State of the Program

NPIP Annual Meeting
November 15, 2019
Overview of Annual Report

• Board information
• Program structure
• Membership composition
• Financial report and audit report
• Claims performance
• Summary of services for members
• Current and future goals of NPIP
• Ongoing challenges
Regions of the Board
Member-Run Program

• We are planning for Board succession!
• Many ways to get involved.
• Quarterly meetings across the state.
Board Meetings

• All members and brokers are welcome
• Quarterly meetings:
  – Feb 10, 2020 in Spokane
  – April 29, 2020 in Ellensburg
Board of Directors

- Darlene Riley, Chair – Paratransit Services, Region #1
- Amber Johnson, Vice Chair – SNAP, At Large #1
- Karl Johanson - Disability Action Center- NW, Inc., At-Large #3
- Madelyn Carlson - People for People, Region #3
- Cheryl Hamilton – Educational Opportunities for Children and Families, Region #2
- Jon Andrus, Fiscal Officer – Catholic Charities Eastern WA, Region #4
- Mike Heinisch – Kent Youth and Family Services, At Large #2
- OPEN, Alternate #1
- OPEN, Alternate #2
NPIP Mission Statement

Created by and for non-profit organizations, the Non Profit Insurance Program provides risk management solutions and stable, affordable insurance.
Vision Statement

• Provide the best insurance products and risk management solutions for nonprofits.

Core Values

• Quality, Integrity, Respect, Community, Partnership, Responsive, Reliable, Innovative
What is NPIP?

- Member-run insurance “cooperative”
- Specialized coverage for nonprofits
- Risk management services
- Pre Litigation Program (PLP)
- Dedicated claims handling
- Conservative funding approach (Aggregate Stop Loss Policy)
- Quality network of brokers/agents
Program Structure

Munich Re

Insurance Broker

Member

Board of Directors

Non Profit Insurance Program

Underwriting  Risk Management  Claims  Accounting  Administration

CLEAR risk solutions
NPIP Membership

![Graph showing the growth of NPIP membership from 2004 to 2019, with numbers increasing from 26 to 861]
Membership by Class of Business

<table>
<thead>
<tr>
<th>Class of Business</th>
<th>Membership</th>
</tr>
</thead>
<tbody>
<tr>
<td>Animal / Environmental Preservation</td>
<td></td>
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<tr>
<td>Associations</td>
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<tr>
<td>Camps</td>
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<tr>
<td>Cemetery / Funeral Services</td>
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<tr>
<td>Community / Multi Service Agencies</td>
<td></td>
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<tr>
<td>Counseling / Life Coaching</td>
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<tr>
<td>Educational Institutions</td>
<td></td>
</tr>
<tr>
<td>Elderly Care / Disabled Care</td>
<td></td>
</tr>
<tr>
<td>Educational Institutions</td>
<td></td>
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<tr>
<td>Food Banks / Food Services</td>
<td></td>
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<tr>
<td>Foundations / Theaters</td>
<td></td>
</tr>
<tr>
<td>Galleries / Museums</td>
<td></td>
</tr>
<tr>
<td>Health Care Centers / Low-income Community</td>
<td></td>
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<tr>
<td>Housing / Water Associations / Placement</td>
<td></td>
</tr>
<tr>
<td>Housing (Low-income) / Counseling Clubs</td>
<td></td>
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<tr>
<td>Hospice</td>
<td></td>
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<tr>
<td>Hospital</td>
<td></td>
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<tr>
<td>Job Training / Placement</td>
<td></td>
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<tr>
<td>Recreation Programs</td>
<td></td>
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<tr>
<td>Senior Services</td>
<td></td>
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<tr>
<td>Shelters / Missions</td>
<td></td>
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<tr>
<td>Substance Abuse</td>
<td></td>
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<tr>
<td>Transportation</td>
<td></td>
</tr>
</tbody>
</table>
Financial Health - State Required Solvency Test

State Requirement

As of May, 2019
Financial Health

As of May 31, 2019

- Total Assets: $5.79 Million
- Total Liabilities: $3.15 Million
- Fund Balance: $1.99 Million
Revenues vs. Expenses

Fiscal Year 18/19

• Total Operating
  Revenues $17.86 Million
  Expenses $17.60 Million
Audit Results

- Clean audit report for 18/19
- Annually by Moss Adams
- Report was issued the end of Sept. 2019
- 3 years of audits posted on the website for member access at any time
5-year Losses by Claim Type
6/1/2014- 5/31/19

- Auto: 57%
- Crime: 1%
- General Liability: 18%
- Property: 17%
- Equipment Breakdown: 1%
- Wrongful Acts: 6%

<table>
<thead>
<tr>
<th>Claim Type</th>
<th>Count</th>
</tr>
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<tbody>
<tr>
<td>Auto</td>
<td>1,637</td>
</tr>
<tr>
<td>Crime</td>
<td>32</td>
</tr>
<tr>
<td>General Liability</td>
<td>513</td>
</tr>
<tr>
<td>Property</td>
<td>504</td>
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<tr>
<td>Equipment Breakdown</td>
<td>21</td>
</tr>
<tr>
<td>Wrongful Acts</td>
<td>187</td>
</tr>
<tr>
<td>TOTAL</td>
<td>2,894</td>
</tr>
</tbody>
</table>
5-year Losses by Dollars
6/1/2014 – 5/31/2019

<table>
<thead>
<tr>
<th>Claim Type</th>
<th>Paid</th>
</tr>
</thead>
<tbody>
<tr>
<td>Auto</td>
<td>$9,857,445</td>
</tr>
<tr>
<td>Crime</td>
<td>$534,952</td>
</tr>
<tr>
<td>General Liability</td>
<td>$3,151,051</td>
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<tr>
<td>Property</td>
<td>$10,567,204</td>
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<tr>
<td>Equipment Breakdown</td>
<td>$280,980</td>
</tr>
<tr>
<td>Wrongful Acts</td>
<td>$5,023,462</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$29,415,094</strong></td>
</tr>
</tbody>
</table>
Risk Management Services

- Risk Alerts & Best Practice Alerts
- My Risk Solutions (online risk help) & npip.org
  - Sample policies and forms
- Pre-Litigation and Employment Practice Consulting
- Educational Services
  - Webinars (including a training vault)
  - Onsite Training
  - Driver Training Simulator
Risk Connections

• Affiliate membership (free member access) to the Nonprofit Risk Management Center
  www.nonprofitrisk.org.

• “eRisk Hub” through Hartford Steam Boiler (HSB) / Munich Re
  – Free inspections
  – Maintenance reports
Regional Training Events

• New this year!
• Current topics:
  – Surviving the Active Lethal Threat (Schools)
  – Leading with Emotional Intelligence
• Upcoming:
  – Risks surrounding ADA Compliance
  – Active Lethal Threat (organizations)
  – Cyber Threats – what, how, when
• Do you have a topic? Want to host?
On-site Training

• One-on-one with members
• Provided to members at no cost
• Specific to your need (can be specialized)
• Examples include:
  ▪ Dos and Don’ts of Discipline
  ▪ Maintaining Professional Boundaries, Conflict, and Multi-Generational Workforce
  ▪ Recognizing and Reporting Child Abuse and Vulnerable Adult Abuse
  ▪ True Colors® Communicating With People Who Think Differently

See www.npip.org for complete list and descriptions
DTS – Driver Training Simulator

- Designed to give a driving experience in a safe environment.
- Recognizing and anticipating hazardous driving situations.
- Handle environmental factors
  - Adverse weather
  - Practice collision response
Stay Connected!

- Board meeting participation and/or Board roles
- Events – large & small
- Social Media (Facebook)
- www.npip.org
- We LOVE feedback (all of it!)
The Future

Immediate

• Intentional, stable growth
• Fund Balance Growth
• Board Succession

Long-Term

• Expanded Services
• Innovative solutions for large & small nonprofits
• Growth
  • Employee Benefits
  • Expanded Niches

Stability-Focus

• Equity-minded for rate stability
• Partnerships
• Board succession
• Member and broker engagement
NPIP’s Challenges

• Board Succession planning - ongoing work
• Continued education of legislators on who we are and what we do.
• Exploring new areas to help members – growth of pooled product(s).
• Exploring ways to help large and small nonprofits with services and coverage.
• Member and broker connection to the program.
Contact Information

• Sarah McDonnell, SMcDonnell@npi.org
  – Director of NPIP at Clear Risk Solutions
  – 509-754-2027 (office)
  – 509-237-8187 (cell phone)

• Darlene Riley, dmr@paratransit.net
  – NPIP Board Chair
  – Paratransit Services