



## 2020-2021 INSURANCE MEMO September 3, 2020

### OVERVIEW AND CHANGES FOR 2020-21

The national liability insurance program will renew once again this fall. This memo is being sent to outline the coverage and costs associated with the program. **The cost structure will be different than in past years** due to the COVID-19 pandemic, so please read this document carefully. We are also going to be referring to the program as the 'health and safety assessment' program moving forward.

In past years, chapter insurance bills were assessed based on the **three-year average of chapter membership as measured on May 31** and was paid in one lump sum in October. This year, we will split your assessment between the fall and spring semesters and we will assess your bill based on the actual number of members on your roster. Fall assessments will be calculated and sent on September 15, 2020 and spring assessments will be calculated and sent on February 1, 2021. Invoices are due 15 days from issue date.

The cost for the assessment will be \$17.50 per member per semester. The minimum charge per chapters will continue to be \$2,250 for housed chapters and \$500 for unhoused chapters, but the minimum charge will be split in half by semester, so housed chapters will be responsible for a minimum of \$1,125 per semester and unhoused chapters will be responsible for a minimum of \$250 per semester. Colonies remain responsible for a \$250 annual minimum that will be split to \$125 per semester.

In order to receive an accurate invoice, it is very important that your roster is up to date in the CMT. This means reporting any members who have graduated or withdrawn, members who are off campus on co-op or internship and/or those new members who have been depledged. **Please note, those pledges who you deferred from Spring 2020 will appear on your insurance invoice unless they are depledged.**

**The national Fraternity cannot carry the risks associated with uninsured chapters**, so those chapters who do not pay their health and safety assessment in a timely manner are subject to suspension of operations.

### EXPLANATION OF COVERAGES

Below is a basic explanation of our coverages. If you have detailed questions, please reach out to the Central Office.

- **GENERAL LIABILITY INSURANCE | Lloyds of London**  
**Limit of Coverage: \$1 million per occurrence, \$2 million aggregate**  
**Deductible: \$65,000**  
Provides up to \$1 million of insurance for any single incident of bodily injury or other loss caused by the legal acts of our members.
- **EXCESS LIABILITY INSURANCE | James River Insurance Company**  
**Limit of Coverage: \$1 million per occurrence, \$2 million aggregate**  
Excess liability coverage is basically an extension of the general liability policy explained above –



it only kicks in once we've exhausted the limit of the general liability policy.

- DIRECTORS AND OFFICERS INSURANCE | St. Paul Fire and Marine**  
**Limit of Coverage: \$1 million per year limit**  
**Deductible: \$2,500**  
 Provides up to \$1 million of coverage to protect chapter and national officers, and housing corporation officers, from claims stemming from their official duties.
- CRIME & FIDELITY INSURANCE | National Union Fire of PA**  
**Limit of Coverage: \$250,000 per occurrence**  
**Deductible: \$5,000**  
 Provides up to \$250,000 to cover losses incurred by the fraternity in the event that we are the victim of a crime.
- CYBER CRIME INSURANCE | Philadelphia Insurance Company**  
**Limit of Coverage: \$1 million per occurrence, \$2 million aggregate**  
 Provides up to \$2 million of coverage to cover the costs associated with responding to a loss due to a cyber crime, such as hack of our database that resulted in loss by our members, or a financial crime that takes place online.

**SURCHARGES**

Chapters that fail to submit reports in a timely manner and those whose new members did not complete the EverFi GreekLife.Edu program are subject to surcharges. The surcharges are as follows:

- Liability Surcharge 1** – 5% penalty for not notifying the Central Office of the Chapter's use of one of the three new member education manuals.
- Liability Surcharge 2** – 5% penalty for chapters who are under sanction by the Fraternity or university.
- Liability Surcharge 3** – Sliding scale (see below) penalty based on what percentage of a chapter's new members completed the EverFi GreekLife.Edu program during the previous academic year:

	0% - 25% Completion	26% to 50% Completion	51 – 75% Completion	76% or more Completion
% of Surcharge (2018-19)	25%	15%	10%	0%
% of Surcharge (2019-20)	50%	30%	20%	0%
<b>% of Surcharge (2020-21)</b>	<b>75%</b>	<b>50%</b>	<b>25%</b>	<b>0%</b>

As always, please do not hesitate to contact the Central Office with questions about our insurance.

Fraternally,

Jim Gaffney  
Executive Director