

# **Code of Ethics for Nonprofits Insurance Alliance Group**

The Nonprofits Insurance Alliance Group is comprised of Nonprofits Insurance Alliance of California (NIAC), Alliance of Nonprofits for Insurance, Risk Retention Group (ANI), National Alliance of Nonprofits for Insurance (NANI) and Alliance Member Services (AMS). NIAC and ANI are alternative market insurers of 501(c)(3) nonprofits, NANI is a captive reinsurer and AMS is a supporting organization serving the other three. All are 501(c)(3) nonprofits themselves.

## **Introduction**

In creating this Code of Ethics we took caution to avoid creating a document that is so many high-sounding words with little relation to the many day-to-day decisions we must make. That must not happen with the Nonprofits Insurance Alliance Group. In fact, we believe that we must communicate daily that ethics in business is in our blood, not something we wear to impress. We have developed an impeccable reputation. That reputation is an incredibly valuable asset that is ours to protect. The healthy glow from the circulation of ethical conduct throughout our organization attracts employees tired of working at organizations on life support in this area. We must model ethical behavior and be absolutely clear about our standards, communicate them daily, and keep them in the forefront of everything we do. We must subject every decision to the ethics test. When in doubt, we must rethink. We also must provide clear channels for both private and public discussion of ethical concerns among staff and board. With that as a background, we offer the following to provide the standards that guide our decision-making.

## **I. Personal and Professional Integrity**

All staff and board members in our Group act with honesty, integrity and openness in all their dealings as representatives of the organizations. AMS promotes a working environment that values respect, fairness and integrity.

## **II. Mission**

We have clearly stated missions, approved by our boards of directors, in pursuit of the public good. Our work supports those missions and all who work for or on behalf of any of our organizations understand and are loyal to those missions. These missions are responsive to our members and to the needs of the nonprofit sector and to society at large.

## **III. Governance**

The organizations in the Group each have active boards of directors that are responsible for setting the mission and strategic direction of the organizations and oversight of the finances, operations, and policies of the organizations. These boards of directors:

- Ensure that its board members have the requisite skills and experience to carry out their duties and that all members understand and fulfill their governance duties acting for the benefit of the organization and its public purpose;
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- Ensure that the organizations conduct all transactions and dealings with integrity and honesty;
- Ensure that the CEO and appropriate AMS staff provide timely and comprehensive information so that the boards of directors can effectively carry out their duties;
- Ensure that the organizations promote working relationships with board members, staff, brokers, member-insureds and others that are based on mutual respect, fairness and openness;
- Ensure that the organizations are fair and inclusive in their policies and practices for all board positions;
- Ensure that policies of the organizations are in writing, clearly articulated and officially adopted; and,
- Ensure that the resources of the organizations are responsibly and prudently managed;

On behalf of the other companies in the Group, the board of directors of AMS has the following additional obligations and responsibilities:

- The responsible hiring, firing, and regular review of the performance of the CEO, and ensuring that the compensation of the CEO and CFO, as well as the entire management team is reasonable and appropriate;
- Ensure that AMS is fair and inclusive in its hiring, promotion, and compensation policies and practices for all staff positions;
- Ensure that AMS has the resources to carry out its work effectively.

#### **IV. Legal Compliance**

The organizations are knowledgeable of and comply with all laws, regulations and applicable international conventions.

#### **V. Responsible Stewardship**

The organizations and any subsidiaries will manage their funds responsibly and prudently. This means that we will:

- Incur reasonable expense ratios in line with strategic plans and our role as a member of the nonprofit sector;
- Spend adequate amounts on administrative expenses to ensure effective operating and accounting systems, internal controls, competent staff, and other expenditures critical to professional management;
- Accumulate sufficient surplus to enable long-term financial security and the ability to grow, while maintaining reasonable, but not excessive, surplus ratios;
- Ensure that all spending practices and policies are fair, reasonable and appropriate to fulfill the missions of the organizations; and,
- Ensure that all financial reports are factually accurate and complete in all material respects.

As regards staff, AMS will:

- Compensate staff, and any others who may receive compensation, reasonably and appropriately in light of its unusual role as a nonprofit and provider of insurance services

#### **VI. Openness and Disclosure**

We will provide comprehensive and timely information to the public, the media, and all stakeholders in a responsive and timely manner to reasonable requests for information. All information about the organizations will fully and honestly reflect the policies and practices of the organization. Basic informational data about the organizations, such as the Form 990 and audited financial statements will be posted on the organizations' websites or otherwise available to the public. All marketing and advertising materials will accurately represent the organizations' policies and practices and will reflect positively on the nonprofit sector. All financial and organizational reports will be complete and accurate in all material respects.

#### **VII. Impact Evaluation**

We annually establish organizational goals and review progress toward those goals on a regular basis. We are committed to continually improving products, services and overall organizational effectiveness. We support and encourage learning from mistakes and incorporate these learnings into future practices. We are responsive to changes in both the nonprofit sector and in the insurance industry and are responsible for meeting the changing needs of nonprofits and their brokers.

#### **VIII. Inclusiveness and Diversity**

We promote inclusiveness in all facets of the Group's operations. We know that by promoting diversity of the Group's staff, board and vendors we will enrich our operations and effectiveness and help us better achieve our mission in service to the nonprofit sector.