



MJ INSURANCE
SORORITY DIVISION

Position Paper: Risky Activities

We are seeing an increase in the number of riskier and more robust activities being proposed as chapter events and activities, such as the following:

Ropes courses	Hay rides
Mud/color/zombie runs	Rock climbing/Climbing walls
Skeet shooting	Paintball
Trampoline events	Slip-and-Slides
Haunted attractions	Mazes
Bounce Houses and Dunk Tanks	

On their own, these activities are concerning because of the greater potential for injury due to the more physical and/or dangerous nature of these activities. With good risk management, some of the potential risks associated with these types of events can be mitigated; however, some of these events are inherently dangerous. If we continue to see more claims in these areas, the insurance company may be forced to take action by eliminating some of the coverage that our clients now enjoy. We would prefer that good risk management eliminate action from the insurance company.

In addition to the more physical nature of these activities from a risk management standpoint, we are seeing the contracts in these types of scenarios increasingly contain verbiage that is unfavorable for our clients. Examples of this are where the service/venue includes the requirement that the fraternity/sorority add the venue/service provider onto their policies as an additional insured, contractual verbiage that releases the venue from any and all liability, and the requirement that all chapter members and/or participants sign waivers or releases to eliminate the service/venue from liability. This trend toward more aggressive contractual language with these types of events is concerning for our clients primarily due to the fact that they have little or no control over the equipment and the facility that is being used by its members and to then release the service provider/venue from responsibility is not good business practice.

Thus as we see it you have an increase in the more risky activities, where the service provider/venue is completely “released” from any and all liability and we have the additional trends below to exacerbate the matter:

- Liability incidents are up 15 percent
- Member injuries are up 68 percent
- Economic pressures and uncertainty with health care has impacted both the number and the severity of liability claims

**PLEASE REFER TO YOUR OWN ORGANIZATION'S POLICIES
REGARDING APPROVED EVENTS.**

Not all risky events are created equal; please refer to the table below for some specific examples:

Type of risky event	Red Flag	Better option, yet still risky
Ropes courses	Homemade ropes courses on the chapter property	Engaging with an established company or organization that utilizes trained individuals to facilitate ropes course
Bounce houses	A bounce house setup on chapter property open to the public	Going to a well-managed facility that has various amusement activities available
Slip-and-slide	Set up on chapter property	Going to a well-managed water park
Organized runs/walks	Mud/Zombie runs with obstacles	A more traditional 5K on paved surfaces, with appropriate city permits, permissions, etc.

As you can see from the examples above, there are ways to make seemingly risky activities more advantageous, primarily by holding the event:

- At a licensed establishment that carries adequate insurance limits and practices good risk management in their operations
- At a well-managed facility (as opposed to at the chapter house or somewhere on campus)

If the event is held at another business, they will be primarily responsible for the liability to your members and their business insurance policy will be responding to any claims.

Refer to your inter/national Headquarters for your organization's policies regarding approved events. Ultimately, it is up to the discretion of each inter/national Headquarters to determine whether or not to allow a specific type of event.

**WE RECOMMEND, WHEN POSSIBLE, THAT CHAPTERS FIND ALTERNATIVES TO THE
TYPES OF RISKY EVENTS LISTED AND/OR UNFAVORABLE CONTRACTUAL RISK TRANSFER.**

If it is not feasible for you to find an alternate (and insured) venue for the event or to change the event altogether, we recommend that you utilize the services of MJ Insurance Sorority Department by contacting Ruth Akers, Account Manager, to review the contract in question. We are also developing several risk management tools that will better protect the organization in case of a claim that we will be communicating in Summer 2014.

Should you have any questions or concerns, please contact Ruth Akers at ruth.akers@mjsorority.com.