

SIGMA ALPHA MU FRATERNITY

Risk Management & Insurance Contribution Structure

Liability Insurance is an important part of your chapter's Risk Management Program. As provided in the Blue Book, the Octagon acquires liability insurance for chapters and assesses the cost of the program to each chapter/colony.

Per man insurance charges are estimated at **\$257** per man for **2010-2011**, this amount may increase or decrease based on actual costs.

The Risk Management & Insurance Contribution allows chapters to take some control over what they pay for risk management fees. Chapters that perform well and manage risk will pay less, irresponsible chapters will pay more.

To determine each chapter's total risk management & insurance contribution, each of the following factors has been taken into account:

1. Alcohol-Free Housing
2. Average Number of Undergraduate Members
3. Claims experience
4. Life Safety and Loss Control
5. Risk Management violations
6. Chapter Performance Standards standing
7. Chapter Scholarship
8. Attendance at Chapter Leaders Day
9. GreekLifeEdu Completion
10. Chapter Size

Explanation of Factors

1. Alcohol-Free Housing

Chapters that operate alcohol-free facilities that have submitted proper documentation to the Octagon can receive a credit of up to 15%. Those chapters which have gone alcohol-free as a result of Octagon directive may not be immediately eligible for the credit.

The Alcohol Free Certification Form or Unhoused Alcohol Free Housing Certification Form (for qualifying chapters) must be received by the Executive Offices no later than June 30, 2010.

2. Number of Undergraduate Members

Membership from the past three years is averaged (years 07-08, 08-09, 09-10) to establish the chapter's base membership. Chapters/colonies with less than three year history will be billed based on current membership as of May 31, 2010.

Unless there are unusual circumstances, the number of members considered in the contribution will not be changed until the next renewal date of the policy. All appeals must be submitted in writing to the Senior Educational and Leadership Consultant by June 30, 2010. An initial quote based on this average will be provided to chapters by April. The final quote will be given at Convention in August and will reflect any applicable discounts or surcharges.

3. Claims Experience Factor

Those chapters which have had a claim in the past five years will pay a 25% surcharge. In unusual cases, the Octagon may direct a percentage higher than 25%.

4. Life Safety and Loss Control

Compliance with chapter house inspections and recommendations for improvement will be a factor. Chapters not responding to inspection reports and taking corrective action may face a surcharge of up to 25%.

5. Risk Management Policy Violations

Chapters with a risk management policy violation in the past academic year will pay a 25% surcharge. In unusual cases, the Octagon may mandate a higher percentage.

6. Chapter Performance Standards Standing

Credits and surcharges will be assessed as follows, based on the chapter's annual Chapter Performance Standards score:

- 90-100 – Founders Level: 10% Credit
- 70-89 – Octagon Level: 0%
- 0-69-Alumni Receivership: 10% Surcharge

The Chapter Performance Standards are available at sam.org.

7. Chapter Scholarship

Chapters that submit the Chapter Scholarship Discount Certification Form which documents a GPA is above the campus all men's average will receive a 10% credit. Proper certification must be submitted by June 30, 2010. To qualify, the chapter's average must be above every semester/quarter. A Scholarship Certification form is enclosed.

8. Attendance at Chapter Leaders Day

Chapters that had five people in attendance at the Chapter Leaders Day program will receive a 5% credit. This discount is tracked by the Fraternity Office.

9. GreekLifeEdu Completion

Chapters that had 100% of their initiates complete Part 1 & 2 of the GreekLifeEdu program before initiation in each semester/quarter will receive a 10% credit. This discount is tracked by the Fraternity Office. Chapters/colonies can also verify this data by logging into their administrative account at www.outsidetheclassroom.com to view the progress of their candidates/members. All must be listed "Course Complete" to receive the discount. If any candidates dropped before initiation and have not completed the course, email their names to Matthew Modansky (matthewm@sam.org) and those individuals will be excluded.

10. Chapter Size

Chapters that maintain a 3 year average over 100 men will receive a 10% credit towards their overall Risk Management Contribution. The 3 year average is calculated at the end of the 2010 spring semester.

Questions regarding the Risk Management & Insurance Contribution should be directed to:

Risk Management & Insurance Contribution Committee
Sigma Alpha Mu Fraternity
9245 N Meridian St. #105
Indianapolis, IN 46260

Or contact Matthew Modansky, Senior Educational and Leadership Consultant, at matthewm@sam.org