

# **Nonprofits Insurance Alliance**

## **Audited Combined Financial Statements**

*Years ended December 31, 2022 and 2021  
with Report of Independent Auditors*

Nonprofits Insurance Alliance  
Audited Combined Financial Statements  
Years ended December 31, 2022 and 2021

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## Report of Independent Auditors

Audit Committee of the Board of Directors  
Nonprofits Insurance Alliance

### **Opinion**

We have audited the combined financial statements of Nonprofits Insurance Alliance (NIA), which comprise the combined balance sheets as of December 31, 2022 and 2021, and the related combined statements of comprehensive income, changes in total equity, and cash flows for the years then ended, and the related notes to the combined financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of NIA as of December 31, 2022 and 2021, 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.

### **Basis for Opinion**

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 NIA 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.

### **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 NIA'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 NIA'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 NIA'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 29 - 37 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.

A handwritten signature in black ink that reads "Johnson Lambert LLP". The signature is written in a cursive, flowing style.

Raleigh, North Carolina  
March 15, 2023

# Nonprofits Insurance Alliance

## Combined Balance Sheets

As of December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 41,878,203	\$ 37,935,419
Investments in debt securities	380,933,735	410,265,452
Investments in equity securities	21,292,636	26,524,830
Loans receivable from member organizations	523,585	591,190
Premium receivable, net	73,334,014	60,880,792
Interest receivable	2,314,806	1,909,273
Prepaid expenses and other assets	2,089,109	2,170,729
Reinsurance recoverable	110,680,188	88,193,246
Prepaid reinsurance premium	36,263,468	30,707,005
Deferred acquisition costs	20,608,190	17,252,408
Property and equipment, net	<u>46,959,125</u>	<u>36,913,558</u>
Total assets	<u>\$ 736,877,059</u>	<u>\$ 713,343,902</u>
<b>Liabilities and Total Equity</b>		
<b>Liabilities</b>		
Loss and loss adjustment expense reserves	\$ 364,998,790	\$ 301,718,009
Assumed losses payable	2,011,607	1,494,181
Unearned premium	136,904,962	116,668,270
Accounts payable and other accrued liabilities	9,858,236	10,262,553
Reinsurance payable	1,169,544	7,481,905
Dividend payable	<u>-</u>	<u>1,045,065</u>
	514,943,139	438,669,983
Subordinated debt	<u>2,000,000</u>	<u>2,000,000</u>
Total liabilities	516,943,139	440,669,983
<b>Total Equity</b>		
Members' contributions	900,507	900,507
Capital contributions	10,000,000	10,000,000
Accumulated earnings	251,150,711	254,282,864
Accumulated other comprehensive (loss) income	<u>(42,117,298)</u>	<u>7,490,548</u>
Total equity	<u>219,933,920</u>	<u>272,673,919</u>
Total liabilities and equity	<u>\$ 736,877,059</u>	<u>\$ 713,343,902</u>

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

Nonprofits Insurance Alliance  
 Combined Statements of Comprehensive Income

Years Ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
<b>Revenues</b>		
Gross written premium	\$ 270,734,121	\$ 228,791,550
Ceded written premium	<u>(70,972,457)</u>	<u>(58,969,777)</u>
Net written premium	199,761,664	169,821,773
Change in unearned premium, net	<u>(14,680,229)</u>	<u>(12,609,982)</u>
Net earned premium	185,081,435	157,211,791
Net investment income	9,297,174	8,139,319
Net investment (loss) gain on securities	(6,550,176)	6,373,526
Other income	<u>33,148</u>	<u>38,658</u>
Total revenues	187,861,581	171,763,294
<b>Expenses</b>		
Losses and loss adjustment expenses, net	137,050,260	106,530,439
Salaries and employee benefits	16,057,797	13,754,889
Commission expense, net	26,973,148	23,141,333
Other expense	<u>10,801,264</u>	<u>8,072,323</u>
Total expenses	<u>190,882,469</u>	<u>151,498,984</u>
Excess of (expenses over revenue) revenue over expenses, prior to dividend	(3,020,888)	20,264,310
Dividend to policyholders	<u>(111,265)</u>	<u>(2,903,829)</u>
Net (loss) income	(3,132,153)	17,360,481
<b>Other comprehensive loss</b>		
Net unrealized holding losses arising during the year	(50,214,528)	(9,122,026)
Reclassification adjustment for net realized losses (gains) included in net (loss) income	<u>606,682</u>	<u>(3,991,008)</u>
Other comprehensive loss	<u>(49,607,846)</u>	<u>(13,113,034)</u>
Comprehensive (loss) income	<u>\$ (52,739,999)</u>	<u>\$ 4,247,447</u>

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

## Nonprofits Insurance Alliance

### Combined Statements of Changes in Total Equity

Years Ended December 31, 2022 and 2021

	Members' and Capital Contributions	Accumulated Earnings	Accumulated Other Comprehensive Income (Loss)	Total
Balances, January 1, 2021	\$ 10,900,507	\$ 236,922,383	\$ 20,603,582	\$ 268,426,472
Net income	-	17,360,481	-	17,360,481
Other comprehensive loss (debt securities only)	-	-	(13,113,034)	(13,113,034)
Balances, December 31, 2021	10,900,507	254,282,864	7,490,548	272,673,919
Net loss	-	(3,132,153)	-	(3,132,153)
Other comprehensive loss (debt securities only)	-	-	(49,607,846)	(49,607,846)
Balances, December 31, 2022	\$ 10,900,507	\$ 251,150,711	\$ (42,117,298)	\$ 219,933,920

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

Nonprofits Insurance Alliance  
Combined Statements of Cash Flows

Years Ended December 31, 2022 and 2021

	2022	2021
<b>Cash flows from operating activities</b>		
Net (loss) income	\$ (3,132,153)	\$ 17,360,481
Adj. to reconcile net income to net cash from operating activities		
Net investment loss (gain) on securities	6,550,176	(6,373,526)
Depreciation and amortization	1,213,530	1,161,109
Amortization of premium of debt securities	1,091,566	2,196,900
Changes in operating assets and liabilities		
Premium receivable	(12,453,222)	(7,930,123)
Interest receivable	(405,533)	(136,730)
Prepaid expenses and other assets	81,620	(636,755)
Reinsurance recoverable	(22,486,942)	(15,408,068)
Prepaid reinsurance premium	(5,556,463)	(5,293,806)
Deferred acquisitions costs	(3,355,782)	(2,593,106)
Loss and loss adjustment expense reserves	63,280,781	42,240,923
Assumed losses payable	517,426	288,303
Unearned premium	20,236,692	17,903,788
Reinsurance payable	(6,312,361)	991,588
Dividend payable	(1,045,065)	15,551
Accounts payable and other accrued liabilities	(404,317)	1,754,194
Net cash flow from operating activities	37,819,953	45,540,723
<b>Cash flows from investing activities</b>		
Purchase of investments	(111,825,468)	(196,951,841)
Proceeds from sales and maturities of investments	89,139,789	147,668,951
Principal collected on loans	67,605	92,719
Purchases of property and equipment	(11,259,095)	(6,468,236)
Net cash flows used in investing activities	(33,877,169)	(55,658,407)
Net change in cash and cash equivalents	3,942,784	(10,117,684)
Cash and cash equivalents, beginning of year	37,935,419	48,053,103
Cash and cash equivalents, end of year	\$ 41,878,203	\$ 37,935,419
<b>Supplemental disclosure of cash flow information</b>		
Interest paid	\$ 40,000	\$ 40,000

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



# Nonprofits Insurance Alliance

## Notes to Combined Financial Statements

Years ended December 31, 2022 and 2021

### **Note 1 - Organization**

Nonprofits Insurance Alliance (NIA) consists of nonprofit companies whose primary activities include serving 501(c)(3) tax-exempt nonprofit organizations by providing a source of property and 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 Nonprofits Insurance Alliance of California, Inc. (NIAC), Alliance of Nonprofits for Insurance, Risk Retention Group, Inc. (ANI), National Alliance of Nonprofits for Insurance, Inc. (NANI), Alliance Member Services, Inc. (AMS), and AMS Insurance Services, Inc. (AMSIS).

NIAC operates as a risk pool in California pursuant to authorization under Section 5005.1 of the California Corporations Code. NIAC provides commercial general liability, social service professional liability, business automobile liability, auto physical and property damage, employer's non owned and hired auto liability, improper sexual conduct and physical abuse liability, directors' and officers' (D&O) liability and umbrella liability coverage to its members.

ANI and NANI operate as captive insurance companies in Vermont pursuant to authorization under Section 6002, Vermont Statutes Annotated, and are subject to the rules, regulation and supervision of the Vermont Department of Financial Regulation (the Department). ANI provides commercial general liability, social service professional liability, employee benefits liability, business auto liability, employer's non owned and hired automobile liability, improper sexual conduct and physical abuse liability, D&O liability and umbrella liability coverage to its members. NANI provides quota share and excess of loss reinsurance to NIAC and ANI on certain lines, and provides quota share reinsurance to an unaffiliated carrier fronting certain lines of coverage for ANI members.

AMS is a nonprofit company incorporated in Vermont to provide management services to affiliates within NIA and is responsible for their overall operation, including policy services, claim management, member services, reinsurance negotiations, marketing, accounting and financial management, and general and administration management.

AMSIS is a wholly-owned for-profit subsidiary of AMS formed for the primary purpose of acting as managing general underwriter for certain other carriers providing property and other coverage for NIAC and ANI members. AMSIS is a licensed broker and claims adjuster in all states in which these other carriers provide coverage for NIAC or ANI members.

## Nonprofits Insurance Alliance

### Notes to Combined Financial Statements (Continued)

#### **Note 2 - Summary of Significant Accounting Policies**

##### *Basis of Presentation*

The accompanying combined financial statements include the accounts of NIAC, ANI, NANI, AMS and AMSIS. The combined financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP). All balances and transactions between the companies have been eliminated in combination. NIA presents combined financial statements, rather than consolidated financial statements, as the companies within NIA do not have any ownership or economic interest in each other, only common management and board governance. NIA follows accounting and reporting policies for insurance enterprises.

##### *Financial Statement Estimates*

The preparation of combined 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 from those estimates.

##### *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. NIA maintains certain cash and cash equivalent balances that exceed Federal Deposit Insurance Company insurance thresholds, which management does not consider to be a significant risk.

##### *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 investment is less than its cost or amortized cost. When a debt security is impaired, NIA must make a determination as to whether the impairment is other-than-temporary.

## Nonprofits Insurance Alliance

### Notes to Combined Financial Statements (Continued)

#### **Note 2 - Summary of Significant Accounting Policies (Continued)**

##### *Investments (Continued)*

Factors considered in identifying other-than-temporary impairment (OTTI) for debt securities include: (1) whether NIA 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. Any such write downs are reported as realized losses on debt securities.

Equity securities with readily determinable fair values are no longer subject to the OTTI evaluation.

NIA 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.

##### *Premium Receivable and Agent Balances*

NIA includes in premium receivable the unpaid balance of premium due from policyholders that are payable in full on the effective date of the insurance policy or in installments under the NIA's installment payment plan. Management continually monitors its receivables for collectability, and any accounts deemed uncollectable are written off in the period the determination is made. During both 2022 and 2021, NIA wrote off \$42,000 of premium receivable. As of December 31, 2022 and 2021, NIA recorded an allowance for uncollectable amounts of \$112,012 and \$94,262, respectively.

##### *Reinsurance*

Reinsurance recoverable (including amounts related to claims incurred but not reported) and prepaid reinsurance premium are reported as assets. Reinsurance recoverable on unpaid losses and loss adjustment expenses are estimated in a manner consistent with the gross liabilities relating to the underlying insured contracts, as is discussed below. Management continually monitors its reinsurance balances for collectability, including a review of reinsurer creditworthiness, and any accounts deemed uncollectable are written off in the period the determination is made. No allowance for uncollected amounts was recorded as of December 31, 2022 and 2021. 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.

## Nonprofits Insurance Alliance

### Notes to Combined Financial Statements (Continued)

#### **Note 2 - Summary of Significant Accounting Policies (Continued)**

##### *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 costs associated with successful policy issuance. Amortization of acquisition costs was \$37,614,349 and \$31,382,982 for 2022 and 2021, respectively. Anticipated investment income is not considered in determining if a premium deficiency exists. No premium deficiency reserve has been recorded as of December 31, 2022 or 2021.

##### *Property and Equipment*

Data processing equipment and office furniture and equipment are stated at cost, net of accumulated depreciation, and depreciated over five years using the straight-line method. Building is stated at cost, net of accumulated depreciation, and depreciated over 40 years using the straight-line method. Land is stated at historical cost. Upon retirement or disposition of property and equipment, any gain or loss is included in other income on the statements of comprehensive income.

##### *Capitalized Software*

Costs incurred in developing information systems technology are capitalized, in accordance with current accounting guidance, and amortized over their useful lives from the dates the systems technology becomes operational, not to exceed seven years.

##### *High Deductible Policies*

Policies may be underwritten with deductibles ranging from \$25,000 to \$250,000. The Company has 19 policies in force with high deductibles of \$100,000 or more as of December 31, 2022 and 2021, which may be unsecured or may require the policyholder to provide collateral to secure obligations up to the estimated policyholder liabilities.

##### *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, 2022 and 2021 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 the ultimate net cost may vary from these estimates. These estimates are regularly reviewed and updated using the most current information available. Any resulting adjustments, which may be material, are reflected in current operations.

## Nonprofits Insurance Alliance

### Notes to Combined Financial Statements (Continued)

#### **Note 2 - Summary of Significant Accounting Policies (Continued)**

##### *Revenue Recognition*

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

##### *Other Expenses*

Included in other expenses is AMSIS management fee revenue and commission expenses related to its role as managing general underwriter for certain other carriers providing property and other coverage for NIAC and ANI members. During the years ended December 31, 2022 and 2021 the amount of management fee revenue netted against other expenses was \$3,753,179 and \$3,117,123, respectively.

##### *Policyholder Dividends*

NIA accrues for policyholder dividends on the date 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 companies within NIA, except for AMSIS, are tax-exempt for federal tax purposes under Section 501(c)(3) of the Internal Revenue Code and NIAC is tax-exempt in the State of California according to Section 23701z of the Revenue and Taxation Code. With the exception of premium taxes, ANI and NANI are not subject to any state taxes. During the years ended December 31, 2022 and 2021, NIA did not have any income subject to taxation as unrelated business income. Management concluded that all tax-exempt companies have properly maintained their exempt status and that no uncertain tax positions exist as of December 31, 2022. AMSIS income tax expense is considered de minimus and no significant deferred tax items exist as of December 31, 2022 and 2021.

##### *Subsequent Events*

NIA evaluated subsequent events through March 15, 2023, 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.

## Nonprofits Insurance Alliance

### Notes to Combined Financial Statements (Continued)

#### **Note 3 - Investments**

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

<u>2022</u>	<u>Cost</u>	<u>Unrealized Gains</u>	<u>Unrealized Losses</u>	<u>Estimated Fair Value</u>
U.S. government and agency obligations	\$ 59,614,321	\$ 1,696	\$ 7,162,792	\$ 52,453,225
Municipal obligations	41,044,400	5,722	3,941,424	37,108,698
Corporate obligations	183,122,379	25,947	18,819,081	164,329,245
Residential mortgage-backed securities	102,906,194	93,245	10,045,536	92,953,903
Commercial mortgage-backed securities	9,418,932	-	976,936	8,441,996
Automobile asset-backed securities	26,879,834	-	1,297,531	25,582,303
Foreign government and agency obligations	64,991	-	626	64,365
Total debt securities	<u>\$ 423,051,051</u>	<u>\$ 126,610</u>	<u>\$ 42,243,926</u>	<u>\$ 380,933,735</u>
<u>2021</u>	<u>Cost</u>	<u>Unrealized Gains</u>	<u>Unrealized Losses</u>	<u>Estimated Fair Value</u>
U.S. government and agency obligations	\$ 45,196,655	\$ 1,522,599	\$ 366,325	\$ 46,352,929
Municipal obligations	39,828,074	923,963	227,096	40,524,941
Corporate obligations	183,996,217	5,045,804	1,440,696	187,601,325
Residential mortgage-backed securities	90,053,701	2,770,197	432,820	92,391,078
Commercial mortgage-backed securities	9,973,809	684	127,836	9,846,657
Automobile asset-backed securities	33,661,487	32,023	210,112	33,483,398
Foreign government and agency obligations	64,962	162	-	65,124
Total debt securities	<u>\$ 402,774,905</u>	<u>\$ 10,295,432</u>	<u>2,804,885</u>	<u>\$ 410,265,452</u>

## Nonprofits Insurance Alliance

### Notes to Combined Financial Statements (Continued)

#### Note 3 - Investments (Continued)

The cost and estimated fair value of investments in debt securities at December 31, 2022, 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.

	Cost	Estimated Fair Value
Due in 1 year or less	\$ 11,119,167	\$ 10,971,872
Due after 1 year through 5 years	140,188,307	130,278,986
Due after 5 years through 10 years	110,806,176	94,995,017
Due after 10 years	21,667,450	17,645,293
Residential mortgage-backed securities	102,906,194	92,953,903
Commercial mortgage-backed securities	9,418,932	8,441,996
Automobile asset-backed securities	26,879,834	25,582,303
Foreign government and agency obligations	64,991	64,365
	<u>\$ 423,051,051</u>	<u>\$ 380,933,735</u>

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

At December 31, 2022 and 2021, unrealized losses on debt securities were as follows:

	Less Than 12 Months		12 Months or Greater		Total	
	Unrealized Losses	Estimated Fair Value	Unrealized Losses	Estimated Fair Value	Unrealized Losses	Estimated Fair Value
<u>2022</u>						
U.S. government and agency obligations	\$ 4,907,449	\$ 38,238,154	\$ 2,255,343	\$ 13,847,263	\$ 7,162,792	\$ 52,085,417
Municipal obligations	2,157,427	22,721,509	1,783,997	13,175,589	3,941,424	35,897,098
Corporate obligations	8,554,079	97,260,333	10,265,002	62,865,181	18,819,081	160,125,514
Residential mortgage-backed securities	5,261,053	64,663,720	4,784,483	23,825,488	10,045,536	88,489,208
Commercial mortgage-backed securities	195,094	2,089,062	781,842	6,352,934	976,936	8,441,996
Automobile asset-backed securities	84,690	2,343,235	1,212,841	23,239,068	1,297,531	25,582,303
Foreign government and agency obligations	626	64,365	-	-	626	64,365
	<u>\$ 21,160,418</u>	<u>\$ 227,380,378</u>	<u>\$ 21,083,508</u>	<u>\$ 143,305,523</u>	<u>\$ 42,243,926</u>	<u>\$ 370,685,901</u>

## Nonprofits Insurance Alliance

### Notes to Combined Financial Statements (Continued)

#### Note 3 - Investments (Continued)

	Less than 12 Months		12 Months or Greater		Total	
	Unrealized Losses	Estimated Fair Value	Unrealized Losses	Estimated Fair Value	Unrealized Losses	Estimated Fair Value
<u>2021</u>						
U.S. government and agency obligations	\$ 160,580	\$ 20,516,685	\$ 205,745	\$ 4,523,390	\$ 366,325	\$ 25,040,075
Municipal obligations	188,219	14,701,319	38,877	1,512,013	227,096	16,213,332
Corporate obligations	1,301,159	73,036,115	139,537	3,258,497	1,440,696	76,294,612
Residential mortgage- backed securities	382,765	28,851,201	50,055	2,620,599	432,820	31,471,800
Commercial mortgage- backed securities	101,878	6,888,840	25,958	937,228	127,836	7,826,068
Automobile asset- backed securities	210,112	29,592,714	-	-	210,112	29,592,714
	<u>\$ 2,344,713</u>	<u>\$ 173,586,874</u>	<u>\$ 460,172</u>	<u>\$ 12,851,727</u>	<u>\$ 2,804,885</u>	<u>\$ 186,438,601</u>

At December 31, 2022 and 2021, 1,467 and 620 debt securities, respectively were in an unrealized loss position. The unrealized losses on NIA's investments in debt securities were caused primarily by interest rate changes during the year. Based upon management's evaluation of the impairment considerations disclosed in Note 2, NIA does not consider those investments to be other-than-temporarily impaired at December 31, 2022 and 2021.

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).



## Nonprofits Insurance Alliance

### Notes to Combined Financial Statements (Continued)

#### **Note 3 - Investments (Continued)**

The following table presents NIA's investment securities within the fair value hierarchy, indicating the objectivity and reliability of the inputs used to value those securities at December 31, 2022 and 2021:

<u>2022</u>	<u>Estimated Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Debt securities:				
U.S. government and agency obligations	\$ 52,453,225	\$ 52,453,225	\$ -	\$ -
Municipal obligations	37,108,698	-	37,108,698	-
Corporate obligations	164,329,245	-	164,329,245	-
Residential mortgage-backed securities	92,953,903	-	92,953,903	-
Commercial mortgage-backed securities	8,441,996	-	8,441,996	-
Automobile asset-backed securities	25,582,303	-	25,582,303	-
Foreign government and agency obligations	64,365	-	64,365	-
Total debt securities	380,933,735	52,453,225	328,480,510	-
Equity securities	21,292,636	21,194,336	-	98,300
Total investments	<u>\$ 402,226,371</u>	<u>\$ 73,647,561</u>	<u>\$ 328,480,510</u>	<u>\$ 98,300</u>
<u>2021</u>	<u>Estimated Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Debt securities:				
U.S. government and agency obligations	\$ 46,352,929	\$ 46,352,929	\$ -	\$ -
Municipal obligations	40,524,941	-	40,524,941	-
Corporate obligations	187,601,325	-	187,601,325	-
Residential mortgage-backed securities	92,391,078	-	92,391,078	-
Commercial mortgage-backed securities	9,846,657	-	9,846,657	-
Automobile asset-backed securities	33,483,398	-	33,483,398	-
Foreign government and agency obligations	65,124	-	65,124	-
Total debt securities	410,265,452	46,352,929	363,912,523	-
Equity securities	26,524,830	26,444,030	-	80,800
Total investments	<u>\$ 436,790,282</u>	<u>\$ 72,796,959</u>	<u>\$ 363,912,523</u>	<u>\$ 80,800</u>

## Nonprofits Insurance Alliance

### Notes to Combined Financial Statements (Continued)

#### **Note 3 - Investments (Continued)**

The components of net investment gain on securities for the years ended December 31, 2022 and 2021 are as follows:

	2022	2021
Investment (losses) gains:		
Equity securities		
Unrealized gain (loss) on equity securities held as of December 31	\$ (5,943,494)	\$ 2,352,412
Gain recognized during the year on securities sold	-	2,752,075
Total	(5,943,494)	5,104,487
Debt securities		
Gross realized gains	326,125	1,826,991
Gross realized losses	(932,807)	(557,952)
Total	(606,682)	1,269,039
Total net investment gain (loss) on securities	\$ (6,550,176)	\$ 6,373,526

#### **Note 4 - Loans Receivable**

In 2015 a loan fund was created and approved by the Board of Directors to allow NIAC to issue short term loans to member organizations. Loans are issued at a 6% interest rate with a maximum 12 month term. The loan fund limit is \$1,500,000 with a maximum loan of \$75,000, as approved by the Board of Directors. Interest income from these loans is included in other income on the statements of comprehensive income. Management continually monitors its loans for collectibility, and any accounts deemed uncollectible are written off in the period the determination is made. In 2018 the Board of Directors approved the issuance of a loan to American Nonprofits for \$500,000 for a three year term at a fixed 1% interest rate. In 2022 and 2021 the Board of Directors approved to extend the loan for one year. There were no material amounts written off during 2022 and 2021. As of December 31, 2022 and 2021, NIAC has not recorded an allowance for doubtful accounts.

## Nonprofits Insurance Alliance

### Notes to Combined Financial Statements (Continued)

#### **Note 5 - Property and Equipment**

Property and equipment at December 31 consists of:

	2022	2021
Computers and software	\$ 21,965,189	\$ 12,622,481
Furniture and equipment	1,899,284	1,748,511
Internal software	8,329,128	6,563,501
Building	22,677,256	22,677,256
	54,870,857	43,611,749
Accumulated depreciation	(10,249,844)	(9,036,303)
	44,621,013	34,575,446
Land	2,338,112	2,338,112
Property and equipment, net	\$ 46,959,125	\$ 36,913,558

NIA recognized depreciation and amortization expense of \$1,213,530 and \$1,161,109 for the years ended December 31, 2022 and 2021, respectively.

The computers and software represents capitalized software costs for the development of a new policy and claims management system. This asset has not been placed in service as of December 31, 2022 and no amortization expense is recorded for the year ended December 31, 2022.

## Nonprofits Insurance Alliance

### Notes to Combined Financial Statements (Continued)

#### **Note 6 - Loss and Loss Adjustment Expense Reserves**

Activity in the loss and LAE reserves for 2022 and 2021 is summarized as follows:

	2022	2021
Gross loss and LAE reserves, January 1	\$ 301,718,009	\$ 259,477,086
Reinsurance recoverable on unpaid loss and LAE	(86,702,317)	(72,729,766)
Net loss and LAE reserves	215,015,692	186,747,320
Incurred related to		
Current year	124,960,286	102,822,421
Prior years	12,089,974	3,708,018
Total incurred	137,050,260	106,530,439
Paid related to		
Current year	24,914,133	19,251,694
Prior years	71,003,826	59,010,373
Total paid	95,917,959	78,262,067
Net loss and LAE reserves, December 31	256,147,993	215,015,692
Reinsurance recoverable on unpaid loss and LAE	108,850,797	86,702,317
Gross loss and LAE reserves, December 31	\$ 364,998,790	\$ 301,718,009

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 \$12,089,974 and \$3,708,018 for the years 2022 and 2021, respectively. Driving the 2022 development changes are unfavorable development primarily on the auto liability and D&O lines driven by a combination of inflationary increases and claim severity. This adverse development is offset partially by favorable development on the improper sexual conduct and physical abuse line. The reserve development in 2021 is considered de minimis. As of December 31, 2022 and 2021, the amounts billed and recoverable for deductible policies were \$1,781,839 and \$714,399, respectively. These amounts are reported as offsets to losses and LAE incurred in the statements of comprehensive income.

## Nonprofits Insurance Alliance

### Notes to Combined Financial Statements (Continued)

#### **Note 6 - 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, 2022 is as follows:

Net outstanding liabilities	
Auto Physical Damage	\$ 1,175,696
Auto Liability	39,716,025
Directors & Officers	44,439,775
General Liability	61,073,735
Improper Sexual Conduct and Physical Abuse	63,507,583
Social Services Professional	27,682,281
Umbrella	3,974,085
Property	3,394,843
Other Casualty*	<u>100,044</u>
Liabilities for unpaid losses and LAE, net of reinsurance	245,064,067
Reinsurance recoverable	
Auto Physical Damage	55,115
Auto Liability	6,124,599
Directors & Officers	1,053,625
General Liability	11,574,395
Improper Sexual Conduct and Physical Abuse	16,711,266
Social Services Professional	3,963,261
Umbrella	59,135,454
Property	<u>10,233,082</u>
Total reinsurance recoverable on unpaid losses and LAE	108,850,797
Unallocated LAE	<u>11,083,926</u>
Total gross liability for unpaid losses and LAE	<u><u>\$ 364,998,790</u></u>

\*Reserves related to Other Casualty relate to accident years prior to 2008 and therefore do not have associated additional disclosures below.

## Nonprofits Insurance Alliance

### Notes to Combined Financial Statements (Continued)

#### **Note 6 - Loss and Loss Adjustment Expense Reserves (Continued)**

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, 2022, by category:

#### Auto Physical Damage

<u>Accident Year</u>	<u>Incurred</u>	<u>Cumulative Paid</u>	<u>Total IBNR Plus Expected Development on Reported Claims</u>	<u>Cumulative Number of Reported Claims</u>
2013	\$ 2,184,235	\$ 2,184,227	\$ -	1,763
2014	2,743,022	2,743,015	-	2,119
2015	2,726,160	2,726,136	30	2,377
2016	3,096,512	3,096,515	1	2,364
2017	2,990,084	2,990,090	3	2,316
2018	3,713,317	3,713,321	(10)	1,826
2019	4,227,420	4,235,247	178	2,433
2020	4,341,774	4,339,648	1,915	2,269
2021	7,199,492	7,123,207	48,491	3,175
2022	9,634,299	8,529,213	(336,812)	3,702
<b>Total</b>	<b>\$ 42,856,315</b>	<b>\$ 41,680,619</b>	<b>\$ (286,204)</b>	

#### Auto Liability

<u>Accident Year</u>	<u>Incurred</u>	<u>Cumulative Paid</u>	<u>Total IBNR Plus Expected Development on Reported Claims</u>	<u>Cumulative Number of Reported Claims</u>
2013	\$ 11,440,363	\$ 11,440,379	\$ -	1,590
2014	9,159,366	9,159,339	12	1,759
2015	12,684,790	12,664,444	2,454	1,897
2016	11,003,720	10,610,395	18,265	1,665
2017	9,624,760	8,606,426	310,641	1,506
2018	13,808,620	12,635,266	87,295	1,227
2019	20,822,591	16,057,832	635,330	1,461
2020	14,629,260	8,577,626	2,667,583	1,149
2021	18,117,568	7,918,486	1,579,833	1,572
2022	20,923,796	4,828,616	6,069,160	1,870
<b>Total</b>	<b>\$ 142,214,834</b>	<b>\$ 102,498,809</b>	<b>\$ 11,370,573</b>	

## Nonprofits Insurance Alliance

### Notes to Combined Financial Statements (Continued)

#### **Note 6 - Loss and Loss Adjustment Expense Reserves (Continued)**

##### Directors & Officers

<u>Accident Year</u>	<u>Incurred</u>	<u>Cumulative Paid</u>	Total IBNR Plus Expected Development on <u>Reported Claims</u>	Cumulative Number of <u>Reported Claims</u>
2013	\$ 9,991,964	\$ 9,921,877	\$ 19,866	349
2014	10,625,262	10,562,783	62,482	408
2015	11,605,528	11,451,201	7,074	405
2016	12,033,012	11,908,349	43,469	406
2017	16,941,799	14,772,732	881,613	534
2018	13,551,084	11,196,071	1,097,753	484
2019	18,223,011	14,390,761	1,915,776	505
2020	19,253,047	15,073,109	474,106	532
2021	22,690,103	12,323,823	3,565,797	658
2022	23,950,071	2,969,331	13,455,630	424
<b>Total</b>	<b><u>\$ 158,864,881</u></b>	<b><u>\$ 114,570,037</u></b>	<b><u>\$ 21,523,566</u></b>	

##### General Liability

<u>Accident Year</u>	<u>Incurred</u>	<u>Cumulative Paid</u>	Total IBNR Plus Expected Development on <u>Reported Claims</u>	Cumulative Number of <u>Reported Claims</u>
2013	\$ 8,092,192	\$ 8,038,864	\$ 53,360	1,081
2014	7,334,151	7,288,711	39,649	1,042
2015	17,719,909	17,544,129	7,341	1,142
2016	15,133,004	13,418,180	448,146	999
2017	13,475,627	11,853,731	53,714	994
2018	16,300,831	13,940,457	1,230,107	1,049
2019	15,656,190	9,948,614	743,186	1,108
2020	20,073,450	10,435,289	715,314	860
2021	21,093,783	5,789,951	4,674,605	1,090
2022	25,816,960	1,498,917	14,927,578	1,024
<b>Total</b>	<b><u>\$ 160,696,097</u></b>	<b><u>\$ 99,756,843</u></b>	<b><u>\$ 22,893,000</u></b>	

## Nonprofits Insurance Alliance

### Notes to Combined Financial Statements (Continued)

#### **Note 6 - Loss and Loss Adjustment Expense Reserves (Continued)**

##### Improper Sexual Conduct and Physical Abuse

<u>Accident Year</u>	<u>Incurred</u>	<u>Cumulative Paid</u>	Total IBNR Plus Expected Development on <u>Reported Claims</u>	Cumulative Number of <u>Reported Claims</u>
2013	\$ 3,749,048	\$ 3,525,421	\$ 126,114	68
2014	3,785,282	3,785,304	(9)	85
2015	9,207,978	8,886,173	32,670	141
2016	7,997,184	7,246,455	209,100	139
2017	5,677,129	3,661,367	506,248	135
2018	10,851,568	5,982,278	2,229,971	170
2019	7,912,450	1,734,019	3,336,372	127
2020	11,586,512	965,888	8,135,704	122
2021	14,548,111	1,302,031	8,631,006	243
2022	23,368,462	196,778	21,090,321	217
<b>Total</b>	<b><u>\$ 98,683,724</u></b>	<b><u>\$ 37,285,714</u></b>	<b><u>\$ 44,297,497</u></b>	

##### Social Services Professional

<u>Accident Year</u>	<u>Incurred</u>	<u>Cumulative Paid</u>	Total IBNR Plus Expected Development on <u>Reported Claims</u>	Cumulative Number of <u>Reported Claims</u>
2013	\$ 5,444,772	\$ 5,444,772	\$ 23,794	122
2014	5,481,236	5,154,156	24,632	146
2015	3,706,299	3,072,589	132,641	97
2016	3,402,830	3,052,476	37,570	91
2017	3,301,743	2,313,287	402,254	96
2018	4,886,875	3,233,687	186,016	143
2019	5,940,074	3,953,178	1,034,102	116
2020	8,556,243	3,192,205	2,062,368	130
2021	9,280,021	435,240	7,682,698	180
2022	7,921,776	658,065	5,155,612	202
<b>Total</b>	<b><u>\$ 57,921,869</u></b>	<b><u>\$ 30,509,655</u></b>	<b><u>\$ 16,741,687</u></b>	



## Nonprofits Insurance Alliance

### Notes to Combined Financial Statements (Continued)

#### Note 6 - Loss and Loss Adjustment Expense Reserves (Continued)

##### Umbrella

<u>Accident Year</u>	<u>Incurred</u>	<u>Cumulative Paid</u>	Total IBNR Plus Expected Development on <u>Reported Claims</u>	Cumulative Number of <u>Reported Claims</u>
2013	\$ 601,689	\$ 601,689	\$ -	7
2014	411,435	411,435	-	5
2015	583,430	421,016	86,151	8
2016	327,015	326,608	407	6
2017	948,116	923,882	1,733	10
2018	449,257	419,670	8,274	9
2019	833,213	717,500	109,428	4
2020	1,132,097	402,501	479,605	4
2021	1,431,297	-	1,408,797	2
2022	1,580,894	100,057	1,479,618	3
Total	<u>\$ 8,298,443</u>	<u>\$ 4,324,358</u>	<u>\$ 3,574,013</u>	

##### Property

<u>Accident Year</u>	<u>Incurred</u>	<u>Cumulative Paid</u>	Total IBNR Plus Expected Development on <u>Reported Claims</u>	Cumulative Number of <u>Reported Claims</u>
2013	\$ 804,930	\$ 804,930	\$ -	586
2014	1,197,112	1,197,112	-	621
2015	1,073,447	1,073,447	-	597
2016	968,446	968,446	-	566
2017	4,623,399	4,619,649	2,294	671
2018	4,032,582	3,999,467	33,120	1,004
2019	4,596,915	4,581,973	13,224	1,093
2020	5,741,979	5,639,203	102,074	1,317
2021	6,957,513	6,285,112	563,051	1,232
2022	7,733,781	5,165,922	480,083	1,129
Total	<u>\$ 37,730,104</u>	<u>\$ 34,335,261</u>	<u>\$ 1,193,846</u>	

## Nonprofits Insurance Alliance

### Notes to Combined Financial Statements (Continued)

#### **Note 6 - 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 our 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, paid development method, reported development method, and IBNR to case ratio 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 7 - Surplus Note**

ANI 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 ANI.

At December 31, 2022 and 2021, the principal outstanding under the surplus note was \$2 million. After receiving prior written approval from the Insurance Commissioner, ANI paid total accrued interest of \$40,000 in both 2022 and 2021.

#### **Note 8 - Reinsurance**

In the normal course of business, NIA uses excess of loss (both per risk and catastrophe) and quota share reinsurance contracts to limit its exposure to unanticipated loss severity and frequency. Such risks reinsured would become an expense of NIA in the event the reinsurer is unable to or will not fulfill the obligations assumed under the agreements.

## Nonprofits Insurance Alliance

### Notes to Combined Financial Statements (Continued)

#### **Note 8 - Reinsurance (Continued)**

Prior to 2008, NIA's reinsurance structure varied, with retention on liability lines (excluding umbrella liability) ranging from \$50,000 to \$500,000. Umbrella liability was ceded at either 100% or 97.5%, and NIA participated in auto physical damage and business owners' property risks at varying quota share rates.

Beginning January 1, 2008, NIA purchased excess of loss reinsurance coverage from a third-party reinsurer, for NIAC business, \$500,000 excess of a company retention of \$500,000 per occurrence and for ANI business, \$750,000 excess of a company retention of \$250,000 per occurrence. Beginning January 1, 2010, NIAC changed its coverage to \$400,000 excess of \$600,000 retention per occurrence, and ANI changed its coverage to \$650,000 excess of \$350,000 retention per occurrence. These coverages were placed with NIA's third-party reinsurer. Beginning January 1, 2013, NIAC changed its coverage to \$300,000 excess of \$700,000 retention per occurrence and ANI changed its coverage to \$550,000 excess of \$450,000 retention per occurrence. In addition, both companies utilize 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, NIA diversified risk by placing these coverages with various reinsurers.

NIAC and ANI offer umbrella coverage with a maximum limit of \$10 million. Beginning January 1, 2013, NIAC umbrella policies are ceded 85% - 100% and ANI umbrella policies are ceded 92.5% - 100%, respectively, on a quota share treaty basis based on underlying coverage limits. Beginning January 1, 2013, NIA diversified its risk by placing these coverages with various reinsurers. Umbrella policies were previously ceded 90% and 95% by NIAC and ANI, respectively, on a quota share treaty basis to NIA's third-party reinsurer.

NIA assumes a 100% quota share of auto physical damage risks from an unaffiliated carrier who has fronted coverage for ANI insureds. NIA also participates in a property quota share reinsurance program with an unaffiliated carrier who has fronted coverage for NIAC and ANI members. NIA assumes a 10% quota share for incurred losses up to \$15 million, per event, and a 100% quota share of losses in excess of \$45 million per event; subject to a maximum cession limit of \$450,000 each risk. Losses from \$15 million up to \$45 million are retained entirely by the unaffiliated carrier. Beginning August 1, 2016 NIAC began writing business property risks which are limited by facultative reinsurance to \$10 million per risk. NIA purchases reinsurance on a per risk excess of loss basis from unaffiliated reinsurers in excess of \$200,000. NIA also purchased catastrophe excess of loss coverage with unaffiliated reinsurers for \$14 million in excess of \$1 million per occurrence. A majority of NIA's reinsurance has been placed with reinsurers with at least an "A" rating by A.M. Best.

## Nonprofits Insurance Alliance

### Notes to Combined Financial Statements (Continued)

#### **Note 8 - Reinsurance (Continued)**

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

	<u>2022</u>	<u>2021</u>
Ceded premiums earned	\$ 65,372,494	\$ 53,713,709
Ceded losses and loss adjustment expenses incurred	41,180,491	39,914,617

For the years ended December 31, 2022 and 2021, NIA received ceding commission of \$10,601,460 and \$8,734,096, respectively. The ceding commission is 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, 2022 and 2021 was \$5,362,257 and \$3,762,783, respectively.

Reinsurance recoverable at December 31, 2022 and 2021 is primarily due from third-party reinsurance companies rated A or better by A.M. Best.

#### **Note 9 - Employee Benefit Plans**

##### *401(k) Profit Sharing Plan*

Eligible employees of AMS may participate in a 401(k) plan. The employer contributed 6% of each employee's gross salary in 2022 and 2021, subject to Internal Revenue Service limitations. Eligibility for the plan occurs on the first day of each quarter. The amounts contributed by the employer to the plan were \$863,885 and \$726,563 in 2022 and 2021, respectively.

##### *457 (b) Deferred Compensation Plan*

AMS has a voluntary retirement program under Section 457 (b) of the Internal Revenue Code available to a select group of key employees upon seven months after the date of hire. The plan allows for qualified employees to contribute an amount not to exceed the lesser of the amount specified under Section 457 (e)(15) of the Code for such plan year or 100% of the participant's includible compensation for such year. It is fully vested at the time of contribution. NIA does not match contributions to this 457(b) plan.

#### **Note 10 - Capital and Surplus**

ANI and NANI are required by the Department to maintain capital and surplus at minimums of \$1,000,000 and \$750,000, respectively. Their ability to pay policyholder dividends is restricted and subject to prior regulatory approval. At December 31, 2022 and 2021, the reported capital of ANI and NANI was in excess of the minimum regulatory requirement.

## Nonprofits Insurance Alliance

### Notes to Combined Financial Statements (Continued)

#### **Note 10 - Capital and Surplus (Continued)**

ANI 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 ANI's capital and surplus is measured against the RBC as determined by a formula. At December 31, 2022 and 2021, ANI's RBC ratio was in excess of all action levels.

The NIAC and ANI Boards of Directors have adopted policyholder dividend plans. These plans are designed to reward NIAC and ANI members for length of continuous coverage, as well as for favorable claims experience of NIAC and ANI as a whole. The NIAC and ANI Boards of Directors retain the sole authority to declare a policyholder dividend. In any year that a policyholder dividend is declared, NIAC and ANI members who qualify will be entitled to receive a policyholder dividend upon renewal of their policy beginning June 1 through May 31. In March 2021, NIAC policyholder dividends of \$3,000,000 were declared for the 2021-2022 policy years. No NIAC policyholder dividends were declared for the 2022-2023 policy years. No ANI policyholder dividends were declared for the 2022-2023 policy year or the 2021-2022 policy year.

#### **Note 11 - Contingencies**

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

Required Supplemental Information (Unaudited)

## Nonprofits Insurance Alliance

### 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 Physical Damage

##### Incurred Losses and Allocated Loss Adjustment Expenses, Net of Reinsurance

Accident Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
2013	\$ 2,680,536									
2014		\$ 2,460,494								
2015		2,938,532	\$ 2,182,359							
2016			2,988,538	\$ 2,182,359						
2017			3,031,612	2,963,525	\$ 2,182,379					
2018				2,831,602	2,860,689	\$ 2,184,165				
2019				2,981,879	2,770,394	\$ 2,184,235				
2020					3,202,902	2,726,682				
2021					3,129,354	2,726,688				
2022					3,360,702	3,120,218				
Total						3,935,697	4,078,824	4,178,815	5,939,321	\$ 2,184,235
								4,840,759	2,743,004	\$ 2,184,235
									2,726,548	2,743,022
									3,096,513	2,726,160
									2,995,540	3,096,512
									2,989,337	2,990,084
									3,705,984	3,713,317
									4,215,928	4,227,420
									9,634,299	4,341,774
									\$ 42,856,315	7,199,492

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

Accident Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
2013	\$ 2,096,841									
2014		\$ 2,183,522								
2015		2,524,498	\$ 2,182,367							
2016			2,747,502	\$ 2,182,440						
2017			2,416,752	2,671,075	\$ 2,182,440					
2018				2,753,246	2,742,015	\$ 2,184,220				
2019					3,149,764	2,742,015				
2020					2,627,208	2,726,669				
2021						3,115,440				
2022						3,099,536				
Total						3,115,440	3,717,767	4,248,677	5,900,422	\$ 2,184,227
								3,921,866	2,743,015	\$ 2,184,221
									2,726,536	\$ 2,184,221
									3,096,515	\$ 2,184,227
									2,989,332	-
									3,706,005	-
									4,204,717	-
									4,337,288	-
									7,123,207	-
									8,529,213	-
									41,680,619	-
All outstanding liabilities before 2013, net of reinsurance										-
Liabilities for losses and loss adjustment expenses, net of reinsurance										\$ 1,175,696

## Nonprofits Insurance Alliance

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

#### Auto Liability

#### Incurred Losses and Allocated Loss Adjustment Expenses, Net of Reinsurance

Accident Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
2013	\$ 10,114,135	\$ 10,014,148	\$ 10,548,656	\$ 11,048,653	\$ 11,411,649	\$ 11,517,925	\$ 11,488,161	\$ 11,405,078	\$ 11,440,386	\$ 11,440,363
2014		11,575,662	11,575,662	10,645,669	10,351,730	9,568,866	9,468,861	9,145,322	9,153,663	9,159,366
2015			12,665,013	12,665,013	12,165,019	12,833,764	12,803,883	12,703,830	12,727,842	12,684,790
2016				13,763,730	13,428,751	11,149,787	11,574,793	11,054,841	11,079,651	11,003,720
2017					11,756,035	10,341,185	10,175,086	9,332,259	9,444,626	9,624,760
2018						13,369,176	13,671,076	12,471,096	14,155,031	13,808,620
2019							13,316,557	16,169,697	18,919,153	20,822,591
2020								14,564,962	13,063,569	14,629,260
2021									17,453,112	18,117,568
2022										20,923,796
Total										<u>\$ 142,214,834</u>

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

Accident Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
2013	\$ 2,232,710	\$ 5,177,010	\$ 7,895,186	\$ 9,817,397	\$ 10,594,170	\$ 11,220,715	\$ 11,405,097	\$ 11,405,097	\$ 11,440,379	\$ 11,440,379
2014		2,771,319	5,652,954	8,252,637	8,874,359	9,067,061	9,100,775	9,133,636	9,133,649	9,159,339
2015			2,886,230	5,444,517	8,043,033	11,241,357	11,844,305	12,409,163	12,427,099	12,664,444
2016				2,784,532	5,852,358	7,469,643	8,852,258	9,726,729	10,345,090	10,610,395
2017					2,397,211	3,935,669	6,076,283	7,328,389	7,775,757	8,606,426
2018						2,912,676	5,325,328	7,729,140	9,749,842	12,635,266
2019							3,766,833	10,476,061	12,896,965	16,057,832
2020								3,230,234	6,438,795	8,577,626
2021									3,362,983	7,918,486
2022										4,828,616
Total										<u>102,498,809</u>
All outstanding liabilities before 2013, net of reinsurance										-
Liabilities for losses and loss adjustment expenses, net of reinsurance										<u>\$ 39,716,025</u>



## Nonprofits Insurance Alliance

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

#### Directors & Officers

#### Incurred Losses and Allocated Loss Adjustment Expenses, Net of Reinsurance

Accident Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
2013	\$ 9,036,179	\$ 10,486,213	\$ 10,281,190	\$ 10,021,176	\$ 9,771,169	\$ 9,709,053	\$ 9,709,053	\$ 9,909,095	\$ 9,997,965	\$ 9,991,964
2014		12,427,026	12,427,026	12,476,984	10,712,052	10,331,495	10,396,504	10,626,578	10,686,612	10,625,262
2015			15,000,913	15,000,913	15,035,116	11,786,830	11,786,830	11,456,827	11,524,860	11,605,528
2016				15,913,632	15,913,900	13,024,569	12,024,575	11,849,507	11,519,996	12,033,012
2017					15,320,169	14,952,536	14,952,536	14,671,474	15,177,963	16,941,799
2018						16,782,578	16,114,246	15,669,259	15,503,948	13,551,084
2019							15,864,611	15,864,611	16,332,746	18,223,011
2020								15,922,871	18,530,082	19,253,047
2021									19,122,174	22,690,103
2022										23,950,071
Total										<u>\$ 158,864,881</u>

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

Accident Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
2013	\$ 860,840	\$ 5,155,338	\$ 6,839,946	\$ 8,586,502	\$ 8,970,863	\$ 9,385,630	\$ 9,565,058	\$ 9,712,312	\$ 9,921,877	\$ 9,921,877
2014		1,338,271	4,692,470	8,145,011	9,398,505	9,692,801	10,054,266	10,318,232	10,560,894	10,562,783
2015			730,982	4,137,831	7,469,335	9,868,155	10,457,769	10,990,415	11,236,837	11,451,201
2016				976,089	5,653,396	9,288,511	10,162,717	10,768,923	11,076,646	11,908,349
2017					1,423,822	4,925,062	9,324,553	11,745,564	13,927,396	14,772,732
2018						1,190,710	5,167,352	7,354,178	10,562,972	11,196,071
2019							1,161,694	6,742,859	11,720,767	14,390,761
2020								1,565,943	7,591,285	15,073,109
2021									2,970,749	12,323,823
2022										2,969,331
Total										<u>114,570,037</u>
All outstanding liabilities before 2013, net of reinsurance										144,931
Liabilities for losses and loss adjustment expenses, net of reinsurance										<u>\$ 44,439,775</u>

## Nonprofits Insurance Alliance

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

#### General Liability

#### Incurred Losses and Allocated Loss Adjustment Expenses, Net of Reinsurance

Accident Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
2013	\$ 9,201,385	\$ 9,076,334	\$ 7,629,854	\$ 8,439,939	\$ 8,135,218	\$ 7,808,744	\$ 7,808,744	\$ 8,162,608	\$ 8,123,656	\$ 8,092,192
2014		10,940,718	11,585,365	11,036,112	8,040,507	7,534,207	7,765,125	7,345,137	7,334,010	7,334,151
2015			11,982,049	12,232,039	14,815,578	15,564,545	16,217,566	17,200,648	17,639,515	17,719,909
2016				12,451,053	12,451,053	12,806,375	13,753,506	13,929,920	14,392,737	15,133,004
2017					12,808,788	12,431,910	12,496,879	12,706,955	13,109,444	13,475,627
2018						1,313,023	13,890,223	15,036,521	16,046,661	16,300,831
2019							14,484,646	14,048,598	14,398,600	15,656,190
2020								16,175,162	17,646,360	20,073,450
2021									20,690,120	21,093,783
2022										25,816,960
Total										<u>\$ 160,696,097</u>

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

Accident Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
2013	\$ 607,745	\$ 2,266,026	\$ 4,007,812	\$ 5,042,916	\$ 6,695,846	\$ 6,977,164	\$ 7,086,426	\$ 7,993,448	\$ 8,011,673	\$ 8,038,864
2014		1,190,721	3,013,912	4,282,925	5,398,212	6,013,201	6,601,700	7,042,630	7,268,285	7,288,711
2015			1,386,810	3,313,698	7,575,161	12,316,537	14,222,696	15,758,115	16,743,624	17,544,129
2016				1,057,835	3,626,808	6,845,630	9,562,594	11,841,268	13,053,617	13,418,180
2017					995,416	3,188,532	6,247,186	8,771,511	10,859,985	11,853,731
2018						1,270,535	4,678,397	8,027,520	11,523,983	13,940,457
2019							1,127,771	3,814,018	7,192,613	9,948,614
2020								1,688,436	6,263,857	10,435,289
2021									1,420,556	5,789,951
2022										1,498,917
Total										<u>99,756,843</u>
All outstanding liabilities before 2013, net of reinsurance										134,481
Liabilities for losses and loss adjustment expenses, net of reinsurance										<u>\$ 61,073,735</u>

## Nonprofits Insurance Alliance

### 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	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
2013	\$ 3,700,658	\$ 3,700,658	\$ 3,700,658	\$ 3,950,660	\$ 3,871,027	\$ 4,144,570	\$ 4,629,567	\$ 4,689,550	\$ 5,187,931	\$ 3,749,048
2014		4,231,481	4,231,481	4,011,493	3,476,478	4,511,468	4,711,573	4,337,163	3,957,176	3,785,282
2015			4,923,133	4,923,133	5,925,404	8,432,005	8,147,006	8,547,042	9,197,436	9,207,978
2016				4,515,752	5,415,781	8,983,615	9,367,668	9,567,670	8,170,702	7,997,184
2017					6,206,427	8,234,450	8,749,203	8,429,216	6,359,909	5,677,129
2018						8,065,987	12,181,036	12,730,500	13,076,800	10,851,568
2019							10,583,480	10,583,480	10,218,421	7,912,450
2020								16,024,552	12,249,729	11,586,512
2021									16,330,203	14,548,111
2022										23,368,462
Total										<u>\$ 98,683,724</u>

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

Accident Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
2013	\$ 55,402	\$ 526,092	\$ 658,266	\$ 1,333,299	\$ 2,195,365	\$ 2,538,142	\$ 3,356,526	\$ 3,421,363	\$ 3,523,552	\$ 3,525,421
2014		40,507	192,040	1,290,797	1,592,078	2,780,608	3,271,717	3,408,354	3,743,529	3,785,304
2015			50,785	667,812	1,207,494	3,447,593	5,487,413	7,563,307	8,680,969	8,886,173
2016				86,969	830,488	2,264,054	5,033,965	6,902,871	7,071,117	7,246,455
2017					81,837	1,147,813	2,160,428	2,910,847	3,370,081	3,661,367
2018						63,206	957,649	3,136,386	4,711,236	5,982,278
2019							87,832	355,201	835,092	1,734,019
2020								88,247	453,209	965,888
2021									181,781	1,302,031
2022										196,778
Total										<u>37,285,714</u>
All outstanding liabilities before 2013, net of reinsurance										<u>2,109,573</u>
Liabilities for losses and loss adjustment expenses, net of reinsurance										<u>\$ 63,507,583</u>

## Nonprofits Insurance Alliance

### 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	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
2013	\$ 3,553,559	\$ 4,603,557	\$ 4,603,557	\$ 5,473,552	\$ 5,458,571	\$ 5,715,594	\$ 5,550,588	\$ 5,517,589	\$ 5,445,112	\$ 5,444,772
2014		5,361,827	5,361,827	5,711,835	5,941,811	5,568,000	5,462,445	5,193,394	5,431,245	5,481,236
2015			5,702,464	5,702,464	5,552,461	4,714,115	4,214,113	3,786,963	3,739,647	3,706,299
2016				6,709,918	7,459,925	5,344,005	3,803,728	3,718,579	3,684,689	3,402,830
2017					7,012,356	7,065,035	4,914,208	3,874,301	4,071,486	3,301,743
2018						7,734,678	6,267,766	5,525,692	5,415,579	4,886,875
2019							7,609,783	7,609,472	5,955,334	5,940,074
2020								8,302,128	7,710,921	8,556,243
2021									10,228,132	9,280,021
2022										7,921,776
Total										<u>\$ 57,921,869</u>

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

Accident Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
2013	\$ 124,791	\$ 1,230,416	\$ 1,661,729	\$ 2,648,682	\$ 3,963,784	\$ 4,619,324	\$ 5,145,610	\$ 5,441,753	\$ 5,444,772	\$ 5,444,772
2014		130,458	1,671,546	3,016,588	4,101,066	4,532,415	5,076,565	5,106,897	5,132,707	5,154,156
2015			56,463	548,670	1,750,604	2,412,560	2,916,281	2,972,268	3,004,313	3,072,589
2016				80,205	314,938	1,453,682	2,752,565	2,806,783	2,830,197	3,052,476
2017					46,202	259,452	1,566,630	1,773,944	2,031,512	2,313,287
2018						78,606	512,642	1,715,189	2,545,075	3,233,687
2019							44,092	445,087	2,638,708	3,953,178
2020								132,232	1,911,898	3,192,205
2021									142,751	435,240
2022										658,065
Total										<u>30,509,655</u>
All outstanding liabilities before 2013, net of reinsurance										<u>270,067</u>
Liabilities for losses and loss adjustment expenses, net of reinsurance										<u>\$ 27,682,281</u>

## Nonprofits Insurance Alliance

### 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	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
2013	\$ 668,199	\$ 668,199	\$ 668,199	\$ 668,199	\$ 629,765	\$ 495,244	\$ 472,668	\$ 642,949	\$ 642,952	\$ 601,689
2014		789,037	789,037	789,037	789,037	789,037	585,792	411,438	411,438	411,435
2015			604,564	604,564	604,564	381,979	481,983	378,291	449,290	583,430
2016				742,405	742,405	559,839	421,080	297,413	425,845	327,015
2017					794,148	620,506	803,074	661,809	780,879	948,116
2018						774,425	374,425	323,231	372,231	449,257
2019							805,669	705,631	1,301,998	833,213
2020								1,032,218	1,038,218	1,132,097
2021									1,431,297	1,431,297
2022										1,580,894
Total										<u>\$ 8,298,443</u>

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

Accident Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
2013	\$ -	\$ 163	\$ 1,083	\$ 1,083	\$ 461,648	\$ 461,648	\$ 461,648	\$ 601,687	\$ 601,689	\$ 601,689
2014		-	41,399	411,436	411,436	411,436	411,436	411,435	411,435	411,435
2015			-	384	91,966	92,342	92,905	333,919	420,274	421,016
2016				-	-	175,000	175,000	289,108	326,608	326,608
2017					-	-	367,526	617,264	773,882	923,882
2018						-	-	75,000	177,901	419,670
2019							-	300,000	650,000	717,500
2020								350,000	350,000	402,501
2021									-	-
2022										100,057
Total										<u>4,324,358</u>
All outstanding liabilities before 2013, net of reinsurance										-
Liabilities for losses and loss adjustment expenses, net of reinsurance										<u>\$ 3,974,085</u>

## Nonprofits Insurance Alliance

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

Property

Incurred Losses and Allocated Loss Adjustment Expenses, Net of Reinsurance

Accident Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
2013	\$ 1,079,882	\$ 979,884	\$ 829,880	\$ 833,885	\$ 808,889	\$ 808,889	\$ 805,219	\$ 805,219	\$ 804,968	\$ 804,930
2014		1,224,446	1,224,446	1,224,450	1,198,450	1,198,450	1,197,113	1,197,113	1,197,113	1,197,112
2015			1,463,772	1,186,766	1,119,765	1,076,044	1,073,524	1,073,524	1,073,444	1,073,447
2016				1,409,279	1,110,282	1,209,942	986,956	983,158	968,592	968,446
2017					4,326,206	4,895,436	4,755,423	4,691,232	4,666,921	4,623,399
2018						5,654,248	4,063,378	4,063,379	3,987,378	4,032,582
2019							4,648,950	4,748,823	4,652,508	4,596,915
2020								6,075,445	5,882,583	5,741,979
2021									7,463,256	6,957,513
2022										7,733,781
Total										<u>\$ 37,730,104</u>

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

Accident Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
2013	\$ 535,919	\$ 764,507	\$ 783,258	\$ 795,724	\$ 808,570	\$ 808,309	\$ 805,085	\$ 805,047	\$ 804,930	\$ 804,930
2014		714,017	1,072,204	1,111,494	1,189,614	1,196,047	1,197,112	1,197,112	1,197,112	1,197,112
2015			717,263	1,113,345	1,075,468	1,075,982	1,073,515	1,073,204	1,073,447	1,073,447
2016				541,453	992,035	995,582	968,516	967,670	968,446	968,446
2017					3,019,439	4,483,541	4,598,953	4,542,208	4,603,666	4,619,649
2018						2,420,448	3,933,427	4,010,647	3,980,854	3,999,467
2019							3,069,020	4,540,824	4,620,429	4,581,973
2020								4,133,308	5,490,306	5,639,203
2021									4,430,203	6,285,112
2022										5,165,922
Total										<u>34,335,261</u>
All outstanding liabilities before 2013, net of reinsurance										-
Liabilities for losses and loss adjustment expenses, net of reinsurance										<u>\$ 3,394,843</u>

## Nonprofits Insurance Alliance

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

The following is the average historical claims duration as of December 31, 2022 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 Physical Damage	89.0 %	10.9 %	(0.3)%	0.2 %	0.2 %	- %	- %	- %	- %	- %
Auto Liability	22.6 %	24.2 %	19.2 %	14.9 %	7.9 %	4.9 %	1.1 %	0.6 %	0.3 %	- %
Directors & Officers	9.3 %	32.9 %	27.1 %	15.7 %	5.7 %	4.0 %	3.3 %	1.9 %	1.1 %	- %
General Liability	8.2 %	19.0 %	21.2 %	18.6 %	14.2 %	7.1 %	3.9 %	6.3 %	0.3 %	0.3 %
Improper Sexual Conduct and Physical Abuse	1.0 %	8.2 %	13.1 %	17.7 %	20.0 %	10.4 %	9.9 %	4.3 %	1.9 %	- %
Social Services										
Professional	2.4 %	12.8 %	26.8 %	19.9 %	11.5 %	6.5 %	4.4 %	2.6 %	0.3 %	- %
Umbrella	3.7 %	5.1 %	32.7 %	8.2 %	30.3 %	13.7 %	3.7 %	7.8 %	- %	- %
Property	67.3 %	27.4 %	2.2 %	0.4 %	0.6 %	0.1 %	(0.1)%	- %	- %	- %