more important, that you require evidence of the business' liquor liability insurance coverage, which is separate coverage from general liability insurance and will have a separate limit of liability. For much more information on this issue, please refer to our [position paper](#).

FURTHER RESOURCES AVAILABLE

Resource & Link

[Certificate of Insurance Request Form](#)

[Certificates of Insurance](#) (website section)

[Contract Review 101](#)

[Position Paper: Risky Events](#)

[Position Paper: Participant Liability Waivers](#)

[Participant Liability Waiver Template](#)

Description

Hardcopy form to be used to request Certificates of Insurance

Several sections on the website that describe the various types of Certificates of Insurance, as well as other helpful details.

A presentation created to educate chapter members about the basics of contracts.

A position paper on risky events and how to make them less risky.

Our position on participant liability waivers.

A template for your use.

NON-OWNED AND HIRED AUTOMOBILE LIABILITY

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 to purchase any additional insurance coverage, including physical damage or liability, through the rental car company for your members or employees that are renting cars on behalf of your organization. If you happen to have any non-member volunteers that rent cars on fraternity/sorority business, they should purchase the insurance available through the rental agency, as the coverage is currently in place for members and employees. This coverage does not apply if renting automobiles in Canada. Contact your Client Executive for rentals in Canada.

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 they are driving on behalf of your organization.

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.

WE RECOMMEND THAT MEMBERS AND VOLUNTEERS CARRY MINIMUM LIMITS OF \$250,000/\$500,000/\$100,000 OR \$500,000 COMBINED SINGLE LIMITS ON THEIR PERSONAL AUTOMOBILE POLICIES.

NON-OWNED AUTOMOBILE LIABILITY: FREQUENTLY ASKED QUESTIONS

If I drive my personal automobile on fraternity/sorority business (including carpooling other members/volunteers or designated driver/safe sister programs), 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: TRENDS

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 and our [Department Position Paper](#) on the topic for more information.

Please refer to your [Insurance Overview](#) for Non-owned and Hired Automobile Liability insurance limits.

DIRECTORS & OFFICERS AND EMPLOYMENT PRACTICES LIABILITY INSURANCE

DIRECTORS & OFFICERS: EXPLANATION OF COVERAGE

Who is an Insured?

The Parent Organization, any undergraduate chapter or colony, house corporation, alumnae corporation, alumnae chapter or alumnae foundation sponsored by the Parent Organization. Any director, officer or employee of the Parent 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 who have responsibility for managing employees of the organization and its entities

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, hostile work-environment

EMPLOYMENT HOT LINE

Clients of the MJ Sorority Division have access to an EPL (Employment Practices Liability) Hot Line to answer your specific questions regarding the many different human resource and employment law issues that emerge for your organization. We are very excited to be able to offer this valuable service to our clients that assists them with their human resource and employment law questions. The toll-free number is (888)249-8425. In order to connect with a hot line attorney, you will need to reference your EPL policy number, which should be located on the Insurance Overview that was emailed to you at the inception of your policies. Please contact your Client Executive if you have trouble identifying your policy number. For more information, [refer to our website](#).

PROPERTY INSURANCE

WHAT IS COVERED

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

- + Coverage is written on an “special perils” 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.
- + Loss of Income coverage can respond as follows if covered property is damaged by an insured peril and the property cannot be occupied as normally intended:
- + 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.
- + Coverage for flood, earthquake, and wind and hail damage have higher deductibles and varied coverage limits. Please refer to your [Insurance Overview](#) for location-specific information.
- + Personal property of resident members is **not** covered under this program. Refer to this resource for [additional information](#).
- + Electrical equipment is covered for the perils of mechanical breakdown and electrical injury, while boilers and pressurized vessels are also covered for steam explosion under the property policy.
- + Fine Arts is covered under the program; however, please notify your [Client Executive](#) of any one item valued over \$50,000.

Should you wish to modify or add coverage, please [contact your Client Executive](#).

VACANCY CLAUSE

Insurance companies are generally very concerned about providing property insurance coverage for buildings that are vacant. These buildings are at a greater risk of claims due to no one living on the property, especially claims such as water damage from broken pipes, vandalism, theft, and sprinkler leakage. This concern has been heightened during the current economic period where there are clearly more buildings that are vacant or partially vacant.

The underwriter for the MJ Sorority book of business understands the sorority exposure of the chapter houses being closed for the summer break and the other academic year breaks, so this issue of vacancy does not apply. The insurance policy is intact as long as the summer break does not extend beyond the 120 day mark. If indeed your university's academic break is in excess of the 120 days allowance, please [contact your MJ Client Executive](#) to discuss.

HOW THIS MIGHT AFFECT YOU

Our Sorority clients could be impacted by this clause in the following examples:

- A chapter is closed and there are no future occupancy plans for the building
- A chapter is closed and the future occupancy plans exceed the 120 day window provided for in the insurance coverage
- A new colony/chapter is planned for a particular university and a building is purchased with the plans to have it remodeled and ready for occupancy in the next school year/semester term

In these scenarios, the property coverage is significantly impacted unless the property is scheduled with MJ Sorority. If you are concerned that your location might fall under this definition, please immediately [notify your Client Executive](#) for further information.

Please refer to your [Insurance Overview](#) for location-specific Building, Contents, Loss of Income, Equipment Breakdown, Flood and Earthquake limits and deductibles.

PROPERTY INSURANCE: FREQUENTLY ASKED QUESTIONS

Are chapter members allowed to use the commercial chapter kitchen?

According to the recent University Housing Report compiled by FEMA, 76.5 percent of campus fires start in the kitchen! For that reason, we recommend that you limit the use of your commercial kitchen space to trained professionals.

As we see it, the equipment in the kitchen represents a significant financial expense for the property owner to purchase and maintain. The presumption by the insurance company is

that the staff, who work with this commercial equipment, are properly trained on the proper use of the equipment. This is the preferable way to protect this investment.

Indiscriminate use by untrained individuals not only puts the equipment at risk but improper use also puts the entire facility in harm's way. Certainly a kitchen can be a high hazard area even for the trained personnel. Other risks include injury to the member while cooking in the kitchen and issues with proper food storage.

Ultimately the property owner must decide the manner under which their kitchen is utilized, taking into consideration other issues that emerge as respects to general chapter operations.

What are your recommendations in terms of outdoor grills?

- + Grills of any type should not be used on wood decks due to the fire risk.
- + Gas grills are safer to use from a fire safety standpoint because they do not involve the use of flammable liquids, such as lighter fluid, or of hot coals during the grilling process. Hot coals also pose a disposal risk.
- + Gas grills are less safe during the lighting process. If excessive gas builds up in a closed grill before being lit, it can cause an explosion. Gas grills should always be lit with the lid open, and the gas tank should be turned to the off position following each use.
- + Instructions for use of the grill should be posted clearly next to the grill and the use of the grill should be restricted to responsible persons who have been instructed on safety measures.

What types of items should be inspected annually at the chapter house?

We have developed the [Chapter House Self-Inspection form](#) (and the accompanying [recommendations](#)) for just this purpose. The form walks the user through a series of safety considerations throughout the chapter house. We recommend that the House Corporation perform the self-inspection on an annual basis (the summer is the perfect time!). We have also developed a [Property Maintenance Checklist](#), which makes it easy for House Corporations to record their maintenance efforts throughout the year and to plan for future expenditures to keep the property maintained and safe.

*For more FAQs, check out
the [FAQ section on our
website](#).*

PROPERTY INSURANCE: TRENDS

Remodeling projects

If you are planning a remodeling project, please [contact us](#) to discuss any coverage implications. We also recommend that you review the [Reviewing Contracts](#) resource, which discusses working with contractors.

Historical Building Coverage

If your property is on the historical building registry, whether it be a municipal, state, or federal registry, you likely have a gap in your coverage and need additional coverage to ensure that your property is properly protected in the case of a loss. Please contact [your Client Executive for additional details](#).

Automatic sprinkler systems

MJ Sorority clients take life-safety very seriously, as evidenced by the number of properties in the national insurance program that are sprinklered, the most effective life safety measure in any property. As of January 2016, 73 percent of our clients' buildings are sprinklered. Those locations that are 100 percent sprinklered, qualify for a 40 percent discount to their property rates. Please refer to your [Insurance Overview](#) to determine if your location is receiving the sprinkler credit.

Heat Sensors in Attics

We are pleased at year-end 2015 to report that 73 percent of the chapter houses that we insure are sprinklered. Those chapter houses that are sprinklered were generally following the NFPA Code 13R, which required sprinklers except in the attic space. There was the assumption that there would be limited access to the attic space and the attic would be clear of storage and of any other use. In recent years, we are seeing more fires occurring in the attic. Since there are no sprinklers in the attic, a fire that begins in the attic burns for a period of time undiscovered. It is only when the roofing is burned through and/or burns through the ceiling of the floor below that the building fire is detected. Valuable time has been lost where the fire department has not been notified as the sprinkler system goes off only after the fire burns through another area beyond the original origin site.

For this reason, we are recommending that property owners install a heat detection/sensor or rate of rise detection/sensor system in order to preserve the sprinkler credit to the insurance programs. These heat detection systems are connected to the fire alarm system to give quick notice to the fire department of a fire in the attic and the occupants of the chapter house so they can evacuate. These devices can alert fire projection when the temperature in the area spikes up from a fire starting in the space. These sensors are relatively inexpensive. Contact your fire alarm system company and [check out this article](#) for more information and recommendations on these systems.

Property maintenance

With aging properties, maintenance is an ongoing issue. We encourage our clients' House Corporations to review the [Preventive Maintenance Guide](#) created by CSL Management, as well as numerous other resources available on our website. Those locations that are 100 percent sprinklered qualify for a 40 percent discount to their property premium.

We also recommend that House Corporations utilize the [Chapter House Self-Inspection](#) to self-inspect their properties twice per year.

Water detection devices

Forty-two percent of the property claims are from water damage claims, so early detection of a water leak is critical. Additional property credits are available for installing a water leak detection system. We have experience with and recommend [Total Leak Systems](#) and [tattletale](#).

CRIME

WHO IS COVERED?

Please [contact your Client Executive](#) to determine if the chapter/house corporation is covered by the national insurance policy.

EMPLOYEE AND VOLUNTEER THEFT (EMBEZZLEMENT)

The insurance carrier will pay for direct loss resulting from theft of funds committed by your elected officers, trustees, directors, volunteers or employees (all defined as Employee below) acting alone or in collusion with others.

- + Employee also includes contractual independent contractors (an independent contractor that has a written contract between themselves and the organization)
- + No coverage will apply for a loss caused by an Employee which is sustained by an Insured:
 - o After the Insured becomes aware of a theft, forgery or other fraudulent, dishonest or criminal act committed by such Employee while employed by the Insured, or;
 - o After the Insured becomes aware of a Theft, Forgery or other fraudulent, dishonest or criminal act, involving Money, Securities or other property valued at \$25,000 or more committed by such Employee prior to the employment or service with the Insured; or
 - o More than 60 days following termination of such employee.

Required conditions in order to a more favorable deductible apply:

Required Conditions means the Insured Organizations have utilized, prior to the loss sustained, a professional, third party accounting service to provide the following controls with respect to any Chapter, Local House Corporation or Local Foundation, which will be verified at the time of loss:

- + All outgoing electronic payments are subject to segregation of duties between initiation, authorization and release, such that no one individual can control the entire process without oversight by another individual;
- + Accounts payable duties are segregated such that no one person can complete a transaction from beginning to end independently under their own authority;
- + Monthly bank reconciliation is conducted on all Chapter, Local House Corporation or Local Foundation approved bank accounts by a person that is not authorized to also handle deposits, sign checks or make electronic payments; and
- + At least once a month, bank and credit and purchase card accounts are reconciled by a board member or employee other than the board member or employee who is an authorized signatory for such accounts;
- + New vendors or any change to existing vendors are approved by a House Corporation board member.

Definitions:

Local Chapter: independent, affiliated chapter of the Insured Organization

Local Foundation: charitable foundation formed by a Local Chapter and which is independent of the Insured Organization

Local House Corporation: an Organization that oversees the management and maintenance of a sorority chapter facility which is not under the control or supervision of the Insured Organization

CRIME: FREQUENTLY ASKED QUESTIONS

We have an employee who was accused of a previous embezzlement at her prior employer. We have put in place strong controls with the employee to ensure that no funds are stolen. Is there anything else we should do?

The insurance coverage is very clear on this point. If you, as an insured, are aware of a theft, forgery, or other fraudulent, dishonest, or criminal act committed by this employee while employed by your organization, there is **no** coverage for this individual. If you chose to employ a person with a previous record of theft or forgery, he/she will need to be placed in a position where he/she does not have access to any funds. Additionally, **if an insured becomes aware of a theft, forgery, or other fraudulent, dishonest, or criminal act committed by an employee involving money, securities, or other property valued over \$25,000 prior to their employment with your organization, there is no coverage for this person under the Crime coverage.**

CRIME: TRENDS

In the past six years, the insurance company has seen a substantial increase in the number of sorority-related embezzlement claims, both in frequency as well as severity or the larger dollar claims. As a way to maintain and preserve this important coverage, the mandatory controls are gravitating from a recommended practice to a mandatory practice in order to have access to the lower deductible should a claim occur.

CRIME: CLAIMS EXAMPLES

There are several crime claim examples in the appendix; in reviewing these, you will get a sense of how the lack of adequate controls has developed into some substantial claims, aside from the fact that these types of claims are so disruptive to the operation of a house corporation and its collegiate members.

PLEASE REFER TO YOUR LOCATION-SPECIFIC [INSURANCE OVERVIEW](#) FOR YOUR ORGANIZATION'S CRIME LIMITS. PLEASE CONTACT YOUR [CLIENT EXECUTIVE](#) FOR YOUR LOCATION'S SPECIFIC DEDUCTIBLES.

WORKERS' COMPENSATION

Workers' Compensation Insurance provides coverage for the medical costs, lost wages and disability expenses for employees who are injured in a job related accident. This coverage applies regardless of an employee's own negligence and is considered a no-fault system of insurance coverage.

Virtually every state requires its employers to buy workers' compensation insurance coverage for its employees. Should there be no Workers' Compensation coverage in place and an employee is injured, the state will levy significant fines and costs to the employer for not meeting their obligation.

In the following states of ND, OH, WA and WY, the Workers' Compensation insurance coverage is purchased through a state agency and these states are referred to as monopolistic states. If your employment exposure is in one of the other states, your organization has secured a national Workers' Compensation policy of which you have access. Please refer to the Insurance Overview for your chapter/house corporation to determine if your location is covered by the national insurance policy. Should you have any questions, contact your [MJ Client Executive](#).

MONOPOLISTIC STATE

North Dakota

Ohio

Washington

Wyoming

WORKERS' COMPENSATION WEBSITE

<http://www.workforcesafety.com/>

<https://www.bwc.ohio.gov/>

<http://www.lni.wa.gov/>

<http://www.wyomingworkforce.org/>

Please refer to your location-specific [Insurance Overview](#) to determine whether or not your location carries workers' compensation coverage. If your location is in ND, OH, WA, or WY, you will need to purchase workers' compensation coverage through your state workers' compensation board (refer to websites in table above).

WORKERS' COMPENSATION: FREQUENTLY ASKED QUESTIONS

How do I determine if an individual is an employee or if he/she is an independent contractor?

For purposes of the Workers' Compensation coverage, the usual definition of an employer is as follows:

"Employee is generally defined as a person hired to perform certain services or tasks for particular wages or salary under the control of another (the employer). "A worker hired to perform a specific job usual and customary to the employer's business operation in exchange for money or other remuneration."

The main feature of this definition is the amount of control that the employer has over an individual, which then qualifies that person as an employee. Independent contractors are the opposite of being an employee and these individuals or firms are hired to do work that is generally not within the usual trade or business of the employer. An example of this would be the landscaper hired to do your landscape needs or a handyman to clean off snow from your sidewalk.

What is considered compensation that I will need to report to the insurance company as our exposure?

The insurance policy will be issued on your organizations national policy effective date with an estimated compensation for your location. At the conclusion of this policy period, you will be asked to provide MJ Insurance with your actual compensation dollars for your employees. The compensation number is to include not only the monetary compensation paid to your employees, but also is to include any "in kind" compensation such as room and board allowances, use of a cell phone for the house director and meals for your hashers/house boys as some examples. The total value of both is monetary and "in kind" compensation is what you should report at the policy year end's audit.

WORKERS' COMPENSATION: TRENDS

Misclassification of employees as independent contractors

The government is aggressively pursuing those employers who are misclassifying employees as a way to avoid paying payroll with-holding taxes, unemployment insurance and workers' compensation payments. This can save an employer as much as 30% of payroll and deprive the states of tax revenue.

There is no single "bright line" test used by state or federal agencies such as the IRS to determine whether a worker is an employee or an independent contractor. The more common test used is the "20 Factor Test" developed by the Internal Revenue Service, where the main focus is on the degree of control exercised by an employer over a worker.

The more control exercised, the more likely the worker will be deemed to be an employee. Some questions to consider in determining if you have an employee or not include the following:

- ✓ If worker is hired after filling out an employment application
- ✓ If worker is told how to perform the work and where and when to do it
- ✓ If the employer provides the tools for the workers use

Impact of the current economic recession upon independent contractors

The cost of insurance for any business is one of the larger items in their budgets. With the economic recession, we have developed concerns that some of these businesses that our clients are hiring have chosen to eliminate their insurance coverage. Thus, if they would happen to cause bodily injury to one of your volunteers or members or cause property damage to your chapter house, you may not have access to insurance coverage to pay for the losses from the contractor and have to rely on your own insurance. We encourage you to secure certificates of insurance from all of your contractors who are doing work on your property. *Refer to the Insurance Summary Table of Contents for additional information on Certificates of Insurance.*

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 coverage.

MEDICAL PROVIDER NETWORK

Travelers has an extensive Medical Provider Network (MPN) with physicians who understand workers compensation and are experienced in providing expert care for injured workers. The Travelers program ensures that every covered employee that suffers a work-related injury or illness has access to prompt medical care and an improved likelihood of a safe return to work as soon as medically appropriate. MPN utilization can reduce overall workers compensation claim payouts by providing greater control over medical fees and obtaining more favorable medical treatment outcomes.

Claims filed in the state of California are required to utilize a MPN provider, but we encourage clients across the country to use this valuable and cost-saving service.

Click [here](#) to find a provider in your area. Refer to [our website library](#) or [this Travelers site](#) for additional workers' compensation resources.

UMBRELLA LIABILITY

This policy provides additional limits of liability over and above the limits 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.

CYBER LIABILITY

The policy responds to claims involving the use of the internet and social media activities. Media Activities means any act of gathering, recording, collection of, writing, editing, publication of, dissemination of, exhibition of, broadcast of or release of content of communication of any kind whatsoever; regardless of the nature or form of such communication that produces a claim involving:

- + Invasion/Infringement of the right of privacy
- + Libel, slander
- + Emotional distress, outrage
- + False arrest
- + Harassment, trespass
- + Copyright infringement

Covered websites include all sites of the Insureds sanctioned by insured National Organization and all social networking sites utilized by the Insured, but only for Matter produced or disseminated by the Insured.

APPENDIX

CERTIFICATE OF INSURANCE REQUEST FORM

This form should be completed and submitted directly to us via our website at www.mjsorority.com.

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:

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 will result in a delay. Complete the form in its entirety: <https://mjsorority.com/services/certificate-request-form>

Information you will need:

- + Sorority and Chapter
- + Date of the event
- + Type of Event (i.e. philanthropic, social, chapter oriented)
- + Will alcohol be served at this event?
- + 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)
- + Name and address of the venue requesting the Certificate of Insurance
- + 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 and contact information

Once we have the above information, we will review and contact you if we have questions. We recommend a minimum of two weeks for all Certificate of Insurance and contract review requests. To ensure prompt service, please forward contracts for review in a timely manner. Depending on the nature of the event, we may need to seek approval from Fraternity/Sorority Headquarters.

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			
PRODUCER M-J Insurance, Inc. P.O. Box 50435 Indianapolis, IN 46250-0435 Phone: (888) 442-7470 FAX: (317) 805-7580 ruth_knauer@mjinsurance.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			
INSURED Insured Name & A I I		COMPANIES AFFORDING COVERAGE			
		COMPANY A CNA Insurance Companies			
		COMPANY B			
		COMPANY C			
COVERAGES 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.					
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"/>	9		1/2006	General Aggregate Products/Comp/Op Agg. \$2,000,000 Personal & Adv Injury \$1,000,000 Each Occurrence \$1,000,000 Fire Damage(Any one fire) \$1,000,000 Med Expense(Any one person) \$15,000
	<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				Combined Single Limit Bodily Injury Person Bodily Injury Accident Property Damage
	<input type="checkbox"/> Excess Liability <input type="checkbox"/> Umbrella Form <input type="checkbox"/> Other Than Umbrella Form				Each Occurrence Aggregate
	<input type="checkbox"/> Worker's Compensation And Employers' Liability				Statutory Limits Each Accident Disease Limit Disease Each Employee
	<input type="checkbox"/> Other:				Other Limit
Description of Operations / Locations / Vehicles / Special Items: 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.					
Certificate Holder: Butler University 4600 Sunset Avenue Indianapolis IN 46220			Cancellation 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 <i>Cindy H. Stellhorn</i> 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

The date of the event and the type

Name & Address of the organization that is requesting the certificate

For Certificate requests, please complete the Certificate of Insurance via the website at www.mjsorority.com.

CLAIM EXAMPLES

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.
- An alumna was involved in a fatal automobile accident after attending Homecoming events at the chapter house. While on her way to the stadium, the alumna member turned left in front of an oncoming motorcycle. The driver of the motorcycle died as a result of the injuries he sustained. It is alleged that the alumna member consumed champagne and orange juice while at the chapter house. The alumna member was

charged with first degree vehicular homicide, DUI, and failure to yield the right of way. A lawsuit has already been filed against the alumna member. The Sorority is now being contacted by the attorney representing the young man's family. The attorney alleges that the Sorority had the duty to prevent individuals who were either over-served or allowed to consume alcohol from causing harm to others. The liability investigation regarding this accident is ongoing.

- 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.
- The House Director purchased personal items on the Chapter's account. The Chapter became aware of unusual purchases such as gift cards and began to investigate further. During the investigation, the Chapter discovered that when they would issue a check to Costco, the House Director would purchase gift cards for her personal use instead of food for the Chapter. The insurance carrier paid \$7,326.

- The Chapter Advisor took chapter dues and used the chapter's debit card for her personal use. The Chapter's funds were held in an account by the University. The University required the Chapter allow them to manage their funds. The Chapter Advisor was also a University employee and had access to the funds. The insurance carrier made a payment of \$18,607.
- The Chapter Advisor wrote checks from the chapter's account for her personal use. The checks only required one signature. The insurance carrier made a payment of \$45,634.
- The House Corporation President received reimbursement for excessive mileage that she was unable to document. The House Corporation President reported her mileage directly to the accounting firm to request reimbursement. The National Organization was contacted by a vendor regarding unpaid invoices. This prompted the organization to conduct a forensic audit and the mileage was discovered during the audit. The insurance carrier made a payment of \$35,513 which included the cost of the audit and the undocumented mileage.
- The House Corporation President transferred funds from the House Corporation Account to her personal account. The embezzlement was discovered when the House Corporation Board President did not submit information for annual taxes. The insurance carrier made a payment of \$163,342.
- The House Corporation Treasurer embezzled approximately \$37,000. The majority of the funds were taken by the Treasurer writing checks for cash. The embezzlement was discovered when the new House Corporation Board took over and realized that payroll withholding tax had not been paid. This led to an audit. At the time the money was embezzled, the checks did not require two signatures.
- The House Corporation Treasurer embezzled a large amount of money from the House Corporation funds. The House Corporation Treasurer wrote checks for cash and for personal items. The checks only required one signature. The claim was discovered when a new House Corporation Treasurer took over. The insurance carrier made a payment of \$146,859.
- The House Corporation Treasurer wrote checks to pay for the remodeling of her house. Only one signature was required on the checks. The loss was discovered by another member of the House Corporation during an annual review. The insurance carrier made a payment of \$16,856.
- The House Corporation Treasurer issued checks to herself and made ATM withdrawals using the House Corporation's bank card for personal purchases. The loss was gradually discovered when the Treasurer became difficult to reach, checks started bouncing and bills started to go unpaid. At the time, the House Corporation only required one signature to be on checks. The insurance carrier paid \$33,143.

- The Chapter Treasurer embezzled Chapter funds by issuing reimbursement checks to herself. The Treasurer falsified a spreadsheet and made up expenses that she allegedly incurred. When questioned about this, the Treasurer could not provide any documentation or receipts. The loss was discovered when bills were not being paid. The insurance carrier paid \$10,782.

PREMISES CLAIM EXAMPLES

- During parents' weekend, the mother of a member tripped over a wire that was run through the bottom of rocking chairs on the front porch of the house. The wire was gray and was a couple of inches off of the ground. The member's mother sustained a significant injury to her elbow when she fell. The claim settled for \$465,000.
- The Chapter held a Bid Day event on their lawn. The lawn was set up with a band, food tables, and tables for individuals to sit at. One of the tables was set up adjacent to a flood light. While walking between the tables, a member bumped her leg on the flood light. The member sustained severe burns to her leg and had to undergo two skin grafts. The member is represented by an attorney and making a claim against the sorority.
- Members of a sorority loaned their house to a men's fraternity for a party. The men's fraternity house was being painted and they were unable to have a party at their own house. The sorority members did attend the party, but did not provide the alcohol. An underage member of a men's fraternity was leaving the house when he fell down the front steps which resulted in him losing his vision in one eye. The young man was intoxicated when he fell. A lawsuit was filed against the fraternity and sorority, as well as some of their members. The allegations against the sorority included an allegation of failure to supervise their patrons which resulted in the plaintiff be served alcoholic beverage until he was visibly intoxicated. Allegations against the sorority members included failure to supervise and control the fraternity members. The lawsuit settled for \$190,000. The insurance carrier for the sorority paid \$154,500. The remaining amount was paid by the members' personal homeowners' policies. We do know that the men's fraternity contributed toward the settlement. However, we do not know the settlement amount. The defense costs for this claim totaled \$329,223. This was a very expensive claim due to individual members being named and additional coverage investigations into whether or not the members were acting on behalf of the sorority.

EMPLOYMENT PRACTICES LIABILITY (EPL) CLAIM EXAMPLES

- Two employees, one cook and one housekeeper, alleged wrongful termination, unlawful employment discrimination, unlawful retaliation, failure to pay wages on termination, failure to pay overtime compensation, failure to provide rest periods, failure to provide accurate wage statements, and failure to keep accurate payroll records. The cook had been employed for 17 years and the housekeeper for 5 years. The employees alleged that the House Director prohibited them from speaking

Spanish in the kitchen and they were not provided proper meal breaks and when they were given breaks they were routinely interrupted by the House Director. The House Director decided the relationship was not working out and chose not to renew their offers going into the fall. The House Corporation was not aware of the issues the two employees were having. The original demand was \$900,000. The claim settled for \$300,000. One of the issues the House Corporation faced were members who sided with the former employees. The members had grown fond of the women and testified their depositions that they felt the employees were been discriminated against.

- The former House Director alleged failure to pay overtime. Both the National House Corporation and the local House Corporation were named in the lawsuit. The House Director kept binders full of the hours that she worked. There was not much of a House Corporation during the time period that the House Director was employed which resulted in a lack of records. The House Director worked her final year without a contract as she refused to sign one. The House Director received checks from the National House Corporation. This provided a link to the National House Corporation and not just the local House Corporation. Approximately \$60,000 was paid to defend the matter. There was a settlement which the insured had to pay themselves. The amount was not disclosed but believed to be near \$100,000.

*For additional claim
examples and case studies,
please refer to the Claims
section of
www.mjsorority.com.*

FIRST REPORT OF INJURY FORM FOR WORKERS' COMPENSATION CLAIMS

Fax or e-mail the completed form to Heather Cox at (317)805-7580 or

heather.cox@mjsorority.com. Time is of the essence in the reporting of workers' compensation claims. Please submit this form to Heather Cox within 10 days of the date of the accident. Should you have any questions, please contact Heather Cox at (888)442-7470 (ext.7598).

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			

GLOSSARY OF TERMS

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.

First party coverage: Involves two parties, the insured and insurer. If the insured sustains a loss to covered property, the insurer will pay the insured, to the extent there is coverage, the amount of loss to the insured's insurable interest, subject to any deductible and limits.

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.

Third party coverage: involves three parties, the insured, the insurer, and a third person or entity. If through the insured’s negligence or other conduct, some third party sustains bodily injury or property damage, the insurer will pay on behalf of that insured all sums the insured is found to be legally obligated to pay to that third party.