You moved out of your family home and into the chapter house. That’s a rite of passage for thousands of college students each year, but one that could have unexpected repercussions if you are involved in a serious incident at the chapter house or at a chapter-sanctioned event. Increasingly, we are seeing claims against the homeowners insurance policy held by a member’s parents, due to injuries suffered at Greek houses and events—falls, fights, car accidents, alcohol or drug-related issues. How does that happen? An in-depth article by Caitlin Flanagan in the February 2014 issue of The Atlantic provides a chilling look at the process:

1. When claims are filed because of an injury, claimants can sue the organization and responsible group members.
2. Group members are presumptively covered by the chapter’s insurance. However, chapter insurance is often self-insurance owned by a group of nationals.
3. Nationals impose certain rules on their chapters and members and the insurance excludes coverage for members who violate those rules. This is referred to as the “bad actor” exclusion.
4. Left with no chapter insurance, the injured claimants can turn to the insurance of the member’s primary residence, usually their family’s home.

Recently 86 members of a fraternity at Yale were sued individually in the aftermath of a 2011 fatality at a Harvard-Yale football game day tailgate. A fraternity member was driving a rented truck filled with beer kegs that careened out of control and killed a passerby, injuring two others. Both current and former members of Sigma Phi Epsilon are being sued by the victim’s family, whose attorneys say the chapter’s national insurance does not cover local chapters, that the tailgate event was not sanctioned, and that the insurance does not cover “non fraternity” events.

Questions to Think About Before a Claim

1. Are your chapter activities “excluded” from insurance coverage?
2. Is your fraternal group following the letter of its national policies?
3. Could your actions in the chapter house jeopardize the insurance on the roof over your family’s heads?

For more information: