

PDT Liability Insurance Allocation System

To determine each chapter's pro-rated portion of the total liability insurance bill, each of the following factors has been taken into account:

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|------------------------------------|-------------------------------|
| 1. Number of Undergraduate Members | 5. Chapter Status |
| 2. Claims Experience | 6. Chapter Facility |
| 3. Life Safety and Loss Control | 7. Risk Management Affidavit |
| 4. Risk Management Violations | 8. Event Planning Program |
| | 9. FHSI Program Participation |

FACTOR DESCRIPTIONS:

1. NUMBER OF UNDERGRADUATE MEMBERS

This number is taken from the Spring Roster Update, which is submitted by the chapter via Dashboard. Phikeias are included in this figure since they will be initiated members during the allocation year. However, Phikeias who are pledged in the fall semester are *not* included in this number and if the chapter wishes, they can bill those individuals for insurance as they see fit.

If a chapter fails to submit the roster update, the number may be determined from other resources such as leadership consultant or province president reports, but is not a guarantee of accuracy. The number of members considered in the allocation **cannot** be changed until the next renewal date of the policy.

2. CLAIMS EXPERIENCE FACTOR

A sliding scale ranging from 0% - 35% has been developed for those chapters that have demonstrated a high frequency or severity of claims. Any information older than four years is not considered in this factor. In unusual cases, the General Council may direct a percentage higher than 35%. Pending lawsuits are also factored into this percentage.

Claims Experience Scale

One claim:	Closed with no payment or open with no reserve established	=	0%
	Open or closed with payment or reserve < \$1,000	=	3%
	Open or closed with payment or reserve ≥ \$1,000 but < \$3,500	=	5%
	Open or closed with payment or reserve ≥ \$3,500 but < \$10,000	=	15%
	Open or closed with payment or reserve ≥ \$10,000	=	25%
Two claims:	Closed with no payment or both open with no reserve established	=	5%
	Total payments or reserves > \$0 but < \$1,000	=	7%
	Open or closed with payment or reserve ≥ \$1,000 but < \$3,500	=	10%
	Open or closed with payment or reserve ≥ \$3,500 but < \$10,000	=	20%
	Open or closed with payment or reserve ≥ \$10,000	=	30%
Three or more claims:			
	Closed with no payment or all open with no reserve established	=	7%
	Total payments or reserves < \$1,000	=	10%
	Open or closed with payment or reserve ≥ \$1,000 but < \$3,500	=	15%
	Open or closed with payment or reserve ≥ \$3,500 but < \$10,000	=	25%
	Open or closed with payment or reserve ≥ \$10,000	=	35%

3. LIFE SAFETY AND LOSS CONTROL

A sliding debit scale from 0% - 40% has been developed for those chapters failing to respond to recommendations resulting from the on-site life safety/loss control inspection program. The inspection program places chapters into one of three categories defined below.

- **Good ranking** - None or only minor recommendations
- **Needs Improvement ranking** - Several or major recommendations
- **Poor ranking** - Numerous and major recommendations

Debits will be factored based on the ranking as well as the response and implementation of the recommendations.

4. RISK MANAGEMENT POLICY VIOLATIONS

This factor is also a sliding scale ranging from 0% - 40%, unless otherwise determined by the General Council. This factor is used for chapters that have violated any of the Fraternity's risk management policies. The determination of the actual percentage applied is based upon the severity and/or frequency of the violations. Most risk management assessments were made throughout the academic year and thus will not be reflected on most chapter insurance bills.

Only violations that have occurred within the past year are considered when determining this factor.

5. CHAPTER STATUS

Credits ranging from 1% - 10% will be given to chapters receiving the Harvard Trophy, Founders Trophy, Kansas City Trophy, Housser Trophy, Gold Star Award, and Silver Star Award.

Debits ranging from 1% - 15% will be given to any chapter on Province President Probation, General Council Probation, or any type of university/college probation at the time of the insurance renewal.

A credit of 4% will be given to the chapter that receives the Excellence in Risk Management Award. Credits of 2% will be given to chapters that receive the Risk Management Recognition Awards.

The credits are not cumulative; therefore the maximum a chapter can receive in this category is 10%.

6. CHAPTER FACILITY

A 1% - 10% debit will be given to chapters owning **or** occupying a chapter facility. The range depends on the type of facility and who owns the facility. Types include: traditional chapter house, lodge, residence hall, or rental. Ownership includes: House Corporation, university, or private landlord.

7. RISK MANAGEMENT AFFIDAVIT

In accordance with General Council Policy, if a chapter fails to submit the Risk Management Affidavits (from the Fall and Winter Reports) within 60 days of the due date, the chapter will be considered a high-risk chapter and a debit will be issued equal to 10% of the base cost. Several reminder notices are sent to each chapter in this category to assist them in avoiding this debit.

8. EVENT PLANNING PROGRAM

A chapter will receive up to a 10% debit for failure to participate in this General Council program. Those Chapters that excel in event planning will receive up to a 5% credit. The debits and credits will be based on the following factors:

- Chapter social calendar submitted
- Ratio of the number of event planning forms submitted to number of events the chapter held
- Number of events supported / denied support

9. FRATERNAL HEALTH AND SAFETY (FHSI) PROGRAM PARTICIPATION

A 10% credit will be given to chapters and colonies who had 100% participation in the FHSI program during the previous school year. Participation is confirmed by the program facilitator according to the sign-in sheet and roster membership on file.