

Insurance & Liability
Prepared for Tau Kappa Epsilon

Willis HRH

Background of Willis HRH

- 100% dedicated to serving college student and alumni organizations
- Founded in 1991 as Kirklin & Company, became a wholly owned subsidiary of Hilb Rogal & Hobbs (HRH) in 2002
- Merged with Willis Group Holdings in 2008 to become Willis HRH
- Insurance and Risk Management programs provided to numerous college student and alumni organizations
 - 56 North-American Interfraternity Conference (NIC) fraternities
 - 2 National Panhellenic Conference (NPC) sororities
 - 5 National Pan-Hellenic Council (NPHC) fraternities & sororities
 - 12 National Association of Lation Fraternal Organizations (NALFO) fraternities & sororities
 - Professional and co-educational fraternities
 - Campus based programs and numerous local and smaller fraternal organizations
- Over 1,500 fraternity properties insured through the Fraternal Property Management Association (FPMA)
- Insurance Brokerage Agency
- We work for you, not the insurance company

Fraternity Insurance

Tau Kappa Epsilon

- **General Liability**
- **Excess Liability**
- **Director's & Officer's**
- **Member Accident Protection Program**
- **Crime & Fidelity**
- **Workers Compensation – Not included in assessment**
- **Property**



Note: Payment of assessment occurs through undergraduate membership fees, including liability coverage of alumni and volunteers

For specific information about coverage limits, consult your Insurance & Claims Manual or contact the National Fraternity

General Liability Exposures

Bodily Injury or third party property damage caused by;

- Slip and Fall on Chapter Property
- Hazing
- Auto Accidents/Non Owned & Hired Auto Liability
- Alcohol Abuse



Who is Covered?

- A collegiate chapter, **when it obeys the laws** of the institution, city, county, state, and country entities and the **policies of Tau Kappa Epsilon Fraternity**.
- Collegiate chapter officers, executive board, committee chairman and members while performing the duties of their positions within the organization.
- All volunteer advisors while performing the duties of their positions within the organization.
- Local house corporations/property management teams while performing their duties.
- Alumni chapters, clubs and associations and chapter-related educational foundations, their officers and volunteers while performing their duties.
- Parents clubs and their volunteers when acting within the scope of their duties.

Who is NOT Covered?

- Any individual member, alumnus, trustee or advisor who is performing tasks outside of their responsibility
- Any member whose illegal or intentional actions result in death or injury to an individual or property damage
- Members' parents or family members and guests of chapter members
- College/University administration
- Any individual or entity found to be violation of the Fraternity's Risk Management Policy

Excess Liability

- Provides excess coverage over General Liability, Non Owned & Hired Auto and Workers' Compensation policies
- Only comes in to play when any of these primary policies per occurrence limit are exhausted



Directors' and Officers' Exposures

Mismanagement/failure to fulfill fiduciary duties resulting in a claim against Directors & Officers' of chapter or house corporation for:

- **Financial loss due to willful mismanagement of organization's assets**
- **Employee claims for discrimination, wrongful termination, harassment**
- **Overall mishandling or mismanagement of operation**

Directors' & Officers' Liability Coverage

Coverage is offered to:

- All recognized collegiate chapters and colonies
- Local house corporations/property management teams
- Alumni associations, clubs or chapters
- Parents clubs
- Chapter-related educational foundations

Against claims for:

- Failure or negligence in carrying out their fiduciary duties
- Employment claims for discrimination, harassment and wrongful termination

Claim example – House mother brings action for wrongful termination of employment or house corporation board of directors is sued for malfeasance in running the corporation.

What is MAPP?



MAPP = Member Accident Protection Program

Markel Insurance Company

- **Supplemental accident and life policy for all undergraduate members and candidates for membership in good standing with the International Fraternity and enrolled at the host institution where the chapter is located**
- **Injury does not have to arise out of a chapter event**
- **Coverage is afforded 24/7/365**
- **Certain exclusions apply, please see policy information**
- **Claim must be submitted within 180 days of injury**

Fidelity\Crime Coverage

Protects recognized collegiate chapters and colonies, house corporations/property management teams, alumni associations, clubs or chapters, parents clubs and chapter-related educational foundations

- from theft by employees and volunteer officers of the organization
- against forgery or alteration of financial documents

Claim example - a) Alumni corporation officer skims \$ 1,000 a year for 20 years from house corporation financials and upon death embezzlement is discovered. b) Chapter Treasurer pays personal Visa bills with chapter funds and then leaves school.



Workers' Compensation Exposures

Injury to chapter employee caused by:

- Unsafe act of employee
- Condition of physical plant

*Workers such as house directors or cooks should be classified as **employees** rather than **independent contractors** due to the degree of control the Fraternity entity has over their activities. Workers' compensation coverage must be provided for **employees**.*



Workers' Compensation Coverage

- **Protects employer against injuries to employees and is the exclusive remedy for indemnification. Covered employees are prohibited from filing a negligence lawsuit.**
- **Protects against claims by third parties for injuries to employees.**
- **General Liability policy specifically excludes employee bodily injury claims**

Claim Example – Cook is burned while preparing dinner. Incurs medical expenses and lost wages for being out of work for a period of time.

Property Exposures

Damage to chapter owned property caused by;

- Fire
- Theft
- Vandalism
- Wind, Earthquake or Flood



Chapter Property Insurance

Fraternatnal Property Management Association (FPMA)

- provides educational assistance to fraternity volunteers in an effort to strengthen their ability to manage the chapter properties of their fraternal organization
- provides a comprehensive and competitively priced property insurance program to protect the physical plants that house the undergraduate members

Benefits of participation in FPMA

- A semiannual FPMA newsletter that focuses on risk management and issues facing property managers and their fraternity or organization
- A property insurance program that provides in most cases, broader insurance coverage for less premium
- A biennial inspection that provides recommendations for physical plant improvements, addressing life safety and property conditions, along with completion of a replacement cost valuation
- Security of knowing coverage will still be available at an affordable rate even after a significant loss
- Guaranteed Replacement Cost coverage is available

Chapter Property Insurance Coverage Opportunities

Agreed Amount

Provides for removal of coinsurance clause ensuring the chapter will not be penalized for unintentional undervaluation of a chapter property

Replacement Cost

Provides for replacement of building and contents owned by chapter or alumni association/housing corporation

Business Income (loss or rents)

Provides for the payment of rental income to the house corporation that would otherwise be lost if the house can no longer be occupied due to fire or to other extensive damage that prohibits occupancy

Extra Expense

Provides for the payment of additional expenses a chapter or corporation might incur if a fire or extensive property damage requires extraordinary expenditures

Law & Ordinance

Provides the additional funds necessary to bring a damaged structure up to current building and safety code requirements following a fire or other extensive damage to the chapter facility

Chapter Property Insurance

Discount Opportunities

- **10% Discount for employing a professional property management company**
- **5% discount for completion of a strategic assessment with Pennington & Company**
- **10% discount for modern and safe facilities (construction or major renovation of facility after January 1, 1990)**
- **50% discount for first and second year after new fire sprinkler installation; 30 % discount thereafter**
- **5% discount for multiple locations**
- **10% discount for \$10,000 All Peril Deductible**



Insurance Billing Timeline Completed by Willis HRH

July

(28th) Chapter invoicing completed

August

(25th) Rebate reminder emails sent

September

(15th) Cut off for rebate

(17th) Reminder emails sent for 10/1 due date



October

(1st) Chapter payment due

(8th) Past due notice mailed

(22nd) Reminder phone calls made to all delinquent chapters

(31st) 30 day notice of cancellation sent certified mail to all delinquent chapters

Need Property or Additional Liability Insurance?

For more information/quotation:

Contact Tiffanie Havelka

thavelka@willis.com

1.800.736.4327 Ext. 217



www.WillisFraternity.com

www.WillisSorority.com

WillisHRH

Your contacts at Willis HRH

Rich Jungman

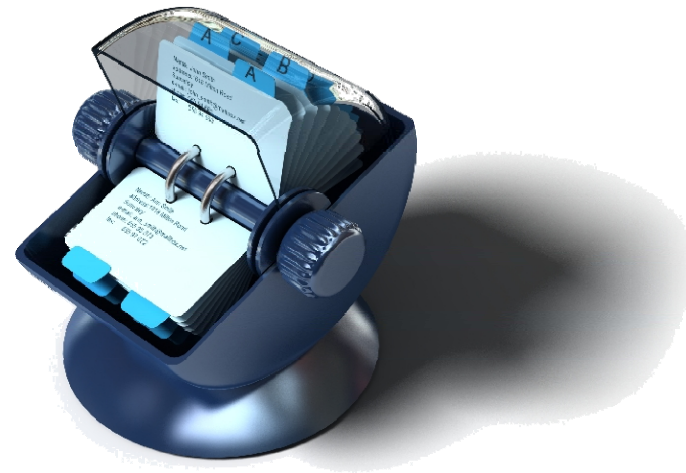
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Thank You!

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