

# Spring 2021: Insurance and Member Safety Bill

Bill date: January 11, 2021

Due: February 10, 2021

*To help chapters with cash flow, partial payments will be accepted through mySigEp on the Spring 2021 Insurance and Member Safety Bill through March 31, 2021. There will be no fees for making partial payments as long as the amount is paid in-full before March 31. Beginning on April 1, a 1% monthly financing fee will be assessed on all overdue invoices on the mySigEp statement of accounts.*

## Chapter Base Fee: \$1,896

- Chapter services: member safety training and education, crisis response support, regional and national programming.
- Policy administration and broker fees.

## Per-man Fee: (Tier Fee + Self-Insurance Fee) x (Number of brothers on the March 2020 PMR)

- Tier 1\* – \$123: Chapter is unhoued or has adopted and implemented a complete substance-free facility policy with NO member safety incidents or claims over the prior two calendar years.
- Tier 2\*\* – \$185: Chapter is housed and has adopted and implemented a substance-free common space policy with NO member safety incidents or claims over the prior two calendar years.
- Tier 3 – \$215: Chapter has one member safety incident or claim over the prior two calendar years.
- Tier 4\*\*\* – \$276: Chapter has multiple member safety incidents and/or claims over the prior two calendar years.

\*Tier 1 chapters that are also 2019 Buchanan Cup recipients and accredited SigEp Learning Communities (as of Jan. 1, 2021) will receive a **5 percent discount** off the per-member and base fee portions of their bill.

\*\*As of August 2020, all housed chapters have adopted a completely substance-free facility policy. This will be the last billing cycle that the substance-free criteria is used to determine tiers.

\*\*\*There will be an additional per-man fee of \$40 for each additional member safety incident beyond two during a two-year period.

## Self-insurance Per-man Fee

- ~~\$25 – Chapter-specific general liability account (Eliminated for Spring 2021)~~
- \$25 – General self-insurance account

*Sigma Epsilon Chapters (SECs) pay half of the per-man annual fees for the first two years to encourage saving for installation. After four consecutive billing cycles (two years), an SEC will be billed as outlined above.*

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## Frequently Asked Questions

### 1. Can our chapter make multiple payments?

To help chapters with cash flow, partial payments will be accepted through mySigEp on the Spring 2021 Insurance and Member Safety Bill through March 31, 2021. There will be no fees for making partial payments as long as the amount is paid in-full before March 31. Beginning on April 1, a 1% monthly financing fee will be assessed on all overdue invoices on the mySigEp statement of accounts.

### 2. What value do we get?

Even in the face of COVID-19, when traveling to an in-person program isn't safely possible, SigEp continues to innovate and is proud to offer virtual leadership experiences that will provide value to our undergraduates at a time when they need it the most. This year, all SigEp brothers have the opportunity to participate in virtual sessions of the Ruck Leadership Institute, officer-focused executive development opportunities, career coaching, and an enhanced Balanced Man Program App. There's plenty for your members to continue to be involved with and gain value from.

### 3. If my campus is virtual and cannot have in-person events, do we still need insurance?

Yes. Whether virtually or in-person, brothers are still gathering in some ways, and additionally, if three or four members do something together, one could view that as a SigEp activity. Insurance protects members, the chapter, its officers and the

AVC. Additionally, our insurance is billed to us on the calendar-year basis, so it covers fall 2021, as well, when we hope to resume activities fully.

**4. Why did we implement a tiered premium model in 2017?**

Our insurance premiums increased 60 percent between 2012 and 2017. Since 2014, three major insurance carriers have left the fraternity insurance market. In the same period, our loss ratio increased to the highest it's been in the Fraternity's history. The Fraternity was not able to bear the burden of this increase without also increasing costs. SigEp developed a tiered system to correlate with a chapter's behavior and performance. Chapters were assigned tiers objectively based on their number of member safety incidents related to risky behavior in the last two calendar years.

Because all chapters adopted a substance-free policy prior to the August 2020 deadline, this tier structure and incentive criteria will be reevaluated after this billing cycle.

**5. How will the tier structure evolve for 2022?**

This year will be the last billing cycle using the substance-free facility criteria to determine tier eligibility. In future billing cycles for the spring insurance and member safety bill, we'll look at other areas of operations that drive member safety – recruitment, membership experience through the Balanced Man Program, and chapter leadership and culture. More specific measures to achieve these benchmarks will be announced before the next billing cycle.

**6. Who do I talk to about my chapter's tier?**

Tiers incentivize those chapters that have not had member safety incidents over the last two calendar years. For questions on your chapter's slated tier, contact Fraternity Managing Director [Zac Gillman](#).

**7. What is considered a "member safety incident"?**

A member safety incident occurs when a chapter violates SigEp's risk management policies or substance-free facility policy. This violation may result in sanctions from university administration, intervention from Headquarters staff, an insurance claim or some combination of these. Member safety incidents that occurred in the calendar years 2019 and 2020 determine a chapter's tier assignment for the 2021 bill.

**8. How are this year's discounts and credits determined and how are they tied to member safety?**

All chapters will see at least a \$25 per man decrease in their Spring 2021 Insurance and Member Safety Bill. Percentage-based credits are available for accredited SigEp Learning Communities and 2019 Buchanan Cup recipients in Tier 1. Additionally, chapters may also see a percentage-based chapter operations credit if they have excelled in recruiting the right new members year-round using the mySigEp recruitment tools, providing a valuable experience through the Balanced Man Program using the BMP App, and using the annual brotherhood questionnaire to make data-driven decisions as an executive board. Through our Brotherhood Assessment Survey, we know these factors positively enhance member safety.

If you have questions about your credit eligibility, contact Fraternity Managing Director [Zac Gillman](#).

**9. Who can I work with to achieve these credits in the future?**

Our staff is ready to help develop a strategic plan for your chapter to further institutionalize best practices in the areas of recruitment, membership experience, and chapter leadership and culture. These areas of operations directly relate to your chapter's ability to keep members safe and provide a valuable experience. For support on implementing these best practices, email [chapter.services@sigep.net](mailto:chapter.services@sigep.net) or search for your chapter [here](#).

**10. Why was a self-insurance per-man fee established in addition to the tiered per-man fee? How will this offset the costs of claims?**

SigEp's general liability provider, Admiral Insurance, requires a deductible, or out-of-pocket contribution, of \$500,000 before it will cover any expenses tied to a claim. Historically, a portion of the spring bill's per-man fee has been allocated to a general self-insurance account used to cover any required out-of-pocket payments. This meant chapters with a history of behaving responsibly and adopting risk-reducing policies were paying for chapters responsible for claims.

For the 2021 bill, the National Board authorized a one-time elimination of the chapter-specific general liability account contribution to provide a per-man savings toward the payment of the tiered per-member fee. For the 2022 bill, the chapter specific general liability account contribution will continue at the \$25 contribution.

**11. What is the breakdown of chapters in each tier?**

<b>Tier</b>	<b>Per-Man Fee</b>	<b>Tier Criteria</b>	<b>Percentage of Chapters</b>
1	\$123	Chapter is unboxed or has adopted and implemented a complete substance-free facility policy with NO member safety incidents or claims over the prior two calendar years.	74.4%
2	\$185	Chapter is boxed and has adopted and implemented a substance-free common space policy with NO member safety incidents or claims over the prior two calendar years.	0%
3	\$215	Chapter has one member safety incident or claim over the prior two calendar years.	21.6%
4	\$276	Chapter has multiple member safety incidents and/or claims over the prior two calendar years.	4%

**12. What does the base fee cover? Can our base fee be lowered?**

The base fee is comprised of support and services offered to all SigEp chapters. These include member safety training and education activities, staff to support member safety education and crisis response, educational programming, and to cover fees charged by our insurance broker. The majority of the base fee is allocated to education/training, support services and crisis response rather than administrative fees.

A chapter cannot opt out of the base fee or other insurance-related fees to reduce its bill. These fees are critical to securing coverage required by nearly all campuses and providing adequate protection to you as you deliver a life-changing experience on your campus.

**13. Why is there a 1% monthly fee on outstanding balances starting April 1?**

When SigEp's cash balance isn't large enough to cover insurance related fees in full, the fraternity must finance those fees and pass off the financing charges to chapters. Chapters that fulfill their obligations to the Grand Chapter prior to April 1 will not be impacted by this policy.

Any chapter worried about fulfilling its financial obligations to the grand chapter should contact Fraternity Managing Director [Zac Gillman](#) immediately to discuss options available.

**14. When can an AVC purchase Directors and Officers insurance?**

In early January, AVCs will be able to login to mySigEp and opt-in to purchase Directors and Officers Insurance. Using that form, our AVC officers will be permitted to pay via credit card online, or opt to be invoiced on the AVC's Statement of Account in order to pay via check. Additional coverage details and information will be supplied to AVCs at that time.