

## **NIAC Dividend Plan Frequently Asked Questions**

Following are brief answers to questions about the Plan. These answer general questions about the plan, however, you should refer to the actual plan document for more details.

### **What is the purpose of the NIAC Dividend Plan?**

NIAC's financial results are dependent upon member loyalty and the claims experience of its members. When NIAC's financial results are better than expected, we believe that it is in the best interests of our members to share its success. NIAC has developed a Dividend Plan to allocate such benefits on a fair and equitable basis when they are declared by the board of directors.

### **When are dividend payments made?**

The amount of any Company-wide Dividend will be announced in April and payable within 30 days of the member's subsequent annual policy renewal inception date from June 1 through the following May 31.

### **How is the amount of the total dividend determined?**

A Company-wide Dividend amount is declared by the NIAC board of directors at its first regular board meeting of the calendar year and are at the complete discretion of the board of directors, and subject to approval by regulatory authorities, if any.

### **Who qualifies?**

After three continuous years of coverage with NIAC the nonprofit qualifies to participate in the dividend program and will start earning loyalty credits. After the completion of their fifth policy year with NIAC, and if their loss ratio meets the criteria described in the plan, they will receive a dividend payment if a dividend is declared by NIAC and the nonprofit renews their policy with NIAC.