Liability Insurance Policy FAQ

As a chapter officer, you should be aware of the Alpha Kappa Psi liability insurance policy. This piece has been put together to answer a few questions. If you have further questions after reviewing this, please contact Brian Parker at the Heritage Center.

Why is our insurance invoice based on our spring membership level?

The insurance company rates our policy based on number of student members at the end of the spring semester. Our renewal month is December, so when writing the renewal, the insurance company must pick a firm number of members on which to base the proposal. With roster updates and new initiates being reported every day, the fairest way to take a “snapshot” of membership is to use the spring membership level.

Why is the payment due date on October 15, the same date student member dues are due?

Our policy renews each December, and the insurance company expects payment in full prior to the December 1 renewal date. The October 15 due date allows us to have proper cash flow in order to pay the invoice.

Why can’t we reduce the insurance invoice when members are cleared from the roster?

As stated earlier, the insurance renewal is based on spring membership level. While chapters do not receive credit for graduates or suspensions, chapters are not charged additional insurance fees for reinstatements, pledges or new initiates. All pledges and members in the chapter are, however, covered by the policy.

Are we paying for people who are no longer student members?

The insurance billing the chapter receives essentially works on a 1 year delay. During some years you will be billed for a higher number of insurance fees than there are chapter members. Other years, you’ll be charged fewer insurance fees than there are chapter members. Chapters should collect insurance fees from their members each semester and hold it in an account until the following September’s insurance invoice to pay that invoice. By doing this, chapters can essentially erase the “sticker shock” that accompanies some insurance invoices. If a chapter does not follow this practice, then it is certainly acceptable to charge pledges additional fees to help cover the insurance billing.

What is the Alpha Kappa Psi Liability Insurance Policy?

In summary, the Alpha Kappa Psi Fraternity insurance program provides Blanket Public General Liability Coverage of $1,000,000 per occurrence with a $2,000,000 general aggregate for all participating chapter and chapter house organizations.

The coverage is for bodily injury and property damage. This protects the local chapter, its officers and members, the house corporation and the fraternity, including appointed volunteers, from claims arising out of bodily injury and property damage occurring at the premises or at chapter functions away from the premises. It also protects against claims arising out of libel, slander, false arrest, invasion of privacy, eviction from the premises, consumption of food and beverages, and incidental malpractice.

It must be understood, however, that our coverage is for general public liability. It is not accident insurance covering initiated and uninitiated members for injuries sustained on the chapter premises and/or in chapter activities. Liability insurance is not a substitute for medical insurance. Further, it is not Workers’ Compensation Insurance, which may be required for chapter employees such as cooks and housemothers.

What are general liability claims?

The types of General Liability claims can be numerous but arise out of Bodily Injury and/or Property Damage to property owned by a party other than the fraternity. They will more than likely involve injury or damage to someone other than a member of the fraternity.
Does this policy give us free will to do anything we want?
No. The final responsibility for the success of the insurance program rests with our fraternity and your chapter. It is always important to remember that our first line of defense in liability matters is loss prevention, next is loss control, and the insurance contract is the final line of defense. The undergraduate and alumni members’ willingness to understand and assume the responsibility of sound risk management practices is a cornerstone of our program. Any claim arising out of an illegal or intentional act is not covered, and the individuals responsible are left exposed to legal ramifications.

Who is covered under the AKPsi Liability Insurance Policy?
Fraternity chapters and colonies, housing corporations, holding corporations, alumni boards, alumni associations, board of advisors, executive board, parent clubs, officers, directors, volunteers, faculty advisors, members, pledges, and employees of the fraternity are all covered under our policy.

What Doesn’t Our Coverage Include?
Any claim of bodily injury and/or property damage from an incident resulting when:
1) An illegal act was performed.
2) An intentional act was performed.
3) A contract made by the chapter is broken.
4) There is any discharge, release or escape of smoke, vapors, soot, fume, acids, toxic chemicals, etc. upon land, the atmosphere of any water course or body of water.
5) A chapter employee is hurt on the job. Each chapter with any employees must purchase Workers’ Compensation coverage locally.
6) Any claim of property damage to property owned by, rented by, used by, or cared for by the chapter. An example: the chapter rents a portable generator for an outdoor function, and while it is in the care, custody and control of the chapter it is damaged and the Lessor holds the chapter responsible and liable. No coverage is available under the Alpha Kappa Psi Fraternity liability insurance contract.

Are we covered if we break the law?
Simply stated, no insurance policy in the world provides coverage for violations of the law. The Alpha Kappa Psi Fraternity insurance program is no exception to this rule. The key points to understand are:
• Compliance with federal, state, local and institutional (college or university) laws and regulations is required.
• Compliance with all regulations and policies of Alpha Kappa Psi Fraternity is required.
Those individuals who choose to violate these rules may void the protection for themselves under the Alpha Kappa Psi insurance program. Every effort has been made to avoid their actions from jeopardizing the other members, other entities, or other named insured protected by the Alpha Kappa Psi program.

It sounds like there are many loopholes, what good is this insurance policy?
Great effort has been made to ensure coverage will be provided to those individuals and entities exposed to claims through no fault of their own. Chapters and chapter officers are protected from the unauthorized actions of individuals. The assets of house corporations are protected from the unauthorized actions of their chapters. Chapter advisors are protected from the unauthorized actions of their individual chapter members and the chapter as a whole, as are the house corporations and all other appointed alumni volunteers involved with the Fraternity. If a chapter is exposed to a liability claim and has followed all applicable laws and procedures, then the members and officers of that chapter are covered.

What do I do if there is an incident?
While on the scene, if possible, get all names, addresses and phone numbers of all parties involved, as well as any witnesses to the incident. Immediately contact the Alpha Kappa Psi Heritage Center to report the incident as a potential claim. Please keep in mind that our policy conditions require you to report all losses immediately. If this does not occur, the insurance company could choose to deny any claims arising from these losses.

What should be reported?
It is imperative that all potential losses or incidents be reported to the Alpha Kappa Psi Heritage Center immediately. Once reported, a member of the AKPsi staff or the Insurance Company will contact you to request needed follow up information.
Who do I report incidents and potential claims to?

ALPHA KAPPA PSI FRATERNITY
ATTN: Brian Parker, Managing Director of Operations
7801 E. 88th Street
Indianapolis, IN 46256

(317) 872-1553 - Phone
(317) 872-1567 – Fax
brian@akpsi.org

We are conducting a fundraiser, and an outside vendor has requested proof of insurance. How do I get this?

Contact the Heritage Center and request a certificate of insurance.

We are conducting a fundraiser and someone has asked to be added as an additional insured. What does this mean and how do I do it?

Additional Insured parties may be added to this policy. An example may be your landlord, college, university and/or proprietor from whom the chapter may be renting property for a special event. Request for an additional insured endorsement should be made in writing at least three weeks in advance of any event and sent to the Heritage Center. Be sure to include the name and address of the chapter, the person/company requesting to be added as additional insured, a detailed description of the event, and contact information for a chapter member in case additional information is needed to process the request.