



August 31, 2019

Dear Chapter / Corporation Officer:

The national liability insurance program begins with renewal this fall. This letter outlines the insurance program and costs. Please continue to do your utmost to provide a safe Fraternity environment and experience for all our members, friends, family, and guests as this in turn assures that our premiums remain low and affordable. You may minimize potential future impacts by exercising "best practices" in chapter operation:

1. Timely completion of [Online Pledge Form](#) at/before the **very start of pledging**
2. Adherence to one of the three [Model New Member Education Programs](#) and notifying us of same
3. Exclusion practices, events that violate our [Risk Management Policies](#)
4. Chapter participation in the [GreekLife.Edu](#) education modules just launched.

We have further minimized the increase in premiums by increasing our deductible from \$25,000 to \$50,000 for the general liability policy. **For budgetary purposes, we use the membership numbers for the most recent 3 years, measured each spring.** An outline of coverage provided within the program is as follows:

- ✓ **General Liability Insurance** Lloyd's of London A.M. Best- A (Excellent)
Deductible - \$ 65,000 Aggregate Deductible funded by the national Fraternity
Description: Provides limits of \$1 million Per Occurrence and \$2 million General Aggregate for each chapter or colony recognized by the national Fraternity. Provides protection for Bodily Injury caused by negligence on the part of Theta Tau, House Corporations, Alumni Associations, Alumni Clubs, Chapters, its members, directors, officers, volunteers, and staff.
- ✓ **Directors & Officers Insurance** St. Paul Fire & Marine A.M. Best- A+ (Superior)
Deductible - \$ 1,000 Per Claim
Description: \$1 million Per Occurrence and Policy Aggregate limit. Coverage includes protection for the National Fraternity, Foundation, all House Corporations, Alumni Associations, Alumni Clubs, and Chapters. The policy protects directors & officers of these organizations from claims arising out of negligently completing the fiduciary responsibilities of their position.
- ✓ **Crime & Fidelity Insurance** National Union Fire of PA A.M. Best- A (Excellent)
Deductible - \$ 5,000 Per Claim
Description: \$50,000 Per Occurrence and Policy Aggregate limit. The policy protects units of Theta Tau from theft or misappropriation of fraternity funds by members.

The costs of participation in the program are based upon the membership for your chapter. The cost will be **\$35 per member whether housed or unhoused** based upon the **three-year average membership** count. However, there are different **minimums for housed vs unhoused groups**. The **housed chapter minimum is now \$2250** and the **unhoused chapter minimum is \$500**.

Effective this year, chapters that operate a facility that would reasonably be **construed as a chapter house** will be assessed **at the housed rate/minimum**. The minimum per colony remains \$250.

A variety of **surcharges on the amount shown above that will be shown on the actual invoice which may affect the amount shown above**. Those potential surcharges as follows:

1. **Liability Surcharge 1** – 5% penalty for not notifying Central Office of chapter’s use of one of the three Member Education Manuals:
[New Member Education - Basic](#)
[New Member Education - Standard](#)
[New Member Education - Non Traditional](#)
2. **Liability Insurance Surcharge 2** – 5% penalty for chapter discipline by the engineering school, college/university, or national Fraternity.
3. **Liability Insurance Surcharge 3** – Sliding scale (see below) penalty based on chapter’s participating in the [GreekLifeEdu](#) (Registration Code# 2d747434) online training during the previous school year.

% Participation	0% to 25%	26% to 50%	51% to 75%	76% to 100%
% Surcharge (2018-19)	25%	15%	10%	0%
% Surcharge (2019-20)*	50%	30%	20%	0%
% Surcharge (2020-21)*	75%	50%	25%	0%

* anticipated surcharges in future policy years.

- **Insurance Payment is due October 15.**
- **The national Fraternity cannot carry the risk associated with an uninsured chapter.**
- **Theta Tau endorses a competitive voluntary Property “fire” and Boiler & Machinery Program through the James R. Favor Company.** Contact Favor & Co at 800 / 344-7335 or jim@jrfco.com for completion of a property coverage comparison and premium indication for consideration. James Favor provides a no obligation review of current policy. Chapters/House Corporations who already have their property/fire insurance with Favor will receive a separate invoice for that coverage from Favor and are strongly encouraged to remit payment of it in a timely manner – do **not** risk allowing your property insurance lapse.

If there is any question that I have not properly addressed, please do not hesitate to contact the Central Office. Thank you for your time and effort on behalf of Theta Tau.

In H and T,
 Michael T. Abraham
 Executive Director