

Combined NIA (AMS, ANI, NANI, and NIAC) Annual Meetings

Held via video conference August 18, 2022 at 10:30am Pacific Time | 1:30pm Eastern Time

Stephen Sumner, Chair of ANI & NANI, and Tammy Wilson, Chair of NIAC & AMS, convened the annual meeting.

Pamela Davis introduced herself as President/CEO and announced the following:

- The notice of the Annual Meeting was sent to all members of NIAC, ANI, NANI, and AMS the week of July 25th, 2022, giving them the opportunity to participate in the Annual Meeting through a video conference link.
- All those expressing interest in being part of the video conference were supplied with the link to the meeting.
- This meeting is informational only and there are no items requiring a vote to be placed before the members.
- I will provide a financial and operational review of NIAC, ANI, NANI, and AMS for 2021.
- NIA's "Member Day" with sessions would begin immediately following the close of the Annual Meetings of Members.

Highlights of the Financial and Operational Reviews for 2021 follows:

NIA's mission is to serve 501(c)(3) organizations by providing a stable source of reasonably priced liability and property insurance tailored to the specialized needs of the nonprofit sector and to assist these organizations in developing and implementing successful loss control and risk management programs.

Four distinct 501(c)(3) nonprofits comprise Nonprofits Insurance Alliance:

- Nonprofits Insurance Alliance of California[®] (NIAC), founded 1989, provides liability and property insurance to 501(c)(3) nonprofits in California.
- Alliance of Nonprofits for Insurance, Risk Retention Group[®] (ANI), founded 2000, provides liability insurance to 501(c)(3) nonprofits with locations outside California.
- National Alliance of Nonprofits for Insurance[®] (NANI), founded in 2000, provides property reinsurance.
- Alliance Member Services[®] (AMS), founded in 2000, provides staff, services, and support to NIAC, ANI, and NANI.

NIA provides coverages in:

Arkansas	Kansas	Ohio
Colorado	Maryland	Oregon
Connecticut	Michigan	Pennsylvania
Delaware	Minnesota	South Dakota
District of Columbia	Missouri	Texas
Florida	Nebraska	Utah
Georgia	Nevada	Vermont

Hawaii	New Jersey	Virginia
Idaho	New York	Washington
Illinois	North Carolina	Wisconsin
Iowa	North Dakota	

NIA Members breakdown:

Art & Education	27%	Mental Health, Health-Related, & Developmental Disabilities	8%
Community Service	24%	Shelter, Nutrition, & Employment	7%
Animal & Environmental	15%	Philanthropy, Volunteerism, & Grantmaking	6%
Neighborhood Improvement & Social Action	12%	Other	1%

NIA 2021 Results: Combined results for all companies

Nonprofits Insurance Alliance (NIA) welcomed 2,911 new members, renewed 95 percent of its existing members, and ended the year with 23,053 members.

- Gross written premium for NIA totaled \$228.8 million.
- At year's end, NIA's balance sheet showed total surplus of \$272.7 million, total assets of \$713.3 million, and \$20.3 million in net income before dividends of \$2.9 million.

(\$ in millions)	2021
Gross written premium	\$228.8
Dividends to policyholders	\$2.9
Net income after dividends	\$17.4
Total assets	\$713.3
Cash and invested assets	\$474.7
Loss reserves	\$301.7
Total surplus	\$272.7
Policies in force	76,697
Reported claims	
• General liability	941
• Auto liability	1,476
• Property*	415
• Other*	3,392

*Includes property claims handled for our companion program.

NIAC 2021 Results:

Nonprofits Insurance Alliance of California (NIAC) welcomed 1,045 new members, renewed 95.6 percent of its existing members, and ended the year with 11,145 members.

- Gross written premium for NIAC totaled \$113.4 million.
- At year's end, NIAC's balance sheet showed total surplus of \$193.2 million, total assets of \$422.3 million, and \$7.1 million in net income after dividends of \$2.9 million.

ANI 2021 Results:

Alliance of Nonprofits for Insurance, RRG (ANI) welcomed 1,866 new members, renewed 93.9 percent of its existing members, and ended the year with 11,908 members.

- Gross written premium for ANI totaled \$107.6 million
- At year's end, ANI's balance sheet showed total surplus of \$60.2 million, total assets of \$261.3 million, and \$8 million in net income.

NANI 2021 Results:

NANI reinsures a portion of the property and auto physical damage provided to ANI and NIAC members.

NANI is required to exist to reinsure property provided by a commercial insurance company because, as a Risk Retention Group, ANI is not allowed to offer property insurance.

We are working diligently with Congress to remedy this situation, so that ANI members can enjoy the same advantages as NIAC members. Commercial companies don't offer the standalone property and auto physical damage insurance ANI members need.

NANI's membership is comprised of all of NIAC's members (10,543) and all of ANI's members(10,677).

At the end of 2021, NANI's premium was \$6.3 million, surplus was \$18.8 million and assets were \$29.5 million.

NIA's Specialized Coverages:

- Commercial General Liability
 - Damage to Property of Others
 - Employee Benefits Liability
 - Liquor Liability
 - Communicable Disease
- Directors and Officers Liability with Employment Practices Liability
- Directors and Officers Liability without Employment Practices Liability
- Improper Sexual Conduct and Physical Abuse Liability
- Social Service Professional Liability
- Business Auto Liability
- Non-owned Auto Physical Damage Reimbursement
- Non-owned/Hired Auto Liability
- NIAC Property Coverage
 - Inland Marine
 - Employee Dishonesty
- ANI Property Coverage written through NAE
 - Inland Marine
 - Employee Dishonesty
- Workplace Violence / Crisis Incident / Outside Aggressor
- Participant/Volunteer Accident Coverage written through QBE
- Umbrella

NIA's Highlighted Member Resources & Usage:

To help prevent claims that disrupt nonprofit operations, and to improve loss history so our members can reduce harm and preserve charitable assets, we provide a variety of free and deeply discounted risk management and loss control resources for our members.

- **NIA Telematics powered by Azuga** - We're offering our members free vehicle telematics (GPS) services through NIA Telematics powered by Azuga. The program is intended to give organizations real-time insights on driver behavior, allowing for safe corrections that lower the risk of driver-related collisions. The resource is available to members with an owned-auto policy with 10 or more insured vehicles.
- **PRAESIDIUM** - We're providing eligible members with free access to Praesidium, a national leader in risk management specializing in preventing abuse. Resources include Praesidium Academy Online Training, model policies, Praesidium's Screening and Selection Toolkit for Foster Parents, and the Praesidium Helpline. The resources are available to members with an Improper Sexual Conduct and Physical Abuse policy through NIA
- **VolunteerMatters** - We're partnering with VolunteerMatters to offer members discounted access to a comprehensive online platform to help effectively activate, engage, and manage an extraordinary volunteer program without increasing administrative workload. This resource is offered to all members.
- **BOARDnetWORK** - We updated the platform of BOARDnetWORK, our free customized web-based tool that streamlines governance activities and helps boards of directors stay informed and organized. This resource is available at no charge to all NIA members.
- In 2021, our loss control and risk management services saved our members more than \$3.2 million and helped train more than 4,990 employees and volunteers in risk management principles and practices.
- **Usage:**
 - 4,990 employees and volunteers trained
 - 5,017 free employment and risk management consultations
 - \$3.2 million saved by members on loss control and risk management services.

NIA's Equity & Sustainability Principles:

All of NIA's resources – social, financial and physical – are committed to practices, systems and structures that restore balance to the earth's environment and to all groups.

We work to ensure that all practices, systems and structures – written or unwritten, conscious or unconscious – support restoring the full equality of all groups.

This includes equal access to power, ownership of resources, and correcting inequities caused by the existing paradigm.

Equity and Inclusion in Leadership:

- 63% of NIA's Senior Leaders are Women vs. 9% for the Financial Services Sector
- 78% of NIA's Mid-Level Managers are Women vs. 24% for the Financial Services Sector

Operational Sustainability:

- Headquarters 100% solar powered with battery backup
- Constructed to take advantage of passive solar heating and cooling from natural air flow
- Company policies are very liberal as regards telecommuting
- 60% of staff are exclusively work from home
- Extremely low flow water using appliances
- Non-toxic cleaning materials. No toxins in landscaping.
- No single use plastic products, compostable only
- Very limited travel policies

NIA Statement of Investment Beliefs:

We believe in a strong governance structure that includes an appointed Investment Committee with member-elected Board oversight.

We believe that regular and disciplined rebalancing between equity and fixed income plays a critical role in achieving long-term financial goals.

We believe that careful monitoring and management of investment-related costs is a critical component of investment oversight and directly contributes to long-term investment results.

We believe that carefully managing risk by setting investment parameters for asset allocation and guidelines for managers is a key aspect of preserving the real (inflation-adjusted) purchasing power of surplus assets while maximizing income and minimizing volatility.

We believe that considering investments that seek to make a positive environmental, social, and governance impact furthers and advances our mission to "provide a stable source of reasonably priced liability and property insurance" for our members and reflects the broad goals and objectives of our stakeholders: nonprofit organizations, employees, our natural environment, and the communities in which we live.

We further believe efforts to minimize the carbon footprint for NIA and our investment portfolios, over time, aligns with this view.

We believe that organizations that embrace diversity, equity, inclusion and belonging initiatives are best poised to deliver superior services and results to stakeholders. This includes NIA as well as our investment managers and vendors.

NIA's Board Elections:

Proposed Dates for 2023 Election

- Start of nomination period: 9/7/2022
- Nomination period closes: 10/6/2022
- Voting starts: 1/11/2023
- Voting ends: 2/10/2023

Stephen Sumner asked whether there are questions or other items to be addressed on behalf of ANI and NANI. Tammy Wilson asked whether there are questions or other items to be addressed on behalf of NIAC and AMS.

After any questions were answered, Stephen Sumner and Tammy Wilson adjourned the annual meeting on behalf of NIAC, ANI, NANI, and AMS.