

# Council Adopts Insurance Program

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Responding to numerous requests from chapters and house corporations for assistance in the area of insurance protection, the General Council commissioned James R. Favor and Company to conduct a detailed survey, during the summer and fall of 1984, to determine the state of the Fraternity's property and liability insurance coverages. The results of the survey, based upon information obtained from 96 per cent of the fraternity's chapters and/or house corporations, have now been released. Some of the highlights are as follows:

Type of Insurance	# of Chapters With Known Risk	% of Chapters With Coverage	% of Chapters Uninsured
Boiler and Machinery	93	30	70
Contents	159	58	42
Directors and Officers	159	1	99
Extra Expense	159	6	94
Fidelity Bond	159	100*	0

General Liability	159	70	30
Hired and Non-owned Auto	159	35	65
Loss of Rents	129	30	70
Property	129	72	28
Umbrella Liability	159	11	89
Workers' Compensation	77	62	38

\*Covered under General Fraternity Policy

After reviewing the exposures, as well as considering that broader protection and certain cost advantages could be afforded through the development of a comprehensive international insurance program, the General Council elected to proceed with the development and subsequent implementation of such a program. The effective date for this program was established as February 15, 1985.

The premiums for this program have been determined in the following manner:

1) Liability coverages—X number of dollars per undergraduate member and pledge is billed to

each chapter. In this way, a smaller chapter is not penalized by having to pay an unproportionate amount of the total premium cost. Likewise, many larger chapters can enjoy cost savings as opposed to their previous premiums.

2) Property coverages—Initially, these premiums have been based on the best information available from the house corporation, previous insurance agent, or chapter. Every house corporation was then consulted on the specific amount of desired coverage. Appraisals of all structures will be used to obtain updated information for future premiums.

This important program, one of the first of its kind, was developed to guarantee that every chapter and house corporation could obtain superior insurance protection at affordable rates. James R. Favor and Company, a leader in the field of fraternity insurance, will serve as the insurance program representative. ■

