



July 28, 2021

Linda Lacewell, J.D.
Superintendent
NYS Department of Financial Services
1 State Street
New York, NY 1004-1511

Re; Nonprofit Property Protection Act (NPPA)

Dear Superintendent Lacewell,

As Chief Executive Officer of the New York Council of Nonprofits (NYCON), a state association of charities with close to 3,000 members across New York, I am writing you concerning the importance of the Nonprofit Property Protection Act (NPPA) to community-based nonprofits and the communities they serve. As you are aware, NPPA is now making its way through Congress. I also would request that your office reconsider the decision not to allow nonprofit risk retention groups to insure auto liability for nonprofits in our state.

NYCON is in a unique position to evaluate the value that passage of NPPA would bring to our state's nonprofit community, many of whom the State of New York contracts with, and relies on, to provide needed services. I have been CEO of NYCON for over 40 years, and during my tenure, have witnessed the chronic problem of charities, especially those that are small to mid-sized, having limited and unaffordable options for the property/casualty insurance they need to carry out their fiduciary obligations and work responsibly. In fact, we were so concerned about this ongoing problem that we created our own insurance brokerage subsidiary, Council Services Plus, to get a better handle on this systemic problem and what difference our mission inspired commitment and expertise can make in increasing and stabilizing insurance availability and affordable access.

Unfortunately, the market has worsened. These past two years have removed any illusions that there are adequate insurance options for the diversity of charities across the state, especially those that are working to alleviate our most chronic economic and social problems. For example, even in a very good year for the market, there are only a few companies that will consider insuring risks for child-serving nonprofits, particularly foster care. The recent focus on sexual abuse has exacerbated this

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problem, even though small and mid-sized nonprofits are typically not the target of the high-profile lawsuits. Also, there are only one or two markets that will consider insuring the growing number of publicly popular and supported animal rescue organization; and those that do have certain breed and other underwriting restrictions that based more on stereotype and myth than fact. And even for nonprofits considered less risky, the coverage offerings for volunteers, especially as it relates to non-owned hired auto are extremely scarce or nonexistent.

The one positive and reliable solution we have found is the Alliance for Nonprofits for Insurance (ANI), a nonprofit risk retention group with AIX AM Best rating that we have worked with for many years. In many cases, ANI is the only market we have for certain risks. Council Services Plus has placed 500 NY nonprofits with ANI they have done an excellent job in claims service and risk management assistance targeted that is tailored specifically to the needs and interest of the nonprofit community.

We are asking you to advocate on behalf of the needs of our state's nonprofits to the NAIC for their support of the NPPA. We recently learned that NAIC has opposed this bill and we hope that with your support and influence, they would reconsider.

Regarding nonprofits accessing affordable and adequate auto liability coverage, the situation in the state has become desperate for many charities, particularly as it relates to volunteer drivers and non-owned hired auto insurance. This is resulting in the disruption if not ending of much needed services to the community and vulnerable populations. We would ask that you reconsider this decision.

We appreciate your consideration of these requests and are available to talk to you or your office further on these matters.

Sincerely,

A handwritten signature in black ink that reads "Doug Sauer". The signature is written in a cursive style with a long, sweeping underline.

Doug Sauer,

Chief Executive Officer