

Ten Questions FOR THE CEO

Pamela Davis, founder, president and CEO, Nonprofits Insurance Alliance Group

In the mid-1980s, insurance companies were refusing to offer affordable liability insurance to nonprofits because of a belief that they were "high risk." Pamela Davis proposed the idea of creating a risk pool, which would allow nonprofits to insure themselves, no longer being at the mercy of commercial insurers. In 1989, with the backing of \$1.3 million in low-interest loans, the first company in the Nonprofits Insurance Alliance Group (NIAG) was born. Today, it's comprised of three nonprofit insurance companies and a supporting organization, with more than \$400 million in assets, insuring almost 16,000 nonprofits in 32 states and Washington, D.C.

1. Famous fictional insurer Ned Ryerson bugs Phil Connors repeatedly throughout "Groundhog Day." What is a day in your life that you wouldn't mind repeating over and over? In 1999, I learned that the David & Lucile Packard Foundation was matching the \$5 million grant that the Bill & Melinda Gates Foundation had committed so we could launch the new organization to expand services across the country. Two weeks before, Packard called to ask whether we would settle for \$3 million.

Asked to answer the question on the spot, I said that if we didn't get \$5 million I would suggest to my board that we refuse it and also decline the money from Gates, explaining that the foundation community simply does not have the vision to fund nonprofit projects at the level needed to succeed. I put my head on my desk after hanging up from the call and decided that the board would probably fire me. Two weeks later, I got the voicemail indicating that we would get \$5 million from Packard to match the \$5 million already promised by the Gates Foundation.

2. What's the biggest difference between nonprofit insurance and insurance for private-sector entities? While it does not have a large impact on the claims activity, probably the distinguishing factor is the volunteer exposure. Any insurance company that decides to insure nonprofits has to contemplate volunteer exposure in the underwriting, pricing, policy forms and claims handling. That is probably why only 10 or so insurance companies – out of more than 2,500 property/casualty insurance companies have specialized products for nonprofits.

3. What claim type do you think those outside the field might be surprised to find is relatively common? A frustratingly frequent claim is water damage caused by poor main-



tenance. Many folks don't understand that if you get water damage because you didn't keep the gutters and roof drains clear of debris or if you haven't otherwise properly maintained your roof, there will be no coverage. Auto and slip-and-fall claims are the most frequent types on the liability side. I suspect that most people would be surprised to see how frequently claims of harassment, discrimination and retaliation are made against nonprofit employers.

4. What's one of your most embarrassing moments? I am terrible at remembering names. I mean, really lousy. I remember facts and numbers and concepts just fine but there is hardly a name I haven't forgotten at least once. It is embarrassing because it is respectful to remember peoples' names.

5. As new technologies, strategies and sensibilities emerge, how do insurers adapt to a landscape for which they might not have studied or trained? I really can't think of any training or study that prepares one for staying out front of emerging risks and technologies other than knowing the trends and topics that are bubbling up in the industry. It is not "insurance" we need to keep our eye on; it is the emerging risks in the nonprofit sector that we need to constantly assess and try to understand so that we are able to determine whether they can be quantified and, if possible, covered by insurance.

6. Why did you choose this profession? It chose me. I was in the Masters of Public Policy program at UC Berkeley when our country experienced an "insurance crisis" much like our recent financial crisis. The California Community Foundation liked my thesis so much they published 5,000 copies.

I worked to start the first organization in our group, Nonprofits Insurance Alliance of California, opening for business in Santa Cruz, Calif., on the day of the Loma Prieta earthquake in 1989. Once I survived all that, I felt like I could handle just about anything.

7. Insurance is often thought of as a pretty serious line of work; what do you do to decompress? A big part of maintaining a healthy mental outlook is staying physically fit. For me that means mostly a plant-based diet and virtually no refined sugar. Also, downtime, rest and relaxation are important, not just for myself, but also for my staff. I am a champion sleeper. For me, discipline is very calming, very freeing. I hike, garden, and am a self-taught painter.

8. How have you seen women take a more prominent role in the nonprofit sector and insurance field? There are plenty of women ready to take on more prominent roles in both the nonprofit and insurance fields, but the subtle and not-so-subtle discrimination that keeps women from the most senior roles is all too prevalent. I can recall attending insurance events with 100 male CEOs and having the other CEOs at various times during the event ask me if I was looking forward to going "shopping with the wives" or assuming I must be one of the presenters. Our world needs cooperative, smart and thoughtful leadership which requires the best from all of us.

9. What is your best childhood memory? At my core I am a nature-loving introvert. I have vivid and luxurious memories of playing by myself on sunny days in a vast field of wheat near my house in Ohio. There was just something so peaceful and golden about those days full of the true innocence of childhood. (Not sure the farmer felt the same way about some kid tunneling around his wheat field.)

10. What are you most proud of? I am most proud of creating a group of organizations that others have and will continue to improve, and which already has helped many, and has the potential to help so many more in the nonprofit sector. I have such admiration for nonprofit executives and employees who are doing the really difficult workday in and day out in their communities. I frequently joke that I am working on my 100-year plan and I am sorry that I will miss the last five years! **E**