



URMIA Survey Shows Institutions Are Attempting to Manage Fraternity Risk

By Glenn Klinksiek, Knowledge Center Content Manager, URMIA

Introduction

The University Risk Management and Insurance Association (URMIA) surveyed its members in April 2015 to find out whether a rash of negative news stories about alleged misconduct in certain fraternities was having an effect on how colleges and universities view the risk associated with them. According to recent news reports, several universities are actively evaluating the role of the Greek system at their institution. Alarming stories of alleged racism, sexual assault, underage drinking and even branding at fraternities have been in the headlines lately.

The survey focused on fraternities and not sororities because the preponderance of the recent negative media news is fraternity related. A fraternity is a men's student organization formed chiefly for social purposes typically having secret rites and a name consisting of Greek letters. Institutions may approach sororities similarly but sorority issues have not been in the news as fraternity events have been.

The survey indicated four observations drawn from the 60 survey responses. Around one-third of the respondents said they have reviewed the relationship with fraternities recently, are conducting a review now or are discussing a review. Another third are not considering a review of the institutional relationship despite the negative news about them nationally.

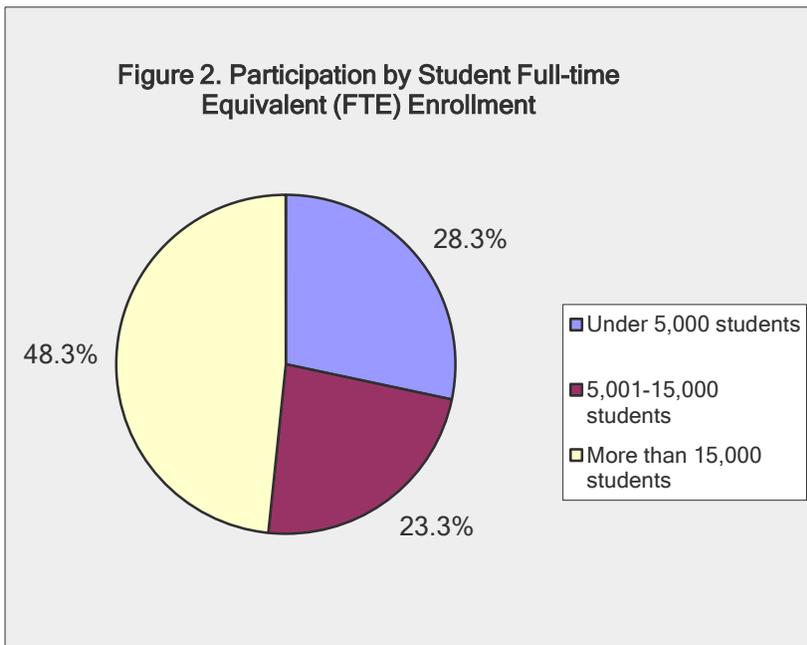
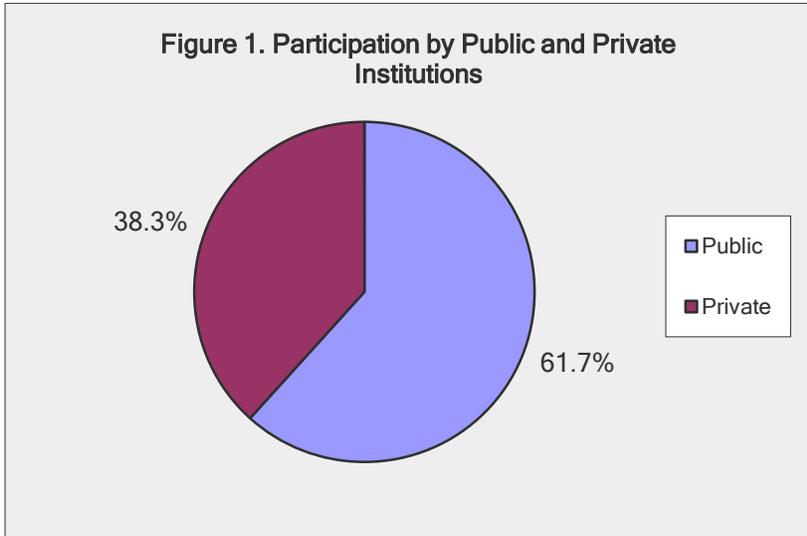
Other observations are:

- About two-thirds of the respondents judge fraternity risk to be among the institutions' significant or top liability risks facing the institution but view the associated reputational risk to be less significant.
- Every institution responding to the survey had one or more strategies for addressing the risk related to fraternity except for one. More than half the respondents require programs to address alcohol; hazing; and sexual assault and require insurance. Forty percent of the respondents are uncertain whether their strategies are effective and nearly one-quarter feel they are not.
- The majority of respondents see fraternities as important to alumni relations; as providing community service and engaging in philanthropic activities; and as an important part of the campus culture and traditions.

In the discussion of the survey results below, when responses indicated a difference between private and public institutions or among small, medium and large institutions based on enrollment, those differences are described.

Survey Response Demographics

Large institutions with enrollment of over 15,000 full-time equivalent (FTE) students represent nearly half the responses to the survey. Small institutions (under 5,000 students FTE) and middle sized (5,000-15,000) split the remainder. Public institutions represent nearly two-thirds of the responses. All but one small institution responding is private. Public institutions represented about 60 percent of the middle-sized institutions responding and all but one of the large institutions responding.



Institutional Relationship with Fraternities

About three-quarters of the survey respondents have a formal relationship with fraternities. For purposes of the survey, a formal relationship with the fraternities was described as one in which fraternities are designated as a “recognized student organization,” the institution has a specific contract with them or the institution maintains an established enforced policy specifically addressing fraternities. Few institutions had an informal relationship or no formal or informal relationship.

Table 1. What is your college and university's relationship with fraternities?

Answer Options	Response Percent	Response Count
Formal relationship	73.3%	44
No fraternities	18.3%	11
Informal relationship	6.7%	4
Fraternities exist but no institutional relationship	1.7%	1
<i>answered question</i>		60

Respondents to the survey were primarily large public institutions. These institutions and large private institutions tend to have a formal relationship with fraternities. Responding institutions with enrollments under 5,000 FTE (full time equivalent) tend to not have fraternities.

Table 2. Relationship with fraternities by institution type and size.

Answer Options	Private	Public	Under 5,000 Students	5,000-15,000 Student	Over 15,000 Students
Formal relationship	13 22%	31 52%	6 10%	14 23%	24 40%
No fraternities	10 17%	1 2%	11 18%	0 0%	0 0%
Informal relationship	0 0%	4 7%	0 0%	0 0%	4 7%
Fraternities exist but no institutional relationship	0 0%	1 2%	0 0%	0 0%	1 2%

Fraternity Value to Colleges and Universities

Respondents were asked to select the advantages that fraternities bring to their institution from a list of nine options shown in Table 3 below. More than half the respondents see fraternities as important to alumni relations; as providing community service and engaging in philanthropic activities; and as an important part of the campus culture and traditions. In contrast, 19 percent see no value in fraternities.

The survey responses show that public colleges and universities see a greater advantage provided by fraternities than private institutions that responded. In fact, one-third of the private institutions responding see no advantage to fraternities. Similarly, large institutions with enrollments over 15,000 see greater advantages to fraternities than do responders from institutions with enrollment under 5,000.

Table 3. What are the advantages to your college or university arising from fraternities?

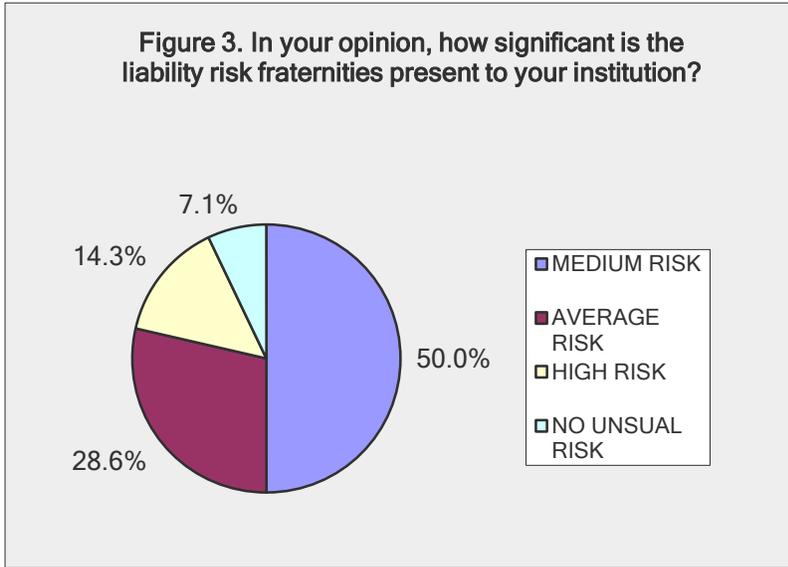
Answer Options	Response Percent	Response Count	% Private	% Public	% Under 5,000 Students	% 5 to 15,000 Students	% Over 15,000 Students
Important to alumni relations	67.2%	39	61.9%	70.3%	46.7%	64.3%	79.3%
Fraternity community service and philanthropic activities	62.1%	36	47.6%	70.3%	33.3%	71.4%	72.4%
Important to campus culture and traditions	51.7%	30	33.3%	62.2%	13.3%	42.9%	75.9%
Fraternity members are especially active in campus activities and life	48.3%	28	42.9%	51.4%	26.7%	57.1%	55.2%
Fraternity alumni are engaged institution alumni and donate at higher rates	32.8%	19	28.6%	35.1%	26.7%	7.1%	48.3%
Fraternities attract prospective students as necessary campus life offering	29.3%	17	14.3%	37.8%	6.7%	14.3%	48.3%
Fraternities are an important housing option	27.6%	16	19.0%	32.4%	13.3%	14.3%	41.4%
There are no advantages	19.0%	11	33.3%	10.8%	53.3%	14.3%	3.4%
Fraternities support their member's education beyond that of the institution	12.1%	7	9.5%	13.5%	6.7%	7.1%	17.2%
<i>answered question</i>		58	21	37	15	14	29

Institutional Perception of Risk Related to Fraternities

Fifty-six survey respondents rated the risk related to fraternities. This risk was defined as the potential for claims and lawsuits related to sexual assault, bodily injury and discrimination at fraternities. The rating categories were:

- HIGH RISK: Fraternities represent one of the top liability risks to our institution
- MEDIUM RISK: Fraternities represent a significant liability risk, but would not fall into the highest category.
- AVERAGE RISK: Fraternities are a liability risk among many.
- NO UNSUAL RISK: We are not concerned about the liability risk associated with fraternities.

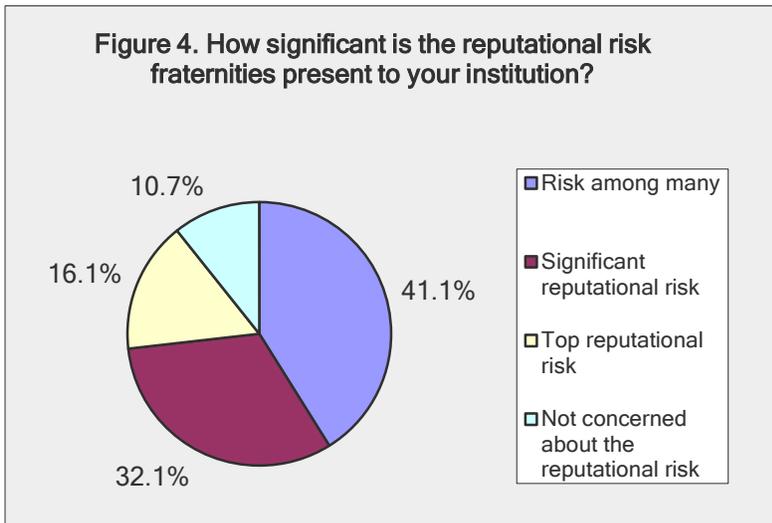
Sixty-four percent of the respondent's judge fraternity risk to be among the institutions' significant or top risks facing the institution.



Respondents judge the reputational risk associated with fraternities to be less significant. Respondents were asked how significant the reputational risk that fraternities present to their institution. Possible issues listed include damage to town-gown relations, adverse press and potential negative impact on admissions from negative fraternity events. Possible ratings were:

- Fraternities represent one of the top reputational risks to our institution
- Fraternities represent a significant reputational risk.
- Fraternities are a reputational risk among many.
- We are not concerned about the reputational risk associated with fraternities

Forty-one percent of the 56 respondents rated reputational risk as a risk among many. Forty-eight percent of the respondents identified the reputational risk as a top or significant risk compared to the sixty-four percent who ranked the liability risk in the highest categories.



Institutional Risk Management Strategies for Fraternities

Every institution had one or more risk management strategies for addressing the risk related to fraternity among the 49 responses except for one institution. More than half the respondents used each of the following:

- Require fraternity programs to address
 - Alcohol
 - Hazing
 - Sexual assault
- Require evidence of insurance with limits of not less than \$1 million per occurrence (or more), with the institution as additional insured

Private institutions set risk management strategies more frequently than public institutions. Smaller institutions were less likely than larger institutions to have risk management strategies than larger institutions. However, smaller institutions were more likely to require fraternities to have insurance and have institutional oversight of fraternity activities.

Table 4. What risk management strategies does your institution apply to fraternities?

Answer Options	Response Percent	Response Count	% Private	% Public	% Under 5,000 Students	% 5 to 15,000 Students	% Over 15,000 Students
Require fraternities to have a risk management program to address alcohol	61.2%	30	69.2%	58.3%	50.0%	64.3%	62.1%
Require fraternities to have a risk management program to address hazing	59.2%	29	69.2%	55.6%	50.0%	57.1%	55.2%
Require evidence of insurance with limits of not less than \$1 million per occurrence (or more), with the institution as additional insured	59.2%	29	84.6%	50.0%	66.7%	57.1%	58.6%
Require fraternities to have a risk management program to address sexual assault	55.1%	27	69.2%	50.0%	50.0%	57.1%	55.2%
Institutional oversight of fraternity activities that may include event registration, inspection of premises, event oversight or assignment of a staff or faculty advisor for each fraternity or other means	46.9%	23	61.5%	41.7%	83.3%	35.7%	44.8%
Empower an institutional employee or unit to manage institution-fraternity relations	42.9%	21	46.2%	36.1%	33.3%	42.9%	37.9%
Require indemnification of the institution for liability claims	38.8%	19	46.2%	36.1%	50.0%	28.6%	41.4%

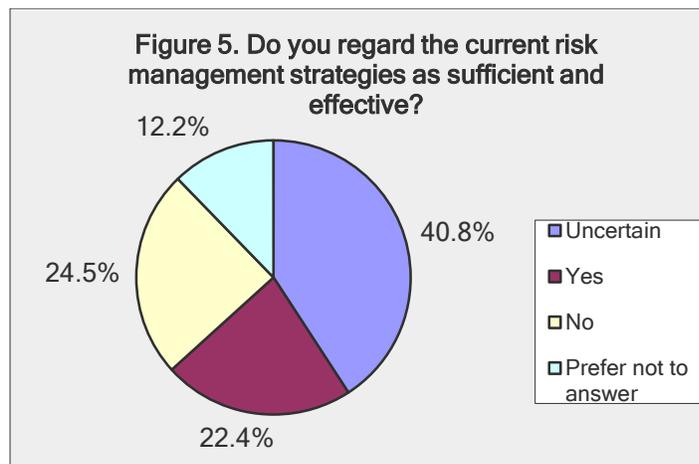
Table 4. What risk management strategies does your institution apply to fraternities?

Require fraternities to report adverse incidents or complaints	38.8%	19	46.2%	36.1%	33.3%	42.9%	37.9%
Require fraternities to have a risk management program to address diversity	30.6%	15	30.8%	30.6%	33.3%	28.6%	31.0%
Require annual risk management training of fraternity leadership by institution risk management and/or legal affairs personnel	22.4%	11	30.8%	19.4%	16.7%	21.4%	24.1%
Don't know	10.2%	5	0.0%	13.9%	0.0%	14.3%	10.3%
Decline to answer	4.1%	2	0.0%	5.6%	0.0%	0.0%	6.9%
No risk management strategies are used	2.0%	1	0.0%	2.8%	0.0%	0.0%	3.4%
	<i>answered question</i>	49	13	36	6	14	29

Respondents were asked to name other risk management strategies they use. Four respondents pointed out that their institutions' choice to have no fraternities is their risk management strategy. Other strategies mentioned were:

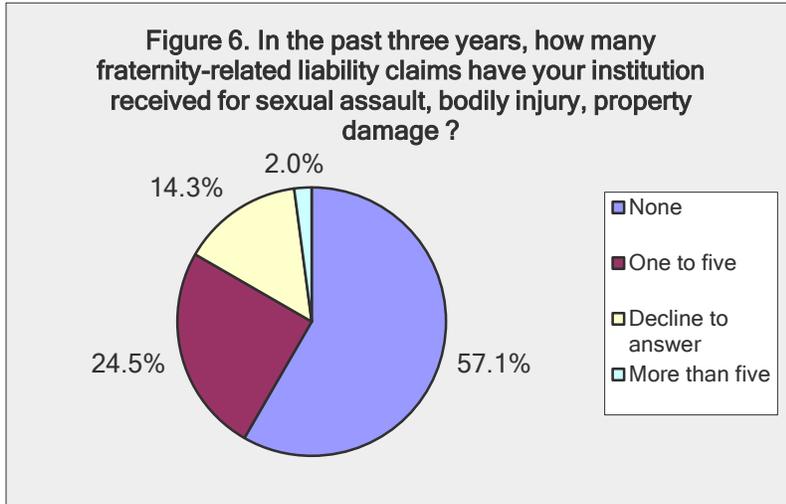
- Rely on national fraternities to establish risk management strategies for the local chapter.
- Have the same risk management strategy for fraternities as for other student organizations.
- Require insurance for specific higher risk events (ex: row-a-thon)
- Require each fraternity to have a Risk Management Plan to address all risks

When asked whether respondents considered their risk management strategies to be effective, 11 of the 49 respondents (22 percent) felt the approaches are. Forty percent of the respondents are uncertain whether their strategies are effective and nearly one-quarter feel they are not.



Liability Claims Related to Fraternities

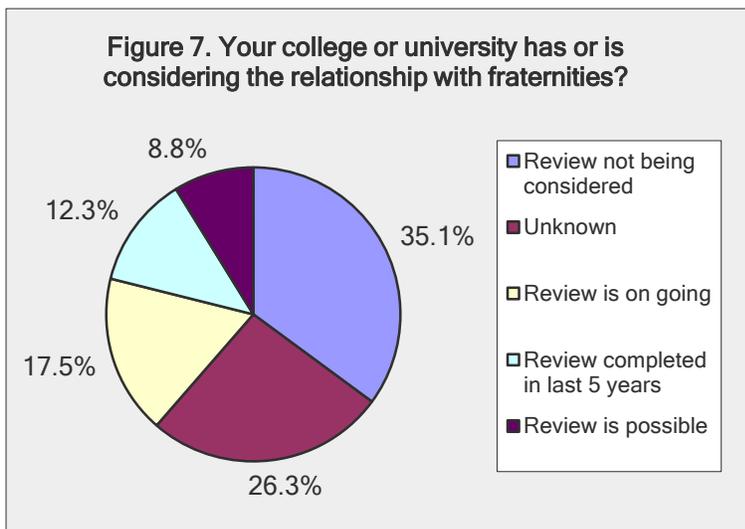
Over a quarter (13 respondents) of the 49 respondents have seen liability claims arising from fraternities in the last three years while nearly 60 percent have seen no claims. For this survey a liability claim did not include administrative or disciplinary complaints.



Respondents who had claims were asked if the potential liability exceeded \$1 million. One respondent indicated a claim did, one declined to answer and 11 said their claims were not of that magnitude.

Institutional Reconsideration of its Relationship with Fraternities

Of the 57 survey respondents, 35 percent are not considering a review of the institutional relationship with fraternities despite the negative news about them nationally. On the other hand, about the same number of institutions (39 percent) have reviewed the relationship recently, are conducting a review now or are discussing a review.



Closing Comments

Fraternalities continue to be an important component of campus life across the country. They do not operate in isolation, but are a part of a broader “Greek Community” that includes sororities. Fraternalities have a long history and culture at many colleges and universities across the country and there is no indication that the university community will be abandoning these organizations.

While this survey and report was limited in scope, there are probably other questions that could be asked, drilling down further into perceived issues and alternative solutions. For example, one question asked in this survey was “Fraternalities attract prospective students as necessary campus life offering.” The larger schools overwhelmingly acknowledged this value compared to the two categories of smaller schools. At these larger schools fraternalities probably own or operate their own separate and independent houses, a phenomenon not often found at smaller schools. It would be interesting to see if there is any correlation between the complaints that have been identified and written about in the media and the presence of separately identified Greek houses.

Overall, this has been an eye opening experience, and it appears that colleges and universities are looking at ways to strengthen not only the risk management initiatives of the institution, but also that of fraternalities and sororities that operate on campus, with the knowledge and consent of the college or university.