

RISKWATCH

A PUBLICATION OF THE RISK MANAGEMENT FOUNDATION SUMMER 2010



RMF In The New Decade

New leadership with the same commitment to risk management education and member services.

Crisis Management

Developing your chapter's Crisis Management Plan is only the beginning of Crisis Preparedness.

Did you know that, historically, a chapter that creates and uses a crisis management plan is better equipped to protect itself from complicated claims and lawsuits? An effective plan enables Brothers to address and diffuse difficult situations and to make important split-second decisions because they are prepared to do so. Unfortunate circumstances happen, and it's important to know how to respond. The RMF Crisis Management Plan is available in its entirety on the website and includes a three-tiered approach which is summarized here:

BE PREPARED: Form a crisis management team at your chapter, and know who you can contact for assistance if a crisis occurs. Review and follow all rules and regulations from the RMF and your university regarding risk management, and have first aid and fire prevention supplies on hand in your chapter.

Keep in mind that as the seasons change, so should your crisis management plan. An effective year-round plan takes into account changing circumstances throughout the year: weather conditions, special campus events, summer housing, and recruitment to name a few. Additionally, when planning a social event, take time to identify possible crisis situations and have the tools at hand to manage any situation that may arise.

BE CALM: In the event of a serious situation, contact the proper authorities and attend to any injuries until help arrives. Minimize confusion and take control of the situation whenever possible. Gather the facts, and contact Sigma Chi HQ as soon as possible, then the Chapter Advisor and Grand Praetor. If the situation involves damage to the Chapter House, call the House Corporation President or designated contact. If you are contacted by the media refer them to HQ. Do not comment or answer any questions.

Remember that crisis management plans are tools that should be used to help guide your response, but they may need to be modified to fit a given situation. As you navigate a crisis situation, take the time to consider your crisis management plan and what adjustments you may need to make in order to successfully manage crisis situations. The key to crisis management is to think critically about how to best use your chapter's crisis management plan in each unique situation.

LEARN FROM THE SITUATION: Show care and compassion for any victim. Develop a professional and respectful relationship with the authorities, offering your support and cooperation. Document and study the situation, and meet as a chapter once the crisis has passed to discuss the way it was handled.

If your chapter does not already have a crisis management plan in effect, work together to create one today. If your chapter already has a plan, review it and make sure that your members know how and when to use it.

The RMF is here as a resource for you. If you need assistance developing a Crisis Management Plan, please contact us. For additional information, please visit our resource page at www.RMFeducation.org.

Important Reminders

REMINDER 1: As separate legal entities, your chapter or house corporation is not authorized to sign any agreement or execute any contract on behalf of the International Fraternity or Sigma Chi Corporation. All contracts and agreements should only be signed in your own legal name (e.g. Alpha Delta Chapter of Sigma Chi Fraternity or The Alpha Delta House Corporation).

REMINDER 2: In order to maintain coverage under RMF, any agreement or contract presented to you that contains Indemnification or Additional Insured provisions must be reviewed and accepted, IN ADVANCE, by your legal counsel, RMF, and our insurance underwriters BEFORE IT IS SIGNED!

REMINDER 3: RMF insurance coverage is in place as protection primarily for the chapter and its advisors. Coverage is not intended to cover third parties over whom the Fraternity and the chapter have no control (e.g. bands, comedians).

REMINDER 4: Injuries sustained during Sigma Chi Fraternity athletic events (i.e. intramurals) are not covered by RMF. They are typically covered by personal medical insurance or the University Health Plan. Members and guests voluntarily participate in athletic events and assume the risk of injury; therefore, this is not a covered claim under the chapter's RMF-provided insurance policy. This is also true for participation in athletics related to philanthropic or charity events. The Risk Management Foundation neither supports nor offers insurance coverage for Fight Night events. We strongly encourage alternate methods of fundraising.

Risk Management Foundation Board of Directors Elects New Officers

We are pleased to introduce the 2010 RMF Board of Directors.



Bruce Morgan Casner (Chairman),
George Washington 1971

Brother Casner returns to the Board after a twenty year hiatus. He brings strong organizational skills and extensive experience in exempt organization governance. Brother Casner is a 1971 alumnus of the George Washington University, where he majored in Political Science with concentrations in business and sociology. A long-time Grand Trustee, Brother Casner served two terms as Chairman of the Board of Grand Trustees from 2005 to 2009. He is Chairman of the Fraternity's Government Affairs Committee, a member of the Ritual Committee and Ritual Director for BLTW 2007, 2008, 2009 and 2010. A Life Loyal Sig, he received the Minton Outstanding Alumni Chapter Officer Award in 1978 and was tapped for the Order of Constantine in 1995. Brother Casner is President and CEO of Morgan Casner Associates, a Washington, DC public affairs consulting and lobbying firm, Managing Director of SIGMA Group International Consulting Services and Managing Partner of Independence Investors, LLC, a real estate investment group. He has served as a board member and chairman of several community service non-profit organizations in the Washington DC area, including the Rock Creek Foundation for Mental Health and the Affiliated Santé Group.

David M. Santoli (Vice Chairman),
Case Western Reserve 1985

Brother Santoli received his bachelor's degree from Case Western Reserve University in 1985 and his J.D. from the University of Virginia in 1988. From 1994-2005, he served the Fraternity as the Grand Praetor of the Northern Ohio province. He is currently the Secretary and General Counsel of The Campania Group, a company serving the specialty healthcare insurance market. During Brother Santoli's past 20 years as a practicing attorney, he has had extensive experience with civil litigation and insurance.

Mark E. Burroughs (Treasurer),
North Carolina State 1979

Brother Burroughs received his Bachelor of Science degree from North Carolina State University in 1979. Burroughs has served the Sigma Chi Fraternity as Chairman of the Leadership Training Board, Board of Directors of Sigma Chi Leadership Institute, Chairman of Grand Chapter, Chairman of the Board of Grand Trustees, member of the International Executive Committee, Grand Praetor and Balfour Leadership Training Workshop faculty. Brother Burroughs is a member of the Order of Constantine and professionally is Chairman of Diversified Holdings International.

D.P. (David) Rowland (Secretary),
SMU 1970

Brother Rowland received B.A. and J.D. degrees from Southern Methodist University in Dallas and then joined his family's law firm in Bartlesville, Oklahoma, where he has practiced primarily in the areas of real estate, contracts, estate planning and administration, banking and small business law. He served as chair of the real property section and, for several years as chair of the real estate title standards committee, of his state bar association and was involved with Lloyds of London as an underwriting member. He has served since graduation as an officer of and, since 1987, as the facility manager for the housing corporation for Delta Mu Chapter and was recognized for such service in 1986 with the W. T. Bringham Best House Corporation Officer Award. He also served for several years as an officer of the Bartlesville, Oklahoma Sigma Chi Alumni Chapter, has been a Life Loyal Sig since 1985, has participated in BLTW as a facilitator in its former house corporation section and was honored in 1994 to be selected as a member of the Order of Constantine. He is presently serving a second term on the Fraternity's Governing Laws Committee and has been a director of the Risk Management Foundation since April 2009.

Keith A. Dobrolinsky,
Bradley 1985

Brother Dobrolinsky received his Bachelor of Science degree from Bradley University in 1985. Dobrolinsky served on the Sigma Chi Headquarters staff as the Director of Housing and Insurance from 1987 to 1989, and he was the founding Program Director of the Risk Management Foundation and Constantine Capital, Inc. After spending 17 years with Arthur J. Gallagher and Co. in several sales leadership roles, he joined Willis North America as a National Partner in 2005 to lead their North American Captive, Actuarial and Pooling Solutions Practice. Brother Dobrolinsky is now with Assurance Agency using his expertise to focus on placing conventional and excess insurance and reinsurance for public entities, non-profit risk, scholastic risk, and alternative risk groups. He is a member of the Association of Governmental Risk Pools (AGRIP), the Public Risk Management Association (PRIMA), and the University Risk Management and Insurance Association (URMIA). He was inducted to the Circle of Honor by the Delta Rho Chapter in 2009.

Eric Mansell,
Washington 1995

Brother Mansell graduated with honors from the University of Washington in 1995 and completed his law degree at Loyola University-Chicago in 2001. Mansell served the Sigma Chi Headquarters staff as a Leadership Consultant before taking over as Program Director of the Risk Management Foundation from 1996-2001. Brother Mansell is currently the associate general counsel at Adams Street Partners, LLC, a private equity firm in Chicago. Prior to Adams Street, he was with the law firm of Sonnenschein Nath & Rosenthal, LLP, specializing in corporate and securities law.

Created in 1988, the Risk Management Foundation is a not-for-profit 501(c)(3) educational foundation established to educate chapters on risk management and to provide assistance to chapters in times of loss.

For related information, please visit us online at www.RMFeducation.org.

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New Directions

(A sneak peak at programs under development by the new RMF Board)

RMF takes its partnership with our members seriously and we understand the risk management and safety challenges faced by our chapters and house corporations. The new RMF Board is considering several new programs to help manage risk and educate our members on how to avoid or successfully deal with crisis conditions.

Into the new decade...

Speakers Bureau

The new RMF Board is considering implementing a Speakers Bureau. The RMF Speakers Bureau would be a formalization of the long standing RMF service of providing risk management education and presentations across the US and Canada. This official RMF program is envisioned to respond to campus, province conference, undergraduate chapter, and house corporation requests for presentations on risk management and related educational topics.

With advance notice, the Speakers Bureau could work with you to design a specific presentation to address the needs at your campus. The CHOICES alcohol education program would be available, as well as guidelines for safe and effective events and facilities management recommendations.

Suicide Prevention and Substance Abuse/ Addiction Education Programs

Suicide and problems with abuse and addiction are all-too-real events on college campuses and sometimes touch our undergraduate chapters. RMF is investigating partnerships with specialists and agencies that could provide educational materials and presentations designed to help our members make educated choices and means by which they can identify and assess problems when they occur. Assistance to deal with these problems would be a part of these services. Saving lives is part of risk management.

Crisis Counseling

When the worst case scenario does occur and a life is lost, RMF Crisis services would provide grief counseling and other support to our brothers to help make the unbearable a little less so. Ritual-based discussion groups and individual support designed to assuage feelings of anger and loss would be a part of this program.

Since its inception, the RMF has been proud to be a leader in risk management education and training in the fraternal world.

We are committed to the proposition of doing everything possible to improve risk management practices, and, therefore safety and the quality of life for our brothers.

Please let us know if your chapter or house corporation thinks that the programs under consideration would be a helpful and desired part of RMF services or if you have suggestions on the development of these programs. Visit us online at www.RMFEducation.org. Email us at RMF@sigmach.org. Call us at 847-869-3655x235. We look forward to hearing from you.

Key Insurance Issues for 2010-11

Contractual Agreements & Additional Insureds:

No chapter, member, or house corporation may enter into any written or oral contract or financial agreement using the name of the Fraternity. This includes without limitation such agreements as leases, contracts, hold harmless agreements, liability releases, account statements, purchase orders, and hotel or banquet contracts. As RMF coverage does not afford protection for outside parties, no chapter, member, or house corporation may enter into any written or oral agreement under which the responsibility or liability of some party other than the fraternity is assumed. Additional Insured status under the RMF Program requires the prior agreement of both the fraternity and its insurers. This is particularly true in the case of host institutions that are pressuring undergraduate chapters and house corporations to sign agreements, which, in effect, obligate RMF to undertake legal defense (and be liable for damages) in legal actions that name them as defendants. RMF will not insure entities other than its subscribing members. Signing such agreements may result in loss of RMF provided insurance.

The RMF's claims history shows that chapters are most vulnerable to expensive alcohol related liability exposures and policy violations when they attempt to assume these responsibilities on their own without the assistance of a third party.

RMF continues to support Sigma Chi's efforts to educate on alcohol abuse and misuse. Therefore, the RMF is considering several proposals to incentivize chapters to host social events using licensed, insured third-party vendors for all alcohol service. This proposed program would not be a general requirement. However, the use of a third-party vendor (in line with the third-party vendor requirements outlined at www.RMFEducation.org) would represent an opportunity for a chapter to improve risk management efforts at the chapter house and possibly reduce future RMF member subscription fees.

Automobiles and Transportation:

Any individual who drives or provides transportation in conjunction with fraternity activities must obey all applicable motor vehicle laws, including, but not limited to, those concerning vehicle safety, vehicle operation, financial responsibility and / or insurance, and the transportation and consumption of alcoholic beverages. Drivers must ensure that vehicles are properly maintained, not overloaded,

A New Decade. New Leadership. A New Direction. And a Renewed Commitment to Risk Management Education and Member Services.

3rd Party Vendor Credit: Improving Risk Management

The RMF encourages all Sigma Chi chapters to hire a third-party vendor or venue when hosting an event at their chapter house or off-campus at which alcohol will be served.

What is a "third-party vendor"? It's an alcohol related service provider, such as a licensed bartender or catering service, which is covered by its own general and liquor liability insurance policies.

For example, some of the responsibilities assumed by a third-party vendor include but are not limited to:

- Checking identification cards upon entry;
- Not serving minors;
- Not serving individuals who appear to be intoxicated;
- Maintaining absolute control of ALL alcoholic containers present;
- Collecting all remaining alcohol at the end of a function (no excess alcohol—opened or unopened—is to be given, sold or furnished to the chapter);
- Removing all alcohol from the premises.

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 policies.

Attention Undergraduates and Alumni! We want your feedback!

The RMF wants to know what you think of its educational resources and to gather ideas on how to serve you better. Please direct questions or feedback to RMF@sigmach.org.

A Renewed Commitment to Risk Management Education and Member Services...

Equipment Breakdown Coverage Explained

We have received questions from house corporation officers about the purpose and value of Equipment Breakdown coverage. For greek-owned property, this coverage provides insurance protection for the types of property and against the kinds of losses not covered by property insurance.

Boilers, heating, refrigeration or air conditioning systems, computers, and virtually all other forms of electrical or mechanical equipment breakdown are protected.

Common causes of losses are:

- Explosion
- Burning or Cracking
- Motor Burnouts
- Electrical Damage
- Power Overloads
- Flood Spoilage
- Mechanical breakdowns from centrifugal force or metal fatigue

Not surprisingly, 80% of all Equipment Breakdown claims are from electrical or air conditioning equipment.

As with the property coverage, Replacement Cost, including Building Codes or Law & Ordinance Coverage, Loss of Income and Extra Expense protection are also provided with your RMF Program Coverage.

Understanding Alcohol Policies

The misuse of alcohol is conduct unbecoming a Sigma Chi. Consequently, Sigma Chi Fraternity resolves to eliminate the misuse of alcohol by its membership, particularly among undergraduate and prospective members.
— *The Sigma Chi Policy on Alcohol*

There are several Fraternity and campus policies regarding alcohol use and misuse with which members should be familiar, including:

- The Sigma Chi Position on Alcohol
- The Sigma Chi Policy on Alcohol and Drugs
- Host college/university alcohol policies
- Chapter Bylaws

Additionally, RMF maintains a separate Policy on Alcohol and Drugs. It is important to understand and abide by these policies to ensure that event planning and organization are properly focused on safety.

RMF is here for you as a resource; do not hesitate to contact us with questions about any of our policies.

For the complete list of Sigma Chi and RMF alcohol policies, please visit our resource page at www.RMFeducation.org.

Thanks

The RMF offers its sincere thanks to James R. Favor & Company for the use of significant portions of the included educational materials. A leader in risk management education, James R. Favor & Company bring more than 100 years of experience in the sorority and fraternity insurance and risk management field to its customers backed by complete Underwriting authority from Lloyds of London.

The RMF also thanks Megan Latchford for her assistance in the development of this issue of RISKWATCH.

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