

# Insurance troubles plague student groups: CHMA, Pub, Argosy reeling under costs

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**SACKVILLE (CUP) --** Recent changes in insurance provider policies have left many student organizations across the nation without coverage.

Some groups are in danger of disbanding due to spiraling insurance costs. Others are entirely unable to function, because of a total lack of coverage. On the Mount Allison campus, the futures of CHMA, The Tantrammarsh Pub and the Argosy are all shrouded in doubt.

Mount Allison's administration was contacted by its insurance provider and informed that they would no longer be willing to cover autonomous bodies like CHMA, the Pub, and the Argosy under the university's

policy. Subsequent to this they informed the groups that they would have to find alternative coverage. In all cases this has resulted in severe difficulties.

CHMA radio has been adversely affected by these events. Although they have been able to acquire an insurance policy for \$6,000 per year, this represents 10 per cent of their total budget for the year, placing a significant strain on the bottom-line.

The Tantrammarsh Pub is in considerably larger trouble. This year, Pub manager Jonathan Clark is projecting a loss of \$24,621, with next year's deficit possibly rising to as high as \$36,000. One major reason for this deficit is the insurance issue. This year, the Pub was forced to pay an additional \$6,000 in insurance and this number may conceivably

rise next year to as much as \$17,000.

Argosy Publications Inc. has been rejected by over 17 insurers despite being willing to pay over \$10,000 yearly, a huge sum for a small student run paper. Currently, the Argosy is temporarily covered under the school's policy, while it continues to search for an insurer.

Other schools have also been affected by the rising insurance rates. Late last year, McGill's student government was forced to temporarily close down its University Centre, the Shatner, because of problems with their insurance provider. This sort of difficulty has been repeated at campuses across the country.

Consumer critics have argued that the apparent desire of insurance companies to

cease providing coverage to so-called "liability risks" (clients seen as being high-risk for lawsuit claims) is tied to recent changes in national and international interest rates. Many have argued that the increased ease of borrowing (and lower investment profits reaped by these companies) has limited the extent to which they are now willing to take on risk.

Whatever the reason for the change of policy, however, insurance companies are currently shedding various sorts of insurance policies that are seen as too risky, or drastically increasing premiums to compensate. This has forced clients to seek independent insurance, which is often either prohibitively expensive or impossible.

- Canadian University Press

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