



PHI DELTA THETA

Become the greatest version of yourself

Date: August 14, 2020

To: Phi Delta Theta Undergraduates

From: Melanie Clayton, Insurance and Safety Coordinator

Subject: 2020-21 Insurance and Risk Management Per-Man Rate Remains Lowest in Industry

As we welcome a new and very different academic year due to the presence of Covid-19, a continued focus on health and safety is more important than ever. We understand that in addition to safety, finances are also front of mind. For this reason, and with the October 1 due date for our Insurance Allocation and Risk Management Program billing quickly approaching, we wanted to provide you an update on the Phi Delta Theta insurance and risk management program from a cost and timeline standpoint.

Cost:

Since the pandemic began, we have been working with our insurance broker to address the uncertainties as we approach the new school year. We are happy to report that thanks to the good work of our chapter leaders and volunteers, strong educational programs in the health and safety space, and the presence of the alcohol-free housing policy, we anticipate no increase to the Phi Delta Theta insurance allocation and risk management program per-man rate, which is the lowest in the industry.

Social distancing and varied university models will change the way that fraternities operate in the upcoming year. While Phi Delta Theta has taken many precautionary actions, the fraternal industry remains one of the most expensive to insure due to large civil litigation settlements. Our peer groups are reporting significant cost increases this year. The presence of Covid-19 will result in a different experience this year. However, the new reality everyone is facing does not necessarily mean less risk for our members, as we know that many of them will still reside in the surrounding community regardless of class format. Most of all insurance claims and risk management incidents arise from unplanned events. While not totally known, it is also believed that the presence of the virus may lead to new claims against chapters and their leaders. Phi Delta Theta must also plan and budget for insurance and risk management costs that have not yet been reported.

We are committed to offering the best Fraternity experience at a modest cost. This is demonstrated by the fact that after calculating the total costs of the Fraternity's insurance and risk management program, our four-year undergraduate experience will remain the most affordable in the industry. Regardless, during these challenging times, cost needs to be further considered and for this reason, there will be news coming in the near future that will address other fees and dues.

Timeline:

We understand that due to the changing plans of your institution, the status of your members may also be changing. For this reason, we have provided you more time to finalize your roster for all members of your chapter enrolled. As previously indicated, all roster adjustments need to be made by September 1. James R. Favor & Co. will then send your insurance allocation and risk management program invoice no later than Friday, September 4. While bills remain due October 1, we would ask that you communicate any hardships directly to me so that we can manage them together.