

We are seeing an increase in an exposure that is not as we had previously presented to the insurance company, regarding the type of the individuals who are serving as House Directors. The conventional understanding has been that the individual is a **single female** performing this function of overseer of the property on behalf of the house corporation and the chapter.

We are now uncovering an environment which is quite contrary to this scenario. We have seen examples of the following:

- ✓ Single Female with a child
- ✓ Husband and Wife Couple
- ✓ Single Male
- ✓ Husband and Wife Couple, expecting a child

The role of the House Director is to be the one individual who can be responsible for the management of the chapter house which includes, but is not limited to, the safety and security of the members and the physical property. This is a 24-hour job and this individual plays a substantial role in minimizing the exposure in the liability and property risks. This is indeed a big job that needs the time and attention given to it that only a single person can do. Having a husband or worse yet, a child on the property is, in our opinion a huge distraction, just on the issue of work performance alone, let alone the increased liability exposure.

The liability exposure is severe for the following reasons:

Male:

- ✓ Security issues with 18-21 year old women. A male house director, presumably, would have constrained use of the facility just as any other male.
- ✓ Potential for this individual to be considered an "employee" of the chapter or house corporation, and be eligible for what is 24 hour Worker's Compensation coverage.
- ✓ Potential for the fraternity or sorority's general liability policy to be responsible for any injury while on the premises. Unlike the volunteers and members of the fraternity/sorority, they can not recover both the Medical Payments and the Bodily Injury benefits. This becomes a huge issue for us because, in essence, we are taking a general liability policy which has been priced accordingly and turning it into a "health insurance" policy for the individual. The rate increases of health insurance coverage over the last five-six years could also become what we see in the General Liability area.
- ✓ Potential exists that he could be construed as an "agent" (both as an employee and/or as a volunteer) of the fraternity/sorority and your policy would have to defend his actions.

Child:

- ✓ Chapter property does not contemplate infants/children and all those associated concerns about safety of the child.
- ✓ Potential for the fraternity/sorority policy to become a health insurance policy for the child should he/she be injured while on the property. We have had such a claim already from one of our clients who had a four-year-old in residence.
- ✓ Injuries to children are especially detrimental to a client's loss ratio because the insurance company keeps claims involving children under eighteen open until the child reaches the age of maturation (typically either 18 or 21) for the state in which the injury took place.

The insurance underwriters do not support the presence of single male House Directors. In the case of a married House Director whose husband wants to live in the chapter house, we ask that you use the sample employment contracts on our website. We have one in which the House Corporation/Chapter is [hiring both the husband and wife](#), and one in which the House Corporation/Chapter is [only hiring the woman](#). Employing a House Director's husband has not only far-reaching liability ramifications and workers' compensation concerns, but it is also a matter of tax implications.

In addition, we cannot allow any children of House Parents/House Directors to live in the facility. We ask that no exceptions be made for this exposure.

We welcome your comments and hope to continue to keep our policy "contemporary" to the collegiate landscape as it changes. The above guidelines will be further refined after we have had an opportunity to gain some additional insight from our clients on this important matter.

We understand that this is a difficult issue to tackle, and we want to help you determine how best to manage this risk. Should you have any further questions, please do not hesitate to [contact us](#).