

Risk Management for Fraternities & Sororities

You can never get rid of risk, only manage it

Liability Line

0% liability
ceasing to exist

100% liability
violating all policies

Risk Management Principles

1. Identify what is risky behavior
 - Can someone get hurt?
 - Has someone gotten hurt in the past?
2. Eliminate the behavior
3. Reduce the behavior

Five Areas of Risk for Greeks

1. Housing
2. Hazing
3. Alcohol Abuse (not use)
4. Fighting
5. Sexual Assault

Criminal Liability

Illegal Acts
Hazing
Supplying alcohol
Dealing or using drugs
Fighting

Civil Liability

Being sued by someone
Results in damages
Largest settled suit \$21 million
Largest filed suit \$100 million
56% of the time we are sued by members

National Liability Insurance

- Most nationals provide \$1 million in insurance for premiums
 - most chapters pay \$100 - \$150/ member for insurance
- Does not cover anything **illegal** or **against your national policy**

What happens if you violate your national policy?

- Liability insurance is cancelled
- Chapter is on its own to pay for any lawsuits
- Most members are still under their parent's homeowners insurance policies

What is a Chapter Event?

1. **Who paid for the event?**
 - Purchasing alcohol, hall rental, transportation, everyone throwing in money to purchase alcohol, etc.
2. **How was the event advertised?**
 - Flyers on bulletin boards, in a chapter house, posted on the chapter listserv, announcements at meetings
3. **What percentage of the members were present?**
 - Above 50%, officers present (president, social chair)

Most national policies are much more restrictive

Four Riskiest Nights for Greeks

1. Bid Day
2. Big Brother
3. Initiation
4. 21st Birthday

If members followed their Ritual, there would be no need for risk management

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