An Introduction to Greek Risk Management

A few years back, Greek letter organizations faced a crisis. Maybe the crisis arose from tort law—not only were groups being sued frequently and for large damages, so were their leaders and members. Perhaps it was a hangover from Animal House—a cinematic classic, but a bad example of fraternity management. Whatever the cause, insurance companies ranked fraternities #6 on their list of risks. Hazardous waste companies were #7.

Faced with this situation, insurance companies were not just raising rates, they were refusing to sell coverage. Without coverage:

• Groups could not own a house.
• Groups could not hold a social event in their house.
• Groups could not even rent a bus to carry them to a party off campus.

To borrow language from a later NCAA case, they were “staring down the barrel of a gun.” To find a solution, Greek organizations had to change their model. The Fraternal Information and Programming Group (FIPG) was born. It is a “consortium of men’s and women’s fraternities and sororities which provides leadership in establishing and developing policies and practices for member organizations... through risk management.”

So, the next time someone fusses that risk management is being “forced” on your group, remind them that leadership in this area comes from the fraternities and sororities themselves. A crisis occurred, but fraternities and sororities stepped up. Risk management is not just a good idea. It is your idea. Own it.

Source: FIPG Risk Management Manual

Risks Greeks Must Manage:

• Alcohol at parties
• Criminal conduct by guests or others (assault, drugs, etc.)
• Fire
• Hazing
• Liability
• Property (slip and fall, etc.)
• Security at parties
• Transportation