



National Community Action Foundation

Connecting Communities to Washington Since 1981

January 28, 2020

The Honorable Al Green
Rayburn House Office Building
Room 2347
Washington, DC 20515

Dear Congressman Green,

I am writing you to affirm the National Community Action Foundation's support for H.R. 4523, the Nonprofit Property Protection Act.

Nonprofit organizations are on the frontlines of alleviating the effects of poverty in communities across the country. Nonprofits toil in the trenches, often against overwhelming barriers, to help vulnerable children, seniors and families access basic, life-sustaining services. These organizations know that the fight against poverty is hard, but they shouldn't have to also fight to access essential business services for themselves, such commercial insurance, that other organizations take for granted.

Unfortunately, the commercial insurance marketplace is not adequately meeting the insurance needs of 501(c)(3) nonprofit organizations. Compared to for-profit businesses, 501(c)(3) nonprofits have significantly fewer options when it comes to securing insurance from admitted commercial carriers. In addition, when small nonprofits are offered insurance from commercial insurers, it is packaged in such as way as to reduce choice and force nonprofits into insurance that may not be right for them or come with an exorbitant price.

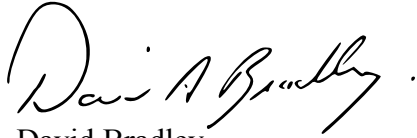
This dire situation for nonprofits is exemplified by Mid-Delta Community Services, the largest provider of Head Start across three counties in Southeast Arkansas. This past April, Mid-Delta faced a \$200,000 increase in premium by one of the nation's largest insurance companies. The increase came on short notice and Mid-Delta attempted to secure a quote from seven other insurance companies—all declined. Mid-Delta was ultimately able to find coverage through a risk retention group (RRG) exclusively serving nonprofits.

RRGs are doing the work Congress intended but are limited in the types of insurance they can provide to their members. That's why passing H.R. 4523 is crucial to the financial health of nonprofits, and the National Community Action Foundation supports the passage of this legislation. This bill expands choice for nonprofits by allowing stable, financially secure, and experienced RRGs to offer property insurance to their 501(c)(3) members. These RRGs already

have a strong track record, developed over decades, of successfully providing commercial general liability insurance to their members. This bill will help 501(c)(3) nonprofits protect themselves and strengthen their long-term health so they can continue to serve poor and vulnerable individuals and families across the nation.

Thank you for your continued leadership.

Sincerely,

A handwritten signature in black ink that reads "David A. Bradley". The signature is written in a cursive style with a large initial "D" and a period at the end.

David Bradley

CEO of the National Community Action Foundation