



Our Organizations:

- Alliance of Nonprofits for Insurance, RRG (ANI)
- Nonprofits Insurance Alliance of California (NIAC)
- National Alliance of Nonprofits for Insurance (NANI)
- Alliance Member Services (AMS)

Three-Year Rate Guarantee for Affinity Programs

Member Name:

Broker Agency Name:

Member ID:

Effective Dates:

Broker Contact Name:

Alliance of Nonprofits for Insurance, Risk Retention Group (ANI) and Nonprofits Insurance Alliance of California (NIAC), both part of Nonprofits Insurance Alliance (NIA), agrees to maintain the rate level for the period:

Start Date:

End Date:

The “rate level” agreement applies to the final rate only. Any changes in exposure may result in an increase or decrease in premium, including the expansion of coverage periods if written on a claims-made basis. This agreement does not modify any terms or conditions in any insurance contract including but not limited to any cancellation or nonrenewal provision.

The period for consideration of this rate arrangement would be the three-year annual period immediately preceding the renewal being quoted. Indemnity and expense incurred (including reserves and paid) on all claims (excluding umbrella) applicable to those three years will be measured against all earned liability premium (excluding umbrella) to determine the ratio, and any late reported claims (claims reported during the rate guarantee period, but impacting ANI/NIAC policies prior to the rate period start date), will be included in the loss ratio calculation. We require that all claims that are known be reported to ANI/NIAC prior to the calculation of the Loss Ratio.

Sixty days prior to policy expiration, ANI/NIAC will calculate the Insured’s historic “loss ratio” with ANI/NIAC.

If the “loss ratio” is:

- > 0% and < 35% → the “rate level” will **remain unchanged**
- >= 35% and < 50% → the “rate level” may **increase not to exceed 10%**
- >= 50% → the “rate level” agreement is **null and void**

ANI/NIAC reserves the right to pass to the member any increases in reinsurance costs directly related to the Insured’s insurance with ANI/NIAC.

For nonprofits who are existing members of ANI/NIAC, the rate guarantee may not apply to the rate for Improper Sexual Conduct Coverage (ISC) for Foster Family Agencies. That is because we have recently conducted an actuarial study and determined that the rates for this exposure are not adequate to cover the claims. As is our practice, however, we plan to apply the required rate increases for renewing members over several renewals so as not to impose an undue burden on any organization in a single year. If any renewing ANI/NIAC Foster Family Agency chooses to accept the entire increase in a single year, then the rate guarantee can apply to the ISC coverage.

This agreement applies to the following Lines of Business (if checked below):

- Commercial General Liability
- Business Auto Liability
- Improper Sexual Conduct Liability and Physical Abuse Liability
- Social Service Professional Liability

Definitions:

Earned Liability Premium

Means premium earned during the same period as above and will be calculated in the same corresponding period as incurred losses.

Loss Ratio

Means the "total incurred losses" divided by "earned liability premium".

Rate Level

Means the rate charged per unit of exposure.

Total Incurred Losses

Means losses and all allocated loss adjustment expenses paid and reserved beginning with the first year coverage is written with ANI/NIAC and ending 60 days prior to the end of each annual renewal from the first date of the three year agreement until the end of the agreement period.

insurancefornonprofits.org