



# BETA THETA PI

— MEN OF PRINCIPLE —

May 8, 2018

Dear Brother President,

*cc: Vice President, Treasurer, Chapter Counselor, Financial Advisor, Regional Chief, District Chief, Assistant District Chief (via the Beta Brief)*

A cornerstone of our Beta experience is the safety of our members, new members and guests. We are writing today on behalf of the Board of Trustees to share some timely updates related to the Fraternity's risk management insurance program and fees. From a historical perspective, the 149th General Convention authorized the Board of Trustees to implement the risk management program and apportion fees to the chapters in a fair and equitable manner. The Fraternity's record over much of the past 30 years allowed us to maintain one of the lowest risk management fees in the fraternal industry. In fact, from 1988 to 2016, the risk management fee only increased twice: from its original \$75 to \$120 per year in 2001, and from \$120 to \$138 per year in 2013.

More recently, Beta Theta Pi has experienced increased pressure on premiums driven by serious claims related to injuries arising from hazing, alcohol abuse and unsafe events. These rising premiums resulted in an increase of \$20 per member per year in 2017. Unfortunately, continued incidents and claims have resulted in further increases in the cost of our insurance program, which covers all members, officers and volunteers. Since 2013, Beta's historically low insurance premiums have increased by nearly \$500,000.

**Due to these increasing premiums, and after rigorous negotiations to both maintain robust coverage and contain cost, the Fraternity's risk management fees will be increased an additional \$20 per member per year to reflect an annual fee of \$178 per member for the 2018-2019 academic year. Please start working now to update your budget for the fall term, communicate the new fees to your members, update your fall billing, and ensure that summer recruitment materials reflect the correct fees.**

Since the inception of the risk management program, Beta has prided itself on keeping insurance costs to our members far below the industry average. However, with increases the past two years, what Beta charges its members has now risen beyond the industry average. This recent trend is reversible, so long as we remain steadfast in our commitment to responsible social conduct and willingness to follow risk management procedures — reporting promptly when necessary and taking appropriate remedial measures. **In other words, the best way to reverse our recent trend of increases is to make it every member's personal priority to keep your brothers and guests safe.**

If you have questions regarding this fee increase, please contact Director of Business Operations Dan Fogle [via email](#) or at 800.800.BETA. We look forward to seeing you at the 179th General Convention in Norfolk.

Yours in \_\_\_kai\_\_\_,

Lynn C. Maddox, *Georgia Tech '64*  
General Treasurer

S. Wayne Kay, *Virginia Tech '73*  
General Secretary

Bob Schnese, *Wisconsin '83*  
General Fraternity President