

# **RISK MANAGEMENT & INSURANCE PROGRAM QUESTIONS & ANSWERS**

for Members and Volunteers

**\*\* DISCLAIMER NOTICE\*\***

This basic information has been prepared as **information only**.  
The actual insurance policies are subject to definitions, exclusions, limitations, and various other terms and conditions. This information does not amend, extend, or alter the coverage afforded by the actual insurance policies.

The most commonly asked questions about the Tau Kappa Epsilon insurance program are identified in this publication. This brochure was developed to help inform our members, officers and volunteers about the Tau Kappa Epsilon Risk Management and Insurance Program.

## 1) **What insurance coverage does Tau Kappa Epsilon secure?**

Tau Kappa Epsilon -- via the Offices of the Grand Chapter -- secures the following **mandatory** insurance coverage:

- |                      |                                   |
|----------------------|-----------------------------------|
| 1) General Liability | 3) Directors & Officers Liability |
| 2) Excess Liability  | 4) Crime / Bond                   |

Tau Kappa Epsilon -- via the Offices of the Grand Chapter -- makes the following **voluntary\*** insurance coverage available if you own a house:

- 1) Property
- 2) Boiler & Machinery

**If you rent a property, please make sure you secure a policy locally.**

**All** chapters and house corporations are reminded to comply locally with their state Worker's Compensation laws.



## 2) **Do the Liability and Excess Liability policies provide coverage for alumni officers and other volunteers?**

**Yes.** The Tau Kappa Epsilon Excess Liability insurance extends coverage to alumni officers and other volunteers who are registered with the Offices of the Grand Chapter while they are acting on behalf of Tau Kappa Epsilon.



**3) Do the Liability and Excess Liability policies exclude, restrict, or eliminate coverage?**

**Yes.** The Fraternity's insurance contains several important exclusions or coverage restrictions. For chapters and members, the Fraternity's insurance is always excess of any other insurance. The Fraternity's Excess Liability insurance **does not** cover collegiate members or chapters. The Fraternity's insurance **does not** provide or replace anyone's personal insurance protection.

**Insureds are only covered** by the Fraternity's insurance under the following conditions:

- 1) Only while complying with Tau Kappa Epsilon's policies.
- 2) Only while acting in their official capacity
- 3) Only while acting within the scope of their duties
- 4) Only for their activities on behalf of the Fraternity insureds

The Fraternity's Insurance Coverage is also specifically **restricted or eliminated** when other types of conduct are involved. These include, but are not limited to:

- 1) Hazing of any kind
- 2) Criminal acts / Alcohol consumption by minors
- 3) Intentional acts / Assault & Battery
- 4) Sexual abuse or misconduct
- 5) Violations of Fraternity policy / Alcohol policy



**4) Do the Tau Kappa Epsilon insurance policies cover accidents or injuries to members that are sustained during Tau Kappa Epsilon athletic (i.e. intramural) events?**

**No.** Participation in Tau Kappa Epsilon athletic activities is **voluntary**. Members and Guests assume the risk of injury or participate “at their own risk.” Claims in this area are normally covered by your personal medical insurance.



**5) Does Tau Kappa Epsilon’s insurance cover members’ medical costs for accidental injuries?**

**No.** The Tau Kappa Epsilon insurance coverage is not an Accident & Health policy. Claims in this area are normally covered by your personal medical insurance.



**6) Could Chapter Officers, other collegiates, other volunteers or alumni be named in a lawsuit?**

**Yes.** Chapters, Chapter Officers and other collegiate members are often named in lawsuits. While not often, House Corporations, their members, advisors, and other volunteers have been individually named in legal actions. Subject to the terms, conditions, and limitations of the fraternity’s insurance those persons are insured under Tau Kappa Epsilon’s policies.



**7) As a collegiate, how is my personal insurance or parents' insurance affected?**

You should always report any potential insurance claim to your personal insurance agent or carrier. The insurance provided for collegiate members under the Tau Kappa Epsilon policy is **excess** of any other (personal or parents' automobile or homeowners) insurance available to you.



**8) As a volunteer, how is my personal insurance affected?**

You should always report any potential insurance claim to your personal insurance agent or carrier. Where permitted by law, the insurance provided for volunteers under the Tau Kappa Epsilon policy is **primary** and will stand ahead of your personal insurance.



**9) Does the Tau Kappa Epsilon insurance provide auto liability coverage for collegiate members, alumni officers, or other volunteers if their automobiles are being used on Tau Kappa Epsilon business?**

**No.** Because of State "Automobile Financial Responsibility" Statutes, (laws that require owners or operators of an automobile to maintain primary auto insurance), the operator and owner must rely on their own automobile insurance. The Fraternity's insurance provides Hired & Non-Owned Auto coverage to other TKE insureds that may potentially be responsible for auto accidents. This coverage is specifically **excess** of any other auto liability insurance that may be available.



**10) Does the Tau Kappa Epsilon insurance cover a collegiate member's or volunteer's personal property?**

**No.** Loss or damage to personal property (i.e. computers, bikes, books, clothing or other personal items) is not covered by the Tau Kappa Epsilon insurance program. Usually loss or damage to your personal property can be easily insured under "renters insurance" or your personal or parent's homeowner's policy.



**11) Does the Tau Kappa Epsilon insurance cover damage to my automobile if it is damaged on Tau Kappa Epsilon property or while being used on Tau Kappa Epsilon business?**

**No.** As with loss or damage to other personal property, the Tau Kappa Epsilon insurance program does not cover your automobile.



**12) How are the total liability premiums determined?**

The Fraternity's underwriters determine total liability premiums. Some of the more important factors include:

- 1) Tau Kappa Epsilon Fraternity's history of premiums vs. losses
- 2) Status and development of open claims
- 3) Deductibles and coverage limits
- 4) Exposures in number of chapters and members.
- 5) Overall loss control response and compliance efforts



### **13) How are chapter liability premiums determined?**

Chapter liability premiums are reviewed and determined in accordance with the Tau Kappa Epsilon Premium Allocation Formula. Some of the more important factors include:

- 1) Chapter claims history
- 2) Chapter loss control response and compliance efforts
- 3) Proactive risk management education and programming
- 4) Chapter status factor (awards, probation, reporting, financials, etc.)



### **14) How can we decrease chapter liability premiums?**

Reduce your exposures by strictly following the law and Tau Kappa Epsilon's policies. Respond and comply promptly with Loss Control requirements. Confirm in writing that you made the necessary improvements with your Regional Director.



**15) How can we decrease chapter property premiums?**

Reduce your exposures to claims and losses by stressing Life Safety and improving security at the chapter. Be sure that Fire Protection and Fire Alarm systems are always operating properly and are serviced professionally each year. Respond in writing and promptly confirm your compliance with Loss Control requirements. Develop and implement a short-term plan to install a complete sprinkler system.



**16) Do claims by other fraternities and sororities affect Tau Kappa Epsilon and our chapter's rates?**

**Yes.** Although the most important factor is always your own chapters and the fraternity's total loss record, the loss record of the whole fraternity world does have an effect as well. Because the insurance marketplace for fraternities is very limited, any significant catastrophe or precedent- setting legal claims can have broad adverse effect in a limited market.



**17) What are the benefits of a "group" policy?**

Group policies have been proven to offer the broadest coverage at the most affordable costs. They provide continuity of coverage and offer valuable additional services such as Chapter House Inspections, Risk Management Educational Programs, and Exposure Identification and Loss Control assistance.





**18) When are the Tau Kappa Epsilon risk management and insurance fee billed and payable?**

The actual billings are mailed directly to the Prytanis, Crysophylos, Chapter Advisor, & Board of Advisors Chairman in late August.

A chapter can make full payment to JRF & Co. any time prior to October 15. If full payment is received before September 15, a rebate of 10% is posted to your Chapter or Colony Statement, which can be used to pay other Fraternity obligations. If your invoice is more than \$2,000, JRF & Co. can help you arrange financing through a Premium Finance Company. In this scenario, you pay a down-payment of at least 50% by October 15, and the remainder (including finance charges) is due March 4. If financing, you are not eligible for the 10% rebate.

Insurance coverage is terminated and chapter operations may be **suspended** if the risk management and insurance fee is not paid by the due date. Without insurance, individual chapters and their members may become personally liable for any claims, which might arise.



**19) What are the Tau Kappa Epsilon Program Limits of Coverage?**

The limits of coverage for Chapters & Members are \$1,000,000 Per Occurrence. The limits of coverage for all other insureds under the Tau Kappa Epsilon insurance program are \$2,000,000 Per Occurrence.



## 21) How can I get more information on insurance?

**Address:** 7439 Woodland Drive  
Indianapolis, IN 46278

**Telephone:** (317) 872-6533

**Fax:** (317) 872-8353

**Email:** [insurance@tke.org](mailto:insurance@tke.org)



## 22) Who is Tau Kappa Epsilon's insurance broker?

James R. Favor & Company LLC

**Address:** 14466 East Evans Avenue  
Aurora, Colorado 80014-1409

**Telephone:** 1-800-344-7335 or (303) 750-1122

**Fax:** (303) 745-8669

**Email:** [info@jrfdc.com](mailto:info@jrfdc.com)

# REPORTING OF CLAIMS OR ACCIDENTS

## Liability Losses/Claims Procedures

Any loss or claim that may involve the protection afforded by your insurance program should be reported promptly to James R. Favor & Co. and to Tau Kappa Epsilon Offices of the Grand Chapter. Prompt reporting often prevents minor claims from becoming major problems. Failure to report claims promptly violates the conditions of your insurance policy and could result in the insurance company being relieved of responsibility for payment of an otherwise valid claim.

- 1. Emergency Medical Treatment for Injured Persons.** As necessary, secure appropriate emergency medical attention for any / all injured persons.
- 2. Do not admit liability, accept responsibility, or make public statements.** Your insurance policy requires / provides that no one shall -- except at their own expense -- make any payment, assume obligations, or incur any expense other than for First Aid. Only the insurance company has the authority to accept responsibility, make payments, repair damages, defend or otherwise settle a claim under the policy.
- 3. Important! Record first impressions and witness information promptly.** As soon as practical, record first impressions or reports of what happened. Make careful note of names, campus and home addresses and telephone numbers for all persons involved and for all witnesses.

**4. Notify chapter officers and prepare a written report.** Notify your executive officers in accordance with your internal chapter procedures. Prepare and submit a written claim / fraternity report as soon as possible. The claim report should, at a minimum, provide the following information:

- Date, time, location and circumstances of accident
- Names, addresses, telephone numbers of persons involved and of witnesses
- Description of claim event
- Follow-up information or actions (i.e. medical treatment or conditions of persons injured, police report filed)
- Persons responsible for further coordination / handling of this claim

**5. If suit is filed or legal process is served** upon anyone, immediately notify, and forward copies of the suit materials to:

- Tau Kappa Epsilon Offices of the Grand Chapter  
7439 Woodland Drive Indianapolis, IN 46278  
(317) 872-6533  
(317) 872-8353 - Fax  
[tkeogc@tke.org](mailto:tkeogc@tke.org)

and to

- James R. Favor & Company  
14466 East Evans Avenue  
Aurora, Colorado 80014-1409  
1-800-344-7335 or (303) 750-1122  
[info@jrfco.com](mailto:info@jrfco.com)