

RISK MANAGEMENT AND INSURANCE PROGRAM QUESTIONS & ANSWERS FOR UNDERGRADUATES AND VOLUNTEERS

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PHI DELTA THETA
Become the greatest version of yourself

RISK MANAGEMENT & INSURANCE PROGRAM Q&A

Phi Delta Theta was among the first international fraternities to develop and establish a risk management and insurance program in the early 1980s. The most commonly asked questions about the Phi Delta Theta insurance program are identified in this publication. This brochure was developed to help inform our undergraduates, alumni officials and volunteers about the Phi Delta Theta Risk Management and Insurance Program.

1. What insurance coverages does Phi Delta Theta secure?

Phi Delta Theta—via the General Headquarters—secures the following **mandatory** insurance coverages:

- General Liability
- Excess Liability
- Directors and Officers Liability
- Dishonesty Bond

Phi Delta Theta—via the General Headquarters—makes the following **voluntary*** insurance coverages available:

- Property
- Boiler and Machinery

***Effective October 1, 2007, due to underwriting and Fraternity requirements, housing organizations that do not participate in the voluntary coverages will no longer be protected by the Phi Delta Theta insurance program**

All chapters and house corporations are reminded to comply locally with their state worker's compensation laws.

2. Do the liability and excess liability policies provide coverage for undergraduates, alumni officials, and other volunteers?

Yes. All undergraduate chapters are required to participate in the **mandatory** primary liability coverage. The excess liability insurance does not protect chapters or undergraduates, but extends coverage to all other insureds such as alumni officials and other volunteers while they are acting on behalf of Phi Delta Theta.

3. Do the Liability and Excess Liability policies exclude, restrict, or eliminate coverage?

Yes. The Fraternity's insurance contains several important exclusions or coverage restrictions. For chapters and undergraduates, the Fraternity's insurance is always excess of any other insurance. The Fraternity's insurance does not provide or replace anyone's personal insurance protection.

Insureds are only covered by the Fraternity's insurance under the following conditions:

- Only while complying with Phi Delta Theta's policies.
- Only while acting in their official capacity
- Only while acting within the scope of their duties
- Only for their activities on behalf of the fraternity insureds

The Fraternity's insurance coverage is also specifically **restricted or eliminated** when other types of conduct are involved. These include, but are not limited to:

- Hazing of any kind
- Criminal acts/alcohol consumption by minors
- Intentional acts/assault and battery
- Sexual abuse or misconduct
- Violations of Fraternity policy/alcohol policy

4. **Do the Phi Delta Theta insurance policies cover accidents or injuries to members that are sustained during Phi Delta Theta athletic (i.e. intramural) events?**

No. Participation in Phi Delta Theta athletic activities is **voluntary**. Members and Guests assume the risk of injury or participate *at their own risk*. Claims in this area are normally covered by your personal medical insurance.

5. **Does Phi Delta Theta's insurance cover members' medical costs for accidental injuries?**

No. The Phi Delta Theta insurance coverage is not an accident and health policy. Claims in this area are normally covered by your personal medical insurance.

6. **Could chapter officers, other undergraduates, volunteers or alumni be named in a lawsuit?**

Yes. Chapters, chapter officers and other undergraduate members are often named in lawsuits. While not often, House Corporations, their members, advisers, and other volunteers have been individually named in legal actions. Subject to the terms, conditions, and limitations of the Fraternity's insurance those persons are insured under Phi Delta Theta's policies.

7. **As an undergraduate, how is my personal insurance or parents' insurance affected?**

You should always report any potential insurance claim to your personal insurance agent or carrier. The insurance provided for undergraduate members and Phikeias under the Phi Delta Theta policy is **excess** of any other (personal or parents' automobile or homeowners) insurance available to you.

8. **As a volunteer, how is my personal insurance affected?**

You should always report any potential insurance claim to your personal insurance agent or carrier. Where permitted by law, the insurance provided for volunteers under the Phi Delta Theta policy is **primary** and will stand ahead of your personal insurance.

9. **Does the Phi Delta Theta insurance provide auto liability coverage for undergraduates, alumni officials, or other volunteers if their automobiles are being used on Phi Delta Theta business?**

No. Because of state automobile financial responsibility statutes (laws that require owners or operators of an automobile to maintain primary auto insurance), the operator and owner must rely on their own automobile insurance. The Fraternity's insurance provides hired and non-owned auto coverage to other PDT insureds that may potentially be responsible for auto accidents. This coverage is specifically **excess** of any other auto liability insurance that may be available.

10. **Does the Phi Delta Theta insurance cover an undergraduate's or volunteer's personal property?**

No. Loss or damage to personal property (i.e. computers, bikes, books, clothing or other personal items) is not covered by the Phi Delta Theta insurance program. Usually loss or damage to your personal property can be easily insured under renters insurance or your personal or parent's homeowner's policy.

11. **Does the Phi Delta Theta insurance cover damage to my automobile if it is damaged on Phi Delta Theta property or while being used on Phi Delta Theta business?**

No. As with loss or damage to other personal property, the Phi Delta Theta insurance program does not cover your automobile.

12. **How are the total liability costs determined?**

The Fraternity's underwriters determine total liability costs. Some of the more important factors include:

- Phi Delta Theta Fraternity's history of premiums vs. losses
- Status and development of open claims
- Deductibles and coverage limits
- Exposures in number of chapters and members
- Overall loss control response and compliance efforts

13. **How are chapter liability costs determined?**

Chapter liability costs are reviewed and determined in accordance with the Phi Delta Theta Liability Insurance Allocation Formula. Some of the more important factors include:

- Chapter claims history
- Alcohol-free housing
- Participation in the Event Planning Program
- Chapter loss control response and compliance efforts
- Other risk management actions and programming
- Chapter status factors (awards, probation, reporting, etc.)

14. **How can we decrease chapter liability costs?**

Reduce your exposures by strictly following the law and Phi Delta Theta's policies. Respond and comply promptly with loss control requirements. Confirm in writing that you made the necessary improvements. Implement the risk management chairman position and risk management committee into your chapter's executive structure. Expand your chapter's risk management program by using the Event Planning Program. Participate in the Alcohol-Free Housing Program. Chapters who win awards can earn a reduction in their liability costs.

15. **How can we decrease chapter property costs?**

Reduce your exposures to claims and losses by stressing life safety and improving security at the chapter. Be sure that fire protection and fire alarm systems are always operating properly and are serviced professionally each year. Respond in writing and promptly confirm your compliance with loss control requirements. Develop and implement a short-term plan to install a complete sprinkler system.

16. **Do claims by other fraternities and sororities affect Phi Delta Theta and our chapter's rates?**

Yes. Although the most important factor is always your own chapter and the Fraternity's total loss record, the loss record of the whole fraternity world does have an effect as well. Because the insurance marketplace for fraternities is very limited, any significant catastrophe or precedent-setting legal claims can have broad adverse effect in a limited market.

17. **What are the benefits of a "group" policy?**

Group policies have been proven to offer the broadest coverage at the most affordable costs. They provide continuity of coverage and offer valuable additional services such as chapter house inspections, risk management educational programs, and exposure identification, and loss control assistance.

18. **When is the Phi Delta Theta insurance billed and payable?**

Estimated billings are usually provided at the **Kleberg Emerging Leaders Institute** in early August. The actual billings are mailed directly to chapter treasurers in late August or early September.

PAYMENT IN FULL IS DUE ANNUALLY BY OCTOBER 1.

Insurance coverage is terminated and the chapter charter is **suspended** if costs are not paid by the due date. Without insurance, individual chapters and their members may become personally liable for any claims, which might arise.

19. **When does Phi Delta Theta review its insurance program?**

The General Council and Housing Commission review various aspects of the Fraternity's risk management and insurance program annually.

20. **What are the Phi Delta Theta Program Limits of Coverage?**

The limits of coverage for chapters and undergraduates are \$1,000,000 per occurrence. The limits of coverage for all other insureds under the Phi Delta Theta insurance program are \$6,000,000 per occurrence.

21. **Who is the General Headquarters insurance contact?**

Melanie Clayton
Insurance and Safety Coordinator
2 South Campus Avenue, Oxford, Ohio 45056-1801
(513) 523-6345 (Ext. 225)
Fax: (513) 523-9200
melanie@phideltatheta.org

22. **Who is Phi Delta Theta's insurance broker?**

James R. Favor & Company LLC has served Phi Delta Theta continuously in this area since the early 1980s.

14466 East Evans Avenue, Aurora, Colorado 80014-1409
1-800-344-7335 or (303) 750-1122
Fax: (303) 745-8669
info@jrfdc.com

REPORTING OF CLAIMS OR ACCIDENTS

LIABILITY LOSSES/CLAIMS PROCEDURES

Any loss or claim that may involve the protection afforded by your insurance program should be reported promptly to James R. Favor & Co. and to Phi Delta Theta General Headquarters. Prompt reporting often prevents minor claims from becoming major problems. Failure to report claims promptly violates the conditions of your insurance policy and could result in the insurance company being relieved of responsibility for payment of an otherwise valid claim.

1. **Emergency Medical Treatment for Injured Persons.** As necessary, secure appropriate emergency medical attention for any / all injured persons.
2. **Do not admit liability, accept responsibility, or make public statements.** Your insurance policy requires/provides that no one shall—except at their own expense—make any payment, assume obligations, or incur any expense other than for first aid. Only the insurance company has the authority to accept responsibility, make payments, repair damages, defend or otherwise settle a claim under the policy.
3. **Important! Record first impressions and witness information promptly.** As soon as practical, record first impressions or reports of what happened. Make careful note of names, campus, and home addresses and telephone numbers for all persons involved and for all witnesses.
4. **Notify chapter officers and prepare a written report.** Notify your executive officers in accordance with your internal chapter procedures. Prepare and submit a written claim/fraternity report as soon as possible. The claim report should, at a minimum, provide the following information:
 - Date, time, location and circumstances of accident
 - Names, addresses, telephone numbers of persons involved and of witnesses
 - Description of claim event
 - Follow-up information or actions (i.e. medical treatment or conditions of persons injured, police report filed)
 - Persons responsible for further coordination / handling of this claim
5. **If suit is filed or legal process is served** upon anyone, immediately notify, and forward copies of the suit materials to Phi Delta Theta General Headquarters and to James R. Favor & Company

