JohnsonLambert LLP
cpas + consultants

Alliance of Nonprofits for Insurance, Risk Retention Group, Inc.

Audited Financial Statements

Years ended December 31, 2023 and 2022
with Report of Independent Auditors

Alliance of Nonprofits for Insurance, Risk Retention Group, Inc.

Audited Financial Statements

Years ended December 31, 2023 and 2022

Contents

Report of Independent Auditors

Audit Committee of the Board of Directors
Alliance of Nonprofits for Insurance, Risk Retention Group, Inc.

Qualified Opinion

We have audited the financial statements of Alliance of Nonprofits for Insurance, Risk Retention Group, Inc. (the Company), which comprise the balance sheets as of December 31, 2023 and 2022, and the related statements of comprehensive income, changes in total equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, except for the effects of the matter discussed in the Basis for Qualified Opinion paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America (GAAP).

Basis for Qualified Opinion

As described more fully in Note 2, the Company prepared these financial statements in accordance with GAAP, modified for certain exceptions to GAAP which are prescribed or permitted by the Vermont Department of Financial Regulation (the Department). The Department requires the Company to account for the $2 million surplus note as described in Note 7 as equity and not as a liability, as would be required by GAAP.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other Information Included in the Annual Report

Management is responsible for the other information included in the Company's annual report (issued and presented separately from the audited financial statements). The other information comprises the information included in that annual report, but does not include the audited financial statements and our auditor's report thereon (incorporated by reference in the annual report). Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Adoption of New Accounting Standard
As discussed in Note 2 to the financial statements, effective January 1, 2023, the Company adopted Financial Accounting Standards Board Accounting Standards Update 2016-13 and subsequent amendments, *Financial Instruments—Credit Losses (Topic 326)*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the disclosures about short-duration insurance contracts, including incurred and cumulative paid losses and allocated loss adjustment expenses, net of reinsurance and average annual percentage payout of incurred losses by age, net of reinsurance, on pages 27 - 33 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Financial Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Johnson Lambert LLP

Raleigh, North Carolina
March 22, 2024

Alliance of Nonprofits for Insurance, Risk Retention Group, Inc.

Balance Sheets

As of December 31, 2023 and 2022

	2023	2022
Assets		
Cash and cash equivalents	$ 17,167,576	$ 13,925,989
Investments in debt securities, at fair value (amortized cost - $176,920,056 and $145,113,629)	167,765,487	131,739,120
Investments in equity securities	487,720	406,902
Premiums receivable (net of allowance for credit loss - $36,057 and $25,816)	38,100,893	32,772,994
Agents balances	36,629,712	28,711,572
Interest receivable	1,163,558	833,634
Reinsurance recoverable	75,504,299	64,153,032
Prepaid reinsurance premium	24,857,077	21,296,844
Deferred acquisition costs	11,990,684	10,178,886
Prepaid expenses and other assets	487,511	-
Total assets	$ 374,154,517	$ 304,018,973
Liabilities and Total Equity		
Liabilities		
Loss and loss adjustment expense reserves	$ 216,489,495	$ 179,970,292
Unearned premium	79,360,158	67,775,755
Reinsurance payable	5,543,790	355,905
Payable to affiliates	4,131,241	1,774,726
Accounts payable and other accrued liabilities	3,586,531	2,382,619
Total liabilities	309,111,215	252,259,297
Total Equity		
Capital contributions	10,000,000	10,000,000
Surplus note	2,000,000	2,000,000
Accumulated earnings	62,198,266	53,134,175
Accumulated other comprehensive loss	(9,154,964)	(13,374,499)
Total equity	65,043,302	51,759,676
Total liabilities and equity	$ 374,154,517	$ 304,018,973

The accompanying notes are an integral part of these financial statements.

Alliance of Nonprofits for Insurance, Risk Retention Group, Inc.

Statements of Comprehensive Income

Years Ended December 31, 2023 and 2022

	2023	2022
Revenues		
Gross written premium	$ 151,900,627	$ 131,566,628
Ceded premium	(47,169,459)	(40,393,652)
Net written premium	104,731,168	91,172,976
Change in unearned premium, net	(8,024,170)	(7,375,329)
Net earned premium	96,706,998	83,797,647
Net investment income	4,432,127	2,704,672
Net investment loss on securities	(387,840)	(388,587)
Other income	575,341	43
Total revenues	101,326,626	86,113,775
Expenses		
Losses and loss adjustment expenses, net	62,952,313	55,339,410
Commission expense, net	13,882,815	11,476,571
Management fee	9,582,721	8,060,585
Other expenses	5,844,686	4,827,059
Total expenses	92,262,535	79,703,625
Net income	9,064,091	6,410,150
Other comprehensive income (loss)		
Net unrealized holding gains (losses) arising during year	3,733,324	(15,043,218)
Reclassification adjustment for net realized losses included in net income	486,211	225,909
Other comprehensive income (loss)	4,219,535	(14,817,309)
Comprehensive income (loss)	$ 13,283,626	$ (8,407,159)

The accompanying notes are an integral part of these financial statements.

Alliance of Nonprofits for Insurance, Risk Retention Group, Inc.

Statements of Changes in Total Equity

Years Ended December 31, 2023 and 2022

	Capital Contributions	Surplus Note	Accumulated Earnings	Accumulated Other Comprehensive Income (Loss)	Total
Balances, January 1, 2022	$ 10,000,000	$ 2,000,000	$ 46,724,025	$ 1,442,810	$ 60,166,835
Net income	-	-	6,410,150	-	6,410,150
Other comprehensive loss (debt securities only)	-	-	-	(14,817,309)	(14,817,309)
Balances, December 31, 2022	10,000,000	2,000,000	53,134,175	(13,374,499)	51,759,676
Net income	-	-	9,064,091	-	9,064,091
Other comprehensive income (debt securities only)	-	-	-	4,219,535	4,219,535
Balances, December 31, 2023	$ 10,000,000	$ 2,000,000	$ 62,198,266	$ (9,154,964)	$ 65,043,302

Alliance of Nonprofits for Insurance, Risk Retention Group, Inc.

Statements of Cash Flows

Years Ended December 31, 2023 and 2022

	2023	2022
Cash flows from operating activities		
Net income	$ 9,064,091	$ 6,410,150
Adj. to reconcile net income to net cash from operating activities		
Net investment loss on securities	387,840	388,587
Amortization of premium of debt securities	(158,515)	410,182
Changes in operating assets and liabilities		
Premium receivable	(5,327,899)	(5,631,685)
Agents balances	(7,918,140)	(15,088,951)
Interest receivable	(329,924)	(194,151)
Reinsurance recoverable	(11,351,267)	(16,223,195)
Prepaid reinsurance premium	(3,560,233)	(3,436,919)
Deferred acquisition costs	(1,811,798)	(1,908,473)
Prepaid expenses and other assets	(487,511)	-
Loss and loss adjustment expense reserves	36,519,203	43,305,634
Unearned premium	11,584,403	10,812,248
Reinsurance payable	5,187,885	(3,842,146)
Payable to affiliates	2,356,515	213,519
Accounts payable and other accrued liabilities	1,203,912	595,729
Net cash from operating activities	35,358,562	15,810,529
Cash flows from investing activities		
Purchase of investments	(59,143,366)	(46,402,923)
Proceeds from sales and maturities of investments	27,026,391	31,635,610
Net cash used in investing activities	(32,116,975)	(14,767,313)
Net change in cash and cash equivalents	3,241,587	1,043,216
Cash and cash equivalents, beginning of year	13,925,989	12,882,773
Cash and cash equivalents, end of year	$ 17,167,576	$ 13,925,989
Supplemental disclosure of cash flow information		
Interest paid	$ 40,000	$ 40,000

The accompanying notes are an integral part of these financial statements.

Note 1 - Organization

Alliance of Nonprofits for Insurance, Risk Retention Group, Inc. (the Company) is a nonprofit organization incorporated in the State of Vermont. The Company operates as a captive insurance company pursuant to authorization under Section 6002, Vermont Statutes Annotated. The Company is subject to the rules, regulation and supervision of the Vermont Department of Financial Regulation (the Department). The Bill & Melinda Gates Foundation and the David and Lucile Packard Foundation provided initial capital contributions of $10 million to the Company and its affiliates, of which $2 million initially was allocated to the Company. The Company commenced its operations on January 1, 2001. In 2003, 2005 and 2015, contributed capital was increased to $4 million, $6 million and $10 million, respectively, after receiving approval from the Department to transfer $2 million, $2 million and $4 million, respectively, of capital in each of those years from National Alliance of Nonprofits for Insurance, Inc. (NANI), to the Company.

The Company is a member of the Nonprofits Insurance Alliance (NIA), which consists of nonprofit companies whose primary activities serve 501(c)(3) tax-exempt nonprofit organizations by providing a source of liability insurance coverage tailored to the specialized needs of the nonprofit sector, and assisting these organizations to develop and implement successful loss control and risk management programs. NIA includes the Company, Nonprofits Insurance Alliance of California, Inc. (NIAC), NANI, Alliance Member Services, Inc. (AMS) and AMS Insurance Services, Inc. (AMSIS).

Organizations which meet all of the following requirements may become members of the Company: (1) they are nonprofit organizations that have received and maintain current and unrevoked determinations of tax-exempt status under Section 501(c)(3) of the Internal Revenue Code; (2) they have requested a policy through the Company; their applications for such policies have been accepted by the Company; and they have paid the premium due for such policies; and (3) they have paid any required surplus contribution to the Company. Because the Company is nonassessable, the member insureds of the Company are not liable for the Company’s liabilities should they exceed the Company’s assets.

The Company provides commercial general liability, social service professional liability, business auto liability, employer's non owned and hired automobile liability, improper sexual conduct and physical abuse liability, directors’ and officers' (D&O) liability, and umbrella liability coverage to its members. Coverage is provided on an occurrence basis for all except improper sexual conduct and physical abuse liability and D&O liability. Typical limits are $1 million per occurrence and an annual aggregate of $3 million is available. D&O liability and improper sexual conduct and physical abuse liability are provided on an event trigger coverage form with typical limits available up to $1 million. Defense is included in the limits of the improper sexual conduct and physical abuse coverage. Employee benefits liability is provided on a claims-made form. Employment practices liability is available on the D&O liability coverage form. The Company also offers umbrella coverage for general liability, D&O and improper sexual conduct and physical abuse policies up to $10 million. The Company reinsures part of the coverages as described in Note 5.

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation
The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with practices prescribed or permitted by the Captive Insurance Division of the Department. Such accounting practices are equivalent to accounting principles generally accepted in the United States of America (GAAP). However, the Department requires the Company to account for the surplus note as described in Note 7 as equity and not as a liability, as would be required by GAAP.

Adoption of Accounting Standard
The Company adopted Accounting Standards Update (ASU) 2016-13 and subsequent amendments, *Financial Instruments – Credit Losses (Topic 326)* (the guidance) on January 1, 2023. The guidance replaces the incurred loss impairment model with an expected loss model, also referred to as the current expected credit loss (CECL) model. The model requires companies to measure expected credit losses on financial assets measured at amortized cost and record an allowance for credit loss against those assets. The guidance also amends the impairment model for available for sale debt securities. Companies are required to measure expected credit losses and record an allowance for credit loss in lieu of a writedown when management does not intend to sell and does not believe that it is more likely than not, they will be required to sell available for sale debt securities before recovery. There was no impact to the Company from adopting the credit loss standard as of January 1, 2023.

Financial Statement Estimates
The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ materially from those estimates.

Credit Losses
The Company measures expected credit losses on financial assets held at amortized cost and available for sale debt securities, and records an allowance for credit loss when management determines a credit loss exists. Allowances for credit losses are recorded as contra-assets that reduce the corresponding financial assets on the balance sheets, with the offset recorded as credit loss income (expense) in the statements of comprehensive income. As the estimate of expected credit losses changes with subsequent evaluations, those increases and decreases are recognized in current operations. The Company writes off uncollectible amounts against the allowance for credit losses when it determines that a financial asset is partially or fully uncollectible. Credit losses are included within the other expenses line item on the statements of comprehensive income.

Note 2 - Summary of Significant Accounting Policies (Continued)

Prior to the adoption of the credit loss standard on January 1, 2023, financial assets reported at amortized cost were reviewed for impairment using an incurred loss model. Similarly, prior to January 1, 2023, management made a determination as to whether debt securities were other-than-temporarily impaired. Factors considered in identifying other-than-temporary impairment (OTTI) for debt securities included: (1) whether the Company intends to sell the investment or whether it is more likely than not that the Company will be required to sell the security prior to an anticipated recovery in value; (2) the likelihood of the recoverability of principal and interest for debt securities (i.e., whether there is a credit loss); (3) the length of time and extent to which the fair value has been less than amortized cost; and (4) the financial condition, near-term and long-term prospects for the issuer, including the relevant industry conditions and trends, and implications of rating agency actions and offering prices.

Investments

Investments in debt securities are classified as available for sale and are reported at fair value, with unrealized gains and losses reported as a component of other comprehensive income. Estimated fair values of debt securities are generally based on average bid prices, or the average bid prices of similar issues with the same life and expected yields.

Equity securities are reported at fair value with changes in fair value recognized in net income. Estimated fair values of equity securities are based on quoted market prices for identical assets in active markets.

Realized investment gains and losses are recognized based upon the specific identification of investments sold. Debt securities are considered impaired when the fair value of the security is less than its cost or amortized cost.

The Company evaluates debt securities in an unrealized loss position for expected credit losses on an individual security basis. When the Company intends to sell a security, or when it is more likely than not that it will be required to sell a security before recovery, the Company writes down the amortized cost of the security to its fair value with a charge to income. For securities that do not meet the criteria above, management evaluates whether the decline in fair value is due to credit factors or non-credit factors. In making this assessment, management considers the extent to which fair value is less than amortized cost, individual security ratings and changes made to those ratings by rating agencies, and adverse conditions specifically related to the security, among other factors. If this assessment indicates that a credit loss exists, management calculates and records the expected credit loss using a discounted cash flow analysis.

After recording the expected credit loss, any remaining difference between the fair value and amortized cost of the security is recorded as a non-credit loss through other comprehensive income. Changes in the allowance for credit losses are recorded as credit loss income (expense). There was no allowance for credit loss on debt securities as of December 31, 2023.

Note 2 - Summary of Significant Accounting Policies (Continued)

The Company elected not to measure the credit loss allowance for accrued interest receivable on debt securities and writes off accrued interest as credit loss expense when it is greater than 90-days past due. For the year ended December 31, 2023, no accrued interest was written off to credit loss expense. Accrued interest receivable on debt securities in the amount of $1,163,557 as of December 31, 2023, was excluded from the estimate of credit losses.

The Company invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, liquidity, and credit risk. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities may occur in the near term and those changes could materially affect the amounts reported on the balance sheets.

Cash and Cash Equivalents
Cash and cash equivalents include cash on deposit and money market mutual funds, and any securities with original maturities within three months of the acquisition date. The Company maintains certain cash and cash equivalent balances that exceed Federal Deposit Insurance Corporation insurance thresholds, which management does not consider to be a significant risk.

Premium Receivable and Agents Balances
The Company includes in premium receivable the unpaid balance of premiums due from policyholders that are payable in full on the effective date of the insurance policy or in installments under the Company’s installment payment plan. Premiums receivable are reported net of an allowance for credit losses. The Company measures expected credit losses on premiums receivable on a collective basis through review of aging schedules, or on an individual basis when more relevant. An expected credit loss is calculated based on the Company's ongoing review of amounts outstanding, historical loss data including delinquencies and write offs, and is then adjusted for current conditions, and reasonable and supportable forecasts. Credit risk is partially mitigated by the Company’s ability to cancel the policy if the policyholder does not pay the premium. During both 2023 and 2022, the Company wrote off $24,000 of premium receivable.

AMS collects premium on behalf of the Company and remits it to the Company. Agents balances include premium collected by AMS on behalf of the Company and not yet remitted.

Note 2 - Summary of Significant Accounting Policies (Continued)

Reinsurance
Reinsurance recoverable (including amounts related to claims incurred but not reported) and prepaid reinsurance premiums are reported as assets. Reinsurance recoverable on unpaid losses and loss adjustment expenses is estimated in a manner consistent with the gross liabilities relating to the underlying insured contracts, as discussed below. The Company measures expected credit losses on reinsurance recoverables on a collective basis based on A.M. Best credit ratings, or on an individual basis when more relevant. Management first considers the impact of any collateral or credit enhancements related to specific reinsurance recoverables. An expected credit loss is calculated by applying a historical default rate to the receivable, adjusted for current conditions, and reasonable and supportable forecasts. Changes in the allowance for credit loss on reinsurance recoverables are recorded as credit loss income (expense) on the statements of comprehensive income. There was no allowance for credit loss on reinsurance recoverables as of December 31, 2023.

Reinsurance payable represents ceded premium unpaid. Ceding commissions are recorded based on ceded written premium, and are deferred and recognized over the policy term, as discussed in the following paragraph. Ceding commissions are reported as an offset to commission expense.

Deferred Acquisition Costs
Policy acquisition costs are deferred and amortized over the period of premium recognition. Deferred acquisition costs include commissions (net of ceding commissions), premium taxes and departmental cost associated with successful policy issuance. Amortization of acquisition costs was $21,265,999 and $18,098,587 for 2023 and 2022, respectively. Anticipated investment income is considered in determining if a premium deficiency exists. No premium deficiency reserve has been recorded as of December 31, 2023 or 2022.

High Deductible Policies
Policies may be underwritten with deductibles ranging from $25,000 to $250,000. The Company has 12 and 16 policies in force with high deductibles of $100,000 or more as of December 31, 2023 and 2022, which may be unsecured or may require the policyholder to provide collateral to secure obligations up to the estimated policyholder liabilities.

Note 2 - Summary of Significant Accounting Policies (Continued)

Liability for Losses and Loss Adjustment Expenses
The liability for losses and loss adjustment expenses (LAE) consists of estimated costs of each unpaid claim reported prior to the close of the accounting period, as well as those incurred but not yet reported. Management believes that the reserves for losses and LAE at December 31, 2023 and 2022 are appropriately established in the aggregate and are adequate to cover the ultimate cost of reported and unreported claims attaching by that date, based upon an actuarial analysis prepared by a consulting actuary.

The establishment of appropriate reserves is an inherently uncertain process. Reserves are based on management's best estimates and, accordingly, the subsequent development of these reserves may not conform to the assumptions used in the determination. The ultimate liability could be significantly in excess or less than the amount indicated in the financial statements and the ultimate net cost to settle all claims may vary from these estimates. Reserves are regularly reviewed and updated using the most current information available. Any resulting adjustments are reflected in current operations.

Revenue Recognition
Premiums are recognized as earned on a pro rata basis over the terms of the policies, usually twelve months. Unearned premium reserves are established to cover the unexpired portion of premium written.

Policyholder Dividend
The Company accrues for policyholder dividends on the date that they are declared by the Board of Directors, based on the estimated ultimate payout. Changes in the estimated ultimate payout are recognized in current operations.

Income Taxes
The Company is tax-exempt for federal tax purposes under Section 501(c)(3) of the Internal Revenue Code. With the exception of premium taxes, the Company is not subject to any state taxes. During the years ended December 31, 2023 and 2022, the Company did not have any income subject to taxation as unrelated business income. Management concluded that the Company has properly maintained its exempt status and that no uncertain tax positions exist as of December 31, 2023.

Subsequent Events
The Company evaluated subsequent events through March 22, 2024, the date on which these financial statements were available to be issued, and considered any relevant matters in the preparation of the financial statements and note disclosures.

Note 3 - Investments

Investments in debt securities, carried in the accompanying balance sheets at estimated fair value, consist of the following as of December 31, 2023 and 2022:

2023	Amortized Cost	Unrealized Gains	Unrealized Losses	Estimated Fair Value
U.S. government and agency obligations	$ 28,602,700	$ 5,344	$ 1,490,237	$ 27,117,807
Municipal obligations	23,282,232	23,393	1,142,563	22,163,062
Corporate obligations	72,335,279	388,940	4,166,916	68,557,303
Residential mortgage-backed securities	46,076,101	106,006	2,589,090	43,593,017
Commercial mortgage-backed securities	2,047,577	-	209,801	1,837,776
Automobile asset-backed securities	4,576,167	20,227	99,872	4,496,522
Total debt securities	$ 176,920,056	$ 543,910	$ 9,698,479	$ 167,765,487

2022	Amortized Cost	Unrealized Gains	Unrealized Losses	Estimated Fair Value
U.S. government and agency obligations	$ 22,532,873	$ -	$ 1,842,252	$ 20,690,621
Municipal obligations	19,554,465	3,862	1,720,218	17,838,109
Corporate obligations	62,735,643	19,017	6,352,293	56,402,367
Foreign government and agency obligations	64,992	-	619	64,373
Residential mortgage-backed securities	32,739,458	32,639	3,027,035	29,745,062
Commercial mortgage-backed securities	2,112,290	-	240,351	1,871,939
Automobile asset-backed securities	5,373,908	-	247,259	5,126,649
Total debt securities	$ 145,113,629	$ 55,518	$ 13,430,027	$ 131,739,120

The amortized cost and estimated fair value of investments in debt securities at December 31, 2023, by contractual maturity, are shown below. Actual maturities may differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or repayment penalties.

	Amortized Cost	Estimated Fair Value
Due in 1 year or less	$ 8,669,914	$ 8,560,144
Due after 1 year through 5 years	66,900,453	63,992,697
Due after 5 years through 10 years	42,854,367	39,489,461
Due after 10 years	5,795,477	5,795,870
Residential mortgage-backed securities	46,076,101	43,593,017
Commercial mortgage-backed securities	2,047,577	1,837,776
Automobile asset-backed securities	4,576,167	4,496,522
	$ 176,920,056	$ 167,765,487

Note 3 - Investments (Continued)

Residential mortgage-backed securities consist of issues of the Federal National Mortgage Association (Fannie Mae) and the Federal Home Loan Mortgage Corporation (Freddie Mac) and the Government National Mortgage Association (Ginnie Mae).

At December 31, 2023 and 2022, unrealized losses on debt securities were as follows:

	Less Than 12 Months		12 Months or Greater		Total	
2023	Unrealized Losses	Estimated Fair Value	Unrealized Losses	Estimated Fair Value	Unrealized Losses	Estimated Fair Value
U.S. government and agency obligations	$ 135,545	$ 9,012,845	$ 1,354,692	$ 16,508,505	$ 1,490,237	$ 25,521,350
Municipal obligations	27,503	5,039,345	1,115,060	15,454,814	1,142,563	20,494,159
Corporate obligations	12,918	3,880,052	4,153,998	50,772,907	4,166,916	54,652,959
Residential mortgage-backed securities	66,307	6,025,341	2,522,783	26,685,287	2,589,090	32,710,628
Commercial mortgage-backed securities	3,643	269,996	206,158	1,567,780	209,801	1,837,776
Automobile asset-backed securities	824	235,160	99,048	1,873,182	99,872	2,108,342
	$ 246,740	$ 24,462,739	$ 9,451,739	$ 112,862,475	$ 9,698,479	$ 137,325,214

	Less Than 12 Months		12 Months or Greater		Total	
2022	Unrealized Losses	Estimated Fair Value	Unrealized Losses	Estimated Fair Value	Unrealized Losses	Estimated Fair Value
U.S. government and agency obligations	$ 1,039,904	$ 13,639,219	$ 802,348	$ 7,051,402	$ 1,842,252	$ 20,690,621
Municipal obligations	872,936	9,961,455	847,282	7,166,914	1,720,218	17,128,369
Corporate obligations	2,509,566	28,909,428	3,842,727	25,206,819	6,352,293	54,116,247
Foreign government and agency obligations	619	64,373	-	-	619	64,373
Residential mortgage-backed securities	1,635,985	20,102,436	1,391,050	7,892,595	3,027,035	27,995,031
Commercial mortgage-backed securities	93,360	813,934	146,991	1,058,005	240,351	1,871,939
Automobile asset-backed securities	8,237	380,752	239,022	4,745,897	247,259	5,126,649
	$ 6,160,607	$ 73,871,597	$ 7,269,420	$ 53,121,632	$ 13,430,027	$ 126,993,229

Note 3 - Investments (Continued)

As of December 31, 2023 and 2022, 573 and 614 securities, respectively, were in an unrealized loss position. The Company determined that no specific allowance for credit loss is needed for these securities and believes that the decline in value of these securities is due to interest rate changes and other market conditions. These securities carry investment grade ratings and the issuers continue to make timely principal and interest payments.

Current accounting guidance establishes a three-level hierarchy, which prioritizes the inputs to valuation techniques used to measure fair value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets (Level 1), the next priority to quoted prices for identical assets in inactive markets or similar assets in active markets (Level 2) and the lowest priority to unobservable inputs (Level 3).

The following table presents the Company’s investment securities within the fair value hierarchy, indicating the objectivity and reliability of the inputs used to value those securities at December 31:

2023	Estimated Fair Value	Level 1	Level 2	Level 3
Debt securities:				
U.S. government and agency obligations	$ 27,117,807	$ 27,117,807	$ -	$ -
Municipal obligations	22,163,062	-	22,163,062	-
Corporate obligations	68,557,303	-	68,557,303	-
Residential mortgage-backed securities	43,593,017	-	43,593,017	-
Commercial mortgage-backed securities	1,837,776	-	1,837,776	-
Automobile asset-backed securities	4,496,522	-	4,496,522	-
Total debt securities	167,765,487	27,117,807	140,647,680	-
Equity securities	487,720	378,020	-	109,700
Total investments	$168,253,207	$ 27,495,827	$140,647,680	$ 109,700

Note 3 - Investments (Continued)

2022	Estimated Fair Value	Level 1	Level 2	Level 3
Debt securities:				
U.S. government and agency obligations	$ 20,690,621	$ 20,690,621	$ -	$ -
Municipal obligations	17,838,109	-	17,838,109	-
Corporate obligations	56,402,367	-	56,402,367	-
Foreign government and agency obligations	64,373	-	64,373	-
Residential mortgage-backed securities	29,745,062	-	29,745,062	-
Commercial mortgage-backed securities	1,871,939	-	1,871,939	-
Automobile asset-backed securities	5,126,649	-	5,126,649	-
Total debt securities	131,739,120	20,690,621	111,048,499	-
Equity securities	406,902	308,602	-	98,300
Total investments	$132,146,022	$ 20,999,223	$111,048,499	$ 98,300

The components of net investment loss on securities for the years ended December 31, 2023 and 2022 are as follows:

	2023	2022
Investment (losses) gains:		
Equity securities		
Unrealized gain (loss) on equity securities held as of December 31	$ 49,299	$ (81,339)
Total	49,299	(81,339)
Debt securities		
Gross realized gains	22,935	121,340
Gross realized losses	(460,074)	(428,588)
Total	(437,139)	(307,248)
Total net investment loss on securities	$ (387,840)	$ (388,587)

Note 4 - Loss and Loss Adjustment Expense Reserves

Activity in the loss and LAE reserves for 2023 and 2022 is summarized as follows:

	2023	2022
Gross loss and LAE reserves, January 1	$ 179,970,292	$ 136,664,658
Reinsurance recoverable on unpaid loss and LAE	(63,515,776)	(47,013,980)
Net loss and LAE reserves	116,454,516	89,650,678
Incurred related to:		
Current year	59,352,766	53,326,972
Prior years	3,599,547	2,012,438
Total incurred	62,952,313	55,339,410
Paid related to:		
Current year	5,805,184	5,467,706
Prior years	33,888,842	23,067,866
Total paid	39,694,026	28,535,572
Net loss and LAE reserves, December 31	139,712,803	116,454,516
Reinsurance recoverable on unpaid loss and LAE	76,776,692	63,515,776
Gross loss and LAE reserves, December 31	$ 216,489,495	$ 179,970,292

As a result of changes in estimates of insured events in prior years, the loss and LAE reserves related to prior accident years increased by a net $3,599,547 and $2,012,438 for the years ended December 31, 2023 and 2022, respectively. Driving the 2023 development changes are unfavorable development in the AL, GL and D&O lines which was offset partially by favorable development in the ISC and SSP lines. In 2022 the reserve development is considered de minimis. As of December 31, 2023 and 2022, the amounts billed and recoverable for deductible policies were $934,221 and $524,571, respectively. These amounts are reported as offsets to losses and LAE incurred in the statements of comprehensive income.

Note 4 - Loss and Loss Adjustment Expense Reserves (Continued)

The reconciliation of the net incurred and paid losses development tables to the liability for losses and LAE on the balance sheet as of December 31, 2023 is as follows:

Net outstanding liabilities	
Auto Liability	$ 26,016,106
Directors & Officers	11,871,274
General Liability	43,517,675
Improper Sexual Conduct and Physical Abuse	32,614,808
Social Services Professional	16,485,706
Umbrella	1,907,622
Liabilities for unpaid losses and LAE, net of reinsurance	132,413,191
Reinsurance recoverable	
Auto Physical Damage	7,632,922
Directors & Officers	1,136,097
General Liability	10,462,156
Improper Sexual Conduct and Physical Abuse	11,684,402
Social Services Professional	2,737,997
Umbrella	43,123,118
Total reinsurance recoverable on unpaid losses and LAE	76,776,692
Unallocated LAE	7,299,612
Total gross liability for unpaid losses and LAE	$ 216,489,495

The following is information about incurred and cumulative paid losses and LAE, net of reinsurance, and total incurred-but-not-reported (IBNR) liabilities plus expected development on reported claims, net of reinsurance and the cumulative number of reported claims as of December 31, 2023, by category:

Note 4 - Loss and Loss Adjustment Expense Reserves (Continued)

Auto Liability

Accident Year	Incurred	Cumulative Paid	Total IBNR Plus Expected Development on Reported Claims	Cumulative Number of Reported Claims
2014	$ 4,428,009	$ 4,428,001	$ -	859
2015	5,119,060	5,119,021	-	952
2016	4,093,764	4,055,806	-	694
2017	3,740,858	3,740,848	-	634
2018	6,761,316	6,696,529	57,831	548
2019	8,737,761	7,882,919	105,213	700
2020	5,992,426	5,638,897	118,980	623
2021	11,496,548	7,161,084	163,112	925
2022	15,239,421	7,202,485	812,483	1,151
2023	15,222,891	2,890,358	6,169,051	1,203
Total	$ 80,832,054	$ 54,815,948	$ 7,426,670	

Directors & Officers

Accident Year	Incurred	Cumulative Paid	Total IBNR Plus Expected Development on Reported Claims	Cumulative Number of Reported Claims
2014	$ 2,074,243	$ 2,074,219	$ 24	108
2015	2,165,274	2,165,265	2	100
2016	2,017,819	2,017,826	-	85
2017	2,904,881	2,577,388	3,254	117
2018	2,437,313	2,251,149	55,364	100
2019	2,777,413	2,309,252	62,865	112
2020	4,327,024	2,415,293	139,472	135
2021	5,306,173	4,318,038	375,519	143
2022	5,487,445	2,306,349	2,157,084	138
2023	5,879,666	1,071,198	3,474,652	115
Total	$ 35,377,251	$ 23,505,977	$ 6,268,236	

Note 4 - Loss and Loss Adjustment Expense Reserves (Continued)

General Liability

Accident Year	Incurred	Cumulative Paid	Total IBNR Plus Expected Development on Reported Claims	Cumulative Number of Reported Claims
2014	$ 3,296,573	$ 3,296,549	$ -	576
2015	7,918,019	7,899,310	835	654
2016	7,770,469	7,383,633	25,276	528
2017	6,857,258	6,596,824	120,707	485
2018	7,607,828	6,561,525	390,754	559
2019	7,316,513	5,366,349	299,730	643
2020	11,645,999	6,792,183	596,408	506
2021	12,723,876	7,055,207	694,096	692
2022	16,259,338	3,799,744	4,311,943	745
2023	18,030,736	1,157,610	8,054,153	664
Total	$ 99,426,609	$ 55,908,934	$ 14,493,902	

Improper Sexual Conduct and Physical Abuse

Accident Year	Incurred	Cumulative Paid	Total IBNR Plus Expected Development on Reported Claims	Cumulative Number of Reported Claims
2014	$ 1,233,116	$ 921,793	$ -	36
2015	4,970,933	4,930,935	-	74
2016	3,172,364	2,528,719	40,555	65
2017	2,443,468	1,436,700	61,181	48
2018	3,816,736	2,776,701	93,962	81
2019	3,364,345	1,465,756	438,787	61
2020	3,768,690	1,435,175	1,484,958	77
2021	8,055,812	1,493,987	2,915,185	173
2022	7,082,148	602,036	3,747,949	183
2023	12,153,765	184,457	9,819,773	116
Total	$ 50,061,377	$ 17,776,259	$ 18,602,350	

Note 4 - Loss and Loss Adjustment Expense Reserves (Continued)

Social Services Professional

Accident Year	Incurred	Cumulative Paid	Total IBNR Plus Expected Development on Reported Claims	Cumulative Number of Reported Claims
2014	$ 2,744,252	$ 2,713,918	$ -	74
2015	1,059,661	1,059,674	-	51
2016	1,981,421	1,937,439	43,967	47
2017	1,051,920	914,074	414	51
2018	2,494,769	1,235,586	91,621	88
2019	2,547,625	1,737,660	300,651	70
2020	4,117,060	1,307,549	562,385	80
2021	2,488,558	624,165	197,754	147
2022	5,908,530	1,511,525	1,402,384	182
2023	4,986,313	91,849	4,257,472	77
Total	$ 29,380,109	$ 13,133,439	$ 6,856,648	

Umbrella

Accident Year	Incurred	Cumulative Paid	Total IBNR Plus Expected Development on Reported Claims	Cumulative Number of Reported Claims
2014	$ 62,063	$ 61,313	$ -	2
2015	279,476	265,866	-	6
2016	323,615	323,607	7	6
2017	245,389	156,618	51,271	4
2018	182,303	168,282	14,021	2
2019	323,600	67,500	231,069	3
2020	131,774	-	131,774	1
2021	483,322	217,874	261,698	3
2022	447,574	168,491	246,985	5
2023	858,057	-	858,057	1
Total	$ 3,337,173	$ 1,429,551	$ 1,794,882	

Note 4 - Loss and Loss Adjustment Expense Reserves (Continued)

Methodology for Determining Losses and LAE Reserves
Loss reserves are management's best estimate of ultimate losses and are based on the analysis performed by consulting actuaries. They analyze each portion of our business in a variety of ways and use multiple actuarial methodologies in performing these analyses, including: Bornhuetter-Ferguson (paid and reported) method, Cape Cod (paid and reported) method, initial expected loss method, paid loss development method, reported loss development method, and case reserve development method. The selected ultimate losses are within the consulting actuaries' range of reasonable levels.

Methodology for Determining Incurred But Not Reported Reserves
Using generally accepted actuarial reserving techniques, we project our estimate of ultimate losses and LAE at each reporting date. Our IBNR reserve is the difference between the projected ultimate losses and LAE incurred and the sum of case losses and loss expense reserves and inception-to-date paid losses and LAE.

Significant Changes in Methodologies and Assumptions
There were no significant changes in methodologies or assumptions from the prior year.

Methodology for Determining Cumulative Number of Reported Claims
Reported claim counts represent claim events on a specified policy rather than individual claimants and include claims that did not or are not expected to result in an incurred loss.

Note 5 - Reinsurance

In the normal course of business, the Company uses excess of loss (per risk) and quota share reinsurance contracts to limit its exposure to unanticipated loss severity and frequency. For policy years prior to 2008, the Company's reinsurance structure varied, with retention on liability lines ranging from $25,000 to $250,000, and was placed with NANI, rated "A" by A.M. Best.

Beginning January 1, 2008, the Company purchased excess of loss reinsurance coverage, for $750,000 excess of Company retention of $250,000 per occurrence. Beginning January 1, 2010, the Company changed its coverage to $650,000 excess of Company retention of $350,000 per occurrence. These coverages were placed with the Company's third-party reinsurer. Beginning January 1, 2013 the Company changed its excess of loss reinsurance coverage to $550,000 in excess of Company retention of $450,000 per occurrence. The Company also maintains an aggregate reinsurance cover of $3 million in excess of $1 million. The aggregate treaty provides for clash coverage on all liability lines except umbrella. Beginning January 1, 2013 the Company diversified risk by placing these coverages with various reinsurers.

Note 5 - Reinsurance (Continued)

The Company offers umbrella coverage with a maximum limit of $10 million. Beginning January 1, 2013, umbrella policies are ceded 92.5 - 100% on a quota share treaty basis based on underlying coverage limits. Beginning January 1, 2013 the Company diversified its risk by placing these coverages with various reinsurers. Umbrella policies were previously ceded 95% on a quota share treaty basis to the Company's third-party reinsurer.

Management monitors the credit quality of its reinsurance recoverables on an annual basis through review of A.M. Best credit ratings and credit rating changes. As of December 31, 2023, 100% of the Company's reinsurance paid and unpaid was due from reinsurers rated A or better by A.M. Best. Risks reinsured would become an expense of the Company in the event the reinsurers are unable to or will not fulfill the obligations assumed under the agreements. As of December 31, 2023 and 2022, the Company concluded that no allowance for credit losses was necessary.

The effects of reinsurance ceded on premiums earned and losses, which are stated net of reinsurance on the statements of comprehensive income, are quantified in the table below:

	2023	2022
Premium earned	$ 43,609,226	$ 36,956,733
Loss and loss adjustment expenses	26,419,807	21,538,598

For the years ended December 31, 2023 and 2022, the Company received ceding commissions of $6,881,440 and $6,207,428, respectively, which are recorded as a reduction to commission expense. The maximum amount of return commission that would have been due to reinsurers if all reinsurance had been cancelled with the return of unearned premium reserves at December 31, 2023 and 2022 was $3,637,458 and $3,209,290, respectively.

Note 6 - Related Party Transactions

The Company has a management agreement with affiliate AMS. Based on the agreement, AMS is responsible for the Company's overall operations, including policy services, claims management, member services, reinsurance negotiations, marketing, accounting and financial management, and general and administration management. The fees charged to the affiliated companies by AMS are determined only to recover the net expenses incurred by AMS. The management and administrative fees for the services provided by AMS were $12,136,576 and $9,689,509 for the years ended December 31, 2023 and 2022, respectively. As of December 31, 2023 and 2022, the Company had a payable to AMS of $4,127,299 and $1,770,286, respectively, for these fees which is included in payable to affiliates on the balance sheets.

Note 7 - Surplus Note

The Company has a surplus note loan agreement with a bank to borrow up to $2 million. The principal balance matures on October 15, 2024 and is payable to the bank with any unpaid interest. Interest is provided on the unpaid balance at an annual rate of 2%, payable in quarterly installments. Any payment of principal or interest is subject to prior written approval of the Insurance Commissioner of the State of Vermont and is subordinated to the prior payment of, or provision for, all general liabilities of the Company and the claims of policyholders and creditors of the Company.

At December 31, 2023 and 2022, the principal outstanding under the surplus note was $2 million. After receiving prior written approval from the Insurance Commissioner, the Company paid total accrued interest of $40,000 in both 2023 and 2022.

Note 8 - Capital and Surplus

The Company is required by the Department to maintain capital and surplus at a minimum of $1 million. The Company’s ability to pay policyholder dividends is restricted and subject to regulatory approval. At December 31, 2023 and 2022, the Company’s reported capital was in excess of the minimum regulatory requirement.

The Company is subject to a risk based capital (RBC) requirement by its regulators. Under the requirement, an RBC ratio is calculated by applying factors to various assets, liabilities and premium amounts. The capital requirements are higher for items with greater underlying risk and correspondingly lower as the risk level decreases. The adequacy of the Company's capital and surplus is measured against the RBC as determined by a formula. At December 31, 2023 and 2022, the Company's RBC ratio was in excess of all action levels.

Note 9 - Dividends

In December 2007, the Board of Directors adopted a policyholder dividend plan effective January 1, 2008. This plan is designed to reward members for length of continuous coverage as well as for favorable claims experience of the Company as a whole. The Board of Directors retains the sole authority to declare a policyholder dividend. In any year that a policyholder dividend is declared, members who qualify will be entitled to receive a policyholder dividend upon renewal of their policy beginning June 1 through May 31. No policyholder dividends were declared for the 2023-2024 policy year or the 2022-2023 policy year.

Note 10 - Contingencies

In the normal course of business, lawsuits may arise against the Company. Contingent liabilities arising from litigation and other matters are not considered material in relation to the financial position of the Company.

Required Supplemental Information (Unaudited)

Alliance of Nonprofits for Insurance, Risk Retention Group, Inc.

Incurred and Cumulative Paid Losses and Allocated Loss Adjustment Expenses, Net of Reinsurance

The following is information about incurred and paid claims development, net of reinsurance and by category for years ended December 31:

Auto Liability

Accident Year	Incurred Losses and Allocated Loss Adjustment Expenses, Net of Reinsurance									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
2014	$ 5,276,192	$ 5,276,192	$ 4,907,222	$ 4,678,223	$ 4,545,409	$ 4,445,404	$ 4,402,284	$ 4,422,298	$ 4,428,001	$ 4,428,009
2015		5,879,742	5,879,742	5,629,747	5,458,526	5,298,569	5,128,552	5,118,989	5,119,062	5,119,060
2016			6,370,846	5,835,837	3,956,933	4,381,939	4,331,963	4,136,782	4,127,176	4,093,764
2017				5,155,768	5,300,896	5,134,797	4,642,003	4,034,388	3,878,461	3,740,858
2018					6,445,742	6,445,742	6,545,746	6,899,614	6,719,514	6,761,316
2019						6,689,633	7,342,743	9,272,198	8,929,652	8,737,761
2020							7,867,060	6,821,543	7,418,194	5,992,426
2021								9,459,003	9,543,933	11,496,548
2022									11,905,157	15,239,421
2023										15,222,891
Total										$ 80,832,054

Accident Year	Cumulative Paid Losses and Allocated Loss Adjustment Expenses, Net of Reinsurance									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
2014	$ 1,424,599	$ 2,906,440	$ 4,043,155	$ 4,326,000	$ 4,400,161	$ 4,400,161	$ 4,402,311	$ 4,402,311	$ 4,428,001	$ 4,428,001
2015		1,296,700	2,680,617	4,085,851	5,026,873	5,116,357	5,119,021	5,119,021	5,119,021	5,119,021
2016			1,170,518	2,231,139	2,739,761	3,075,037	3,567,575	3,688,494	3,733,861	4,055,806
2017				1,095,374	1,847,323	3,240,273	3,502,637	3,598,967	3,745,636	3,740,848
2018					1,249,727	2,614,034	4,242,427	4,973,487	6,105,984	6,696,529
2019						2,178,633	5,036,019	6,700,368	7,616,652	7,882,919
2020							1,334,881	3,893,089	4,441,746	5,638,897
2021								2,180,596	4,971,273	7,161,084
2022									2,852,169	7,202,485
2023										2,890,358
Total										54,815,948
All outstanding liabilities before 2014, net of reinsurance										-
Liabilities for losses and loss adjustment expenses, net of reinsurance										$ 26,016,106

Alliance of Nonprofits for Insurance, Risk Retention Group, Inc.

Incurred and Cumulative Paid Losses and Allocated Loss Adjustment Expenses, Net of Reinsurance

Directors & Officers

Accident Year	Incurred Losses and Allocated Loss Adjustment Expenses, Net of Reinsurance									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
2014	$ 2,771,076	$ 2,771,076	$ 2,621,068	$ 2,621,068	$ 2,132,277	$ 2,082,292	$ 2,082,292	$ 2,102,297	$ 2,074,216	$ 2,074,243
2015		3,555,513	3,555,513	3,825,528	2,407,215	2,407,215	2,227,213	2,165,274	2,165,274	2,165,274
2016			2,982,126	2,982,394	2,154,474	2,154,474	2,124,497	2,014,951	2,017,819	2,017,819
2017				2,520,067	2,680,679	2,680,679	2,454,671	2,634,688	2,771,948	2,904,881
2018					3,333,042	3,330,422	2,888,055	2,822,793	2,372,819	2,437,313
2019						2,899,178	2,899,178	2,967,257	2,495,364	2,777,413
2020							3,431,092	3,431,092	3,173,073	4,327,024
2021								3,450,150	4,518,092	5,306,173
2022									5,587,421	5,487,445
2023										5,879,666
Total										$ 35,377,251

Accident Year	Cumulative Paid Losses and Allocated Loss Adjustment Expenses, Net of Reinsurance									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
2014	$ 350,376	$ 1,149,545	$ 1,794,236	$ 1,917,568	$ 1,967,837	$ 2,040,788	$ 2,057,759	$ 2,072,476	$ 2,074,219	$ 2,074,219
2015		159,100	632,987	1,619,666	1,964,237	2,075,341	2,167,266	2,165,265	2,165,265	2,165,265
2016			66,203	634,573	1,640,571	1,886,166	2,009,032	2,014,966	2,017,826	2,017,826
2017				350,079	1,116,131	1,803,709	1,944,727	2,129,814	2,376,098	2,577,388
2018					321,679	1,351,319	1,986,796	2,226,398	2,229,940	2,251,149
2019						367,999	965,050	1,903,856	2,086,581	2,309,252
2020							456,645	1,333,899	2,159,694	2,415,293
2021								1,454,218	3,554,281	4,318,038
2022									595,304	2,306,349
2023										1,071,198
Total										23,505,977
All outstanding liabilities before 2014, net of reinsurance										-
Liabilities for losses and loss adjustment expenses, net of reinsurance										$ 11,871,274

Alliance of Nonprofits for Insurance, Risk Retention Group, Inc.

Incurred and Cumulative Paid Losses and Allocated Loss Adjustment Expenses, Net of Reinsurance

General Liability

Accident Year	Incurred Losses and Allocated Loss Adjustment Expenses, Net of Reinsurance									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
2014	$ 3,705,060	$ 3,705,060	$ 3,605,764	$ 2,790,280	$ 2,874,107	$ 3,115,121	$ 3,285,091	$ 3,271,104	$ 3,271,077	$ 3,296,573
2015		4,213,954	4,463,944	5,597,497	6,468,988	6,762,029	7,677,140	7,998,426	7,966,536	7,918,019
2016			4,513,672	4,513,672	5,588,048	6,335,121	6,563,489	7,046,330	7,822,315	7,770,469
2017				4,725,212	4,816,929	5,106,903	5,256,893	5,666,961	6,527,000	6,857,258
2018					5,433,964	5,193,975	6,279,790	7,039,846	7,071,277	7,607,828
2019						6,430,828	5,655,752	5,805,751	6,964,586	7,316,513
2020							7,494,024	7,552,013	9,468,531	11,645,999
2021								10,621,522	10,694,221	12,723,876
2022									13,959,213	16,259,338
2023										18,030,736
Total										$ 99,426,609

Accident Year	Cumulative Paid Losses and Allocated Loss Adjustment Expenses, Net of Reinsurance									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
2014	$ 654,678	$ 1,198,076	$ 1,772,188	$ 1,963,481	$ 2,154,411	$ 2,690,993	$ 3,065,907	$ 3,267,448	$ 3,267,448	$ 3,296,549
2015		469,215	1,382,549	3,347,329	4,797,491	5,819,401	6,386,050	7,198,533	7,790,713	7,899,310
2016			1,382,549	1,966,957	3,219,130	4,324,204	5,294,378	6,177,495	6,501,239	7,383,633
2017				438,268	1,383,843	2,725,377	3,958,685	4,639,046	5,495,920	6,596,824
2018					518,757	2,289,419	3,239,602	5,191,692	6,316,322	6,561,525
2019						576,697	1,990,752	3,470,838	4,247,199	5,366,349
2020							856,410	2,716,815	4,612,717	6,792,183
2021								859,793	3,560,595	7,055,207
2022									774,224	3,799,744
2023										1,157,610
Total										55,908,934
All outstanding liabilities before 2014, net of reinsurance										-
Liabilities for losses and loss adjustment expenses, net of reinsurance										$ 43,517,675

Alliance of Nonprofits for Insurance, Risk Retention Group, Inc.

Incurred and Cumulative Paid Losses and Allocated Loss Adjustment Expenses, Net of Reinsurance

Improper Sexual Conduct and Physical Abuse

	Incurred Losses and Allocated Loss Adjustment Expenses, Net of Reinsurance									
Accident Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
2014	$ 1,408,090	$ 1,408,090	$ 1,118,102	$ 653,087	$ 944,844	$ 1,144,852	$ 908,885	$ 1,008,875	$ 921,780	$ 1,233,116
2015		1,960,960	1,960,960	2,651,692	4,464,532	3,964,521	4,364,557	4,964,543	4,995,513	4,970,933
2016			1,597,569	1,747,571	3,404,420	2,788,438	2,988,440	2,838,438	3,012,131	3,172,364
2017				2,892,506	2,565,634	3,080,387	2,960,376	2,146,013	1,958,964	2,443,468
2018					2,435,916	2,440,911	4,550,911	4,691,923	3,666,712	3,816,736
2019						2,738,235	4,738,235	4,007,000	3,470,881	3,364,345
2020							8,015,462	6,713,632	6,556,254	3,768,690
2021								10,112,595	8,278,051	8,055,812
2022									15,462,050	7,082,148
2023										12,153,765
Total										$ 50,061,377

	Cumulative Paid Losses and Allocated Loss Adjustment Expenses, Net of Reinsurance									
Accident Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
2014	$ 15,534	$ 40,897	$ 127,917	$ 151,281	$ 808,656	$ 833,371	$ 879,133	$ 880,039	$ 921,793	$ 921,793
2015		11,476	548,593	850,421	1,932,066	3,209,736	3,905,703	4,657,684	4,851,203	4,930,935
2016			21,588	149,017	903,650	1,474,295	2,326,749	2,457,085	2,509,714	2,528,719
2017				38,664	548,804	637,317	956,350	1,279,088	1,301,115	1,436,700
2018					49,869	364,123	1,279,585	1,979,374	2,210,713	2,776,701
2019						58,746	138,701	295,507	790,565	1,465,756
2020							32,647	304,060	702,311	1,435,175
2021								77,371	624,343	1,493,987
2022									163,261	602,036
2023										184,457
Total										17,776,259
All outstanding liabilities before 2014, net of reinsurance										329,690
Liabilities for losses and loss adjustment expenses, net of reinsurance										$ 32,614,808

Alliance of Nonprofits for Insurance, Risk Retention Group, Inc.

Incurred and Cumulative Paid Losses and Allocated Loss Adjustment Expenses, Net of Reinsurance

Social Services Professional

	Incurred Losses and Allocated Loss Adjustment Expenses, Net of Reinsurance									
Accident Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
2014	$ 2,033,357	$ 2,033,357	$ 2,383,365	$ 2,813,352	$ 2,853,573	$ 2,597,026	$ 2,376,994	$ 2,614,603	$ 2,664,578	$ 2,744,252
2015		2,565,636	2,565,636	2,565,636	2,333,702	1,833,700	1,613,100	1,565,794	1,390,764	1,059,661
2016			3,280,218	3,580,216	2,448,881	1,908,606	1,928,570	2,049,571	1,871,845	1,981,421
2017				3,224,425	3,551,326	2,551,333	1,791,294	1,755,686	1,433,299	1,051,920
2018					3,639,518	2,772,616	2,175,886	2,057,207	1,725,617	2,494,769
2019						3,546,151	3,546,151	3,434,589	3,379,801	2,547,625
2020							4,517,695	3,926,487	4,044,761	4,117,060
2021								6,164,003	5,371,313	2,488,558
2022									3,928,069	5,908,530
2023										4,986,313
Total										$ 29,380,109

	Cumulative Paid Losses and Allocated Loss Adjustment Expenses, Net of Reinsurance									
Accident Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
2014	$ 21,093	$ 430,293	$ 918,618	$ 1,841,371	$ 2,187,760	$ 2,260,326	$ 2,290,504	$ 2,316,049	$ 2,337,498	$ 2,713,918
2015		25,036	263,716	797,011	948,357	1,148,643	1,201,013	1,228,542	1,260,020	1,059,674
2016			46,403	144,343	393,939	1,221,792	1,275,790	1,299,204	1,521,483	1,937,439
2017				27,927	152,867	291,813	404,169	582,607	851,884	914,074
2018					22,533	198,944	523,684	632,977	948,862	1,235,586
2019						39,875	217,690	1,277,352	1,515,871	1,737,660
2020							28,166	139,635	535,233	1,307,549
2021								63,822	239,111	624,165
2022									571,036	1,511,525
2023										91,849
Total										13,133,439
All outstanding liabilities before 2014, net of reinsurance										239,036
Liabilities for losses and loss adjustment expenses, net of reinsurance										$ 16,485,706

Alliance of Nonprofits for Insurance, Risk Retention Group, Inc.

Incurred and Cumulative Paid Losses and Allocated Loss Adjustment Expenses, Net of Reinsurance

Umbrella

	Incurred Losses and Allocated Loss Adjustment Expenses, Net of Reinsurance									
Accident Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
2014	$ 188,726	$ 188,726	$ 188,726	$ 188,726	$ 232,641	$ 232,641	$ 61,313	$ 61,313	$ 61,313	$ 62,063
2015		169,535	169,535	169,535	269,315	269,315	196,127	267,126	365,627	279,476
2016			256,098	256,098	381,752	381,752	291,082	422,513	324,014	323,615
2017				280,328	275,543	275,543	39,281	158,351	158,351	245,389
2018					328,750	328,750	277,556	176,556	176,556	182,303
2019						342,849	314,785	183,209	183,209	323,600
2020							456,777	456,777	456,777	131,774
2021								683,318	683,318	483,322
2022									522,958	447,574
2023										858,057
Total										$ 3,337,173

	Cumulative Paid Losses and Allocated Loss Adjustment Expenses, Net of Reinsurance									
Accident Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
2014	$ -	$ 41,277	$ 61,313	$ 61,313	$ 61,313	$ 61,313	$ 61,313	$ 61,313	$ 61,313	$ 61,313
2015		-	384	91,966	92,342	92,507	153,620	239,975	240,717	265,866
2016			-	-	175,000	175,000	286,107	323,607	323,607	323,607
2017				-	-	-	-	156,618	156,618	156,618
2018					-	-	75,000	168,282	168,282	168,282
2019						-	-	-	67,500	67,500
2020							-	-	-	-
2021								-	-	217,874
2022									100,057	168,491
2023										-
Total										1,429,551
All outstanding liabilities before 2014, net of reinsurance										-
Liabilities for losses and loss adjustment expenses, net of reinsurance										$ 1,907,622

Alliance of Nonprofits for Insurance, Risk Retention Group, Inc.

Average Annual Percentage Payout of Incurred Losses by Age, Net of Reinsurance

The following is the average historical claims duration as of December 31, 2023 by category:

	Average Annual Percentage Payout of Incurred Claims by Age, Net of Reinsurance									
Years	1	2	3	4	5	6	7	8	9	10
Auto Liability	23.8 %	28.3 %	21.8 %	11.6 %	6.3 %	3.1 %	0.3 %	2.6 %	0.3 %	- %
Directors & Officers	13.3 %	30.0 %	30.5 %	8.7 %	4.7 %	3.5 %	1.9 %	0.2 %	0.1 %	- %
General Liability	9.0 %	16.4 %	19.3 %	15.9 %	11.9 %	10.1 %	10.5 %	8.3 %	0.7 %	0.9 %
Improper Sexual Conduct and Physical Abuse	1.3 %	7.6 %	11.3 %	15.3 %	24.2 %	7.2 %	6.5 %	1.5 %	2.5 %	- %
Social Services Professional	2.6 %	10.4 %	21.7 %	19.0 %	12.1 %	9.2 %	5.2 %	8.3 %	(9.1)%	13.7 %
Umbrella	2.2 %	9.1 %	25.7 %	10.3 %	16.4 %	6.7 %	7.7 %	0.1 %	4.5 %	- %