



Dear Chapter / Corporation Officer:

The national liability insurance program begins with renewal this fall. This letter is being sent to outline 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. To maintain insurance rates, we have once again raised our deductible for liability claims. 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**
  - o (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 Rating – A (Excellent)**

**Deductible - \$ 50,000 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 Liability Insurance**

**St. Paul Fire and Marine**

**A.M. Best & Company Rating – A (Excellent)**

**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 & Company Rating – A++ (Superior)**

**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. Because the risk exposure is greater, there is a cost differentiation for housed chapters. A chapter is considered to be housed if it is one that occupies a facility that is owned or leased by the chapter, alumni association or House Corporation associated with the Fraternity. The cost will be **\$125 per member for a housed group and \$35 per member for a non-housed group** based upon the three-year average membership count. As in years past, there is also, however, a **minimum cost for housed groups of \$1,850 and non-housed minimum of \$385**. The minimum per colony is \$250.

The Executive Council has authorized a variety of **surcharges and credits on the amount shown above that will be shown on the actual invoice which may affect the amount shown above**. Those potential surcharges or credits are as follows:

**Liability Insurance Credit 1** – 10% discount for chapter's scoring at least 70% within each section of the Annual Report (Professional, Brotherhood, Operations).

**Liability Insurance Credit 2** – 10% discount for chapter's use of one of the three Member Education Manuals:

[New Member Education 2013 - Basic Mode](#)

[New Member Education 2013 - Standard Model](#)

[New Member Education 2013 - Non Traditional Model](#)

**Liability Insurance Surcharge 2** – 10% for chapter discipline by the engineering school, college/university, or national Fraternity.

- **Insurance Payment is due October 22.**
- **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@jrfdc.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 me. Thank you for your time and effort on behalf of Theta Tau.

In H and T,  
Michael T. Abraham  
Executive Director

Encl.

cc: Regent

House Corporation President or Treasurer