



Report of Independent Auditors  
and Financial Statements for  
**Non Profit Insurance Program (NPIP)**  
May 31, 2016

**MOSS-ADAMS** LLP

Certified Public Accountants | Business Consultants

*Acumen. Agility. Answers.*

## CONTENTS

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	PAGE
REPORT OF INDEPENDENT AUDITORS	1-2
FINANCIAL STATEMENTS	
Balance sheet	3
Statement of operations	4
Statement of cash flows	5
Notes to financial statements	6-16
SUPPLEMENTARY INFORMATION	
Ten year claims development information	17
Notes to ten year claims development information	18
List of participating members	19-27
Schedule of expenditures	28

## REPORT OF INDEPENDENT AUDITORS

To the Board of Directors  
Non Profit Insurance Program (NPIP)

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Non Profit Insurance Program (NPIP), which comprise the balance sheet as of May 31, 2016, and the related statements of operations and cash flows for the year then ended, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Non Profit Insurance Program (NPIP) as of May 31, 2016, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Other Matter***

*Other Information*

Our audit was conducted for the purpose of forming an opinion on the basic financial statements as a whole. The supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audits of the basic financial statements, and, accordingly, we do not express an opinion or provide any assurance on it.

*Moss Adams LLP*

Yakima, Washington  
September 28, 2016

**NON PROFIT INSURANCE PROGRAM**  
**BALANCE SHEET**  
**MAY 31, 2016**

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**ASSETS**

CURRENT ASSETS

Cash and cash equivalents	\$ 2,393,378
Accounts receivable	
Member receivables	10,414
Excess/Reinsurance recoverable	367,879
Prepaid expenses	260
Total current assets	<u>2,771,931</u>

TOTAL ASSETS	<u>\$ 2,771,931</u>
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**LIABILITIES AND STOCKHOLDERS' EQUITY**

CURRENT LIABILITIES

Unpaid claims and claim adjustment expense	1,478,981
Accounts payable	26,001
Unearned member assessments	112,288
Income tax liability	-
Total current liabilities	<u>1,617,270</u>

NON CURRENT LIABILITIES

Unpaid claims liability	84,622
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RETAINED EARNINGS

TOTAL LIABILITIES AND RETAINED EARNINGS	<u>\$ 2,771,931</u>
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**NON PROFIT INSURANCE PROGRAM**  
**STATEMENT OF OPERATIONS**  
**YEAR ENDED MAY 31, 2016**

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OPERATING REVENUE	
Member assessments	<u>\$ 14,692,889</u>
OPERATING EXPENSES	
Insured claims and claim adjustment expenses	879,767
Claims paid	1,351,008
Unallocated loss adjustment expenses	1,183,182
Excess/Reinsurance premiums	7,163,740
General and administrative expenses	<u>4,184,671</u>
Total operating expenses	<u>14,762,368</u>
OPERATING LOSS	(69,479)
NONOPERATING REVENUE	
Federal income tax refund	29,032
Interest income	<u>4,629</u>
Total nonoperating revenues	<u>33,661</u>
CHANGE IN RETAINED EARNINGS	(35,818)
RETAINED EARNINGS, beginning of year	<u>1,105,857</u>
RETAINED EARNINGS, end of year	<u><u>\$ 1,070,039</u></u>

**NON PROFIT INSURANCE PROGRAM**  
**STATEMENTS OF CASH FLOW**  
**YEAR ENDED MAY 31, 2016**

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<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash received from members	\$ 14,654,422
Cash payments to suppliers for good and services	<u>(14,679,195)</u>
Net cash from operating activities	<u>(24,773)</u>
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Purchase of investments	-
Interest received	<u>4,629</u>
	<u>4,629</u>
 <b>NET DECREASE IN CASH</b>	 (20,144)
 <b>CASH AND CASH EQUIVALENTS, beginning of year</b>	 <u>2,413,522</u>
 <b>CASH AND CASH EQUIVALENTS, end of year</b>	 <u>\$ 2,393,378</u>
 <b>RECONCILIATION OF CHANGE IN RETAINED EARNINGS TO NET CASH FROM OPERATING ACTIVITIES</b>	
Operating loss	\$ (69,479)
Adjustment to reconcile change in retained earnings to net cash from operating activities	-
Increase (decrease) in:	
Member receivables	9,653
Excess/Reinsurance recoverable	56,388
Prepaid expenses	650
Unpaid claims liability	104,937
Accounts payable	(32,446)
Unearned member assessments	(104,508)
Income tax liability	<u>10,032</u>
 <b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	 <u>\$ (24,773)</u>

## **NON PROFIT INSURANCE PROGRAM NOTES TO FINANCIAL STATEMENTS**

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### **Note 1 – Nature of the Organization**

NPIP (the Program) was organized on August 20, 2004 in Washington under Chapter 48.62 RCW and 24.03 RCW to provide a joint self-insurance program of property and casualty coverage for its member organizations. Nonprofit corporations authorized to do business in Washington State are eligible to participate if they meet the Program’s underwriting guidelines.

NPIP’s accounting standards changed in November of 2015. During the 2015 Washington State Legislative session, RCW 48.180, Laws of 2015, then Senate Bill (SB) 5119 was approved into law. RCW 48.180 removed nonprofits from Chapter 48.62 RCW and placed nonprofit-pooling in a separate chapter to clarify that nonprofit corporations and local governments cannot commingle for purposes of creating risk pools. As a result of the new Chapter, a new administrative code to govern it was created and placed in effect November 23, 2015, as Washington Administrative Code (WAC) 200-150. As of November 2015, NPIP’s accounting standards changed from Governmental Accounting Standards Board (GASB) to Financial Accounting Standards Board (FASB). Other than changing from using governmental accounting standards to financial accounting standards, no other material change in accounting practices is expected.

As outlined in the Program’s foundation document (Membership Agreement), members must give a 90-day notice before March 1, to terminate participation in the Program effective the following May 31. The Membership Agreement is renewed automatically each year. Even after termination, a member is responsible for contributions to the Program for any unresolved, unreported, and in-process claims for the period they were a signatory to the Membership Agreement.

On May 31, 2016, NPIP had 693 members.

### **Note 2 – Summary of Significant Accounting Policies**

**Basis of accounting** – The financial statements of NPIP have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables and liabilities. Revenues and expenses are reported in gross amounts except gains and losses, which are reported net.

**Financial statement estimates** – The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements as well as the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

**Cash and cash equivalents** – For purposes of cash flows, NPIP considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. NPIP maintains demand deposit accounts at various financial institutions. Such balances are insured by the Federal Deposit Insurance Corporation. They have not experienced any losses in such accounts.



## NON PROFIT INSURANCE PROGRAM NOTES TO FINANCIAL STATEMENTS

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### Note 2 – Summary of Significant Accounting Policies (continued)

**Accounts receivable** – All receivables are from members or insurance carriers and are, therefore, deemed collectible. NPIP does have a policy for writing off uncollectible accounts. All debts or uncollectible accounts receivable that are “written off” must be reported to the Fiscal Committee. All debts or uncollectible accounts receivable under \$500 can be written off by the third-party administrator (TPA) without the Board’s permission, but must be reported to the fiscal officer monthly. All debt or uncollectible accounts receivable over \$500 will be presented to the Fiscal Committee for approval prior to being written off.

**Unpaid claims liabilities** – NPIP establishes claims liabilities based on estimates of the ultimate cost of claims, including future claim adjustment expenses, that have been reported but not settled, and of claims that have been incurred but not reported. The length of time for which such costs must be estimated varies depending on the coverage involved. Estimated amounts of salvage and subrogation and reinsurance recoverable on unpaid claims are deducted from the liability for unpaid claims.

Because actual claim costs depend on such complex factors as inflation, changes in doctrines of legal liability, and damage awards, the process used in computing claims liabilities does not necessarily result in an exact amount, particularly for coverages such as general liability.

Claims liabilities are recomputed periodically using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claim frequency, and other economic and social factors. A provision for inflation in the calculation of estimated future claims costs is implicit in the calculation because reliance is placed both on actual historical data that reflect past inflation and on other factors that are considered to be appropriate modifiers of past experience. Adjustments to claims liabilities are charged or credited to expense in the periods in which they are made.

**Excess/Reinsurance** – NPIP uses excess insurance to reduce its exposure to large losses on all types of insured events. Additionally, NPIP uses an aggregate stop-loss policy with a \$2,000,000 limit to further limit exposure to the pool in any one claim year. NPIP does not report reinsurance/excess risks as liabilities unless it is probable that those risks will not be covered by reinsurance/excess insurance.

**Member assessments and unearned member assessments** – NPIP receives the majority of its funding from member assessments that are renewable annually. Member assessments are collected in advance and recognized as revenue in the period for which insurance protection is provided. The program assessment is calculated based on a percentage of the member’s apportioned excess insurance cost. Unearned member assessments are premiums that are collected prior to the effective date of the policy and premiums collected for policies that span multiple fiscal years.

**Claim adjustment expense** – Claims are charged to income as incurred. Claims reserves represent the accumulation of estimates for reported, unpaid claims, plus a provision for claims incurred but not reported. These estimates are continually reviewed and updated, and any resulting adjustments are reflected in current earnings. Included in cash and cash equivalents are certain money market funds totaling \$2,167,348 set aside to cover the outstanding claims reserves and unpaid claims liability.

**Reserve for unallocated loss adjustment expenses** – Pursuant to the contract in place between NPIP and its TPA, the TPA will administer in all matters related to the processing, supervision and resolution of all Program and Program membership claims or losses incurred during the term of the agreement.

## NON PROFIT INSURANCE PROGRAM NOTES TO FINANCIAL STATEMENTS

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### Note 2 – Summary of Significant Accounting Policies (continued)

**Income taxes** – Income taxes are accounted for using an asset and liability approach that requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the financial statement and tax basis of assets and liabilities at the applicable enacted tax rates. A valuation allowance is provided when it is more likely than not that some portion or all of the deferred tax assets will not be realized. The Company evaluates the realizability of its deferred tax assets by assessing its valuation allowance and by adjusting the amount of such allowance, if necessary. The factors used to assess the likelihood of realization include the Company’s forecast of future taxable income and available tax planning strategies that could be implemented to realize the net deferred tax assets. Failure to achieve forecasted taxable income in applicable tax jurisdictions could affect the ultimate realization of deferred tax assets and could result in an increase in the Company’s effective tax rate on future earnings.

The Company recognizes the tax benefit from uncertain tax positions only if it is more likely than not the tax positions will be sustained on examination by the tax authorities, based on the technical merits of the position. The tax benefit is measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. The Company recognizes interest and penalties related to income tax matters in income tax expense.

The Company files income tax returns in the U.S. federal jurisdiction as well as in all applicable states. The Company does not have any uncertain tax positions. As of May 31, 2016, there is no accrued interest or penalties recorded in the financial statements.

**Exemption from Federal and State taxes** – Over the past several years, NPIP has been actively working with the IRS to determine taxability of the program. In May 2016, it was determined that NPIP is taxable, as they are operating and organized today. As of May 31, 2015, NPIP had no outstanding tax liability. Due to a loss in the year ended May 31, 2015, there is potential of a carry-forward credit that could apply to future liabilities. RCW 48.180 exempts NPIP from insurance premium taxes, fees assessed under Chapters 48.02, 48.32, 48.32A RCW, business and occupation taxes imposed under 82.04 RCW, and any assigned risk plan or joint underwriting association otherwise required by law.

**Accounting estimates** – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

**Subsequent events** – Subsequent events are events or transactions that occur after the balance sheet date, but before the financial statements are issued. NPIP recognizes in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the balance sheet date, including the estimates inherent in the process of preparing the financial statements. NPIP’s financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the balance sheet but arose after the balance sheet date and before the financial statements are available to be issued.

NPIP has evaluated subsequent events through, September 28, 2016, which is the date the financial statements are available to be issued.

**NON PROFIT INSURANCE PROGRAM**  
**NOTES TO FINANCIAL STATEMENTS**

**Note 3 – Risk Financing Limits (Self-Insured Retention)**

The following table reflects the risk-financing standard limits on coverage policies issued and retained by NPIP for the 2015-16 policy year, **except for Independent Schools**:

<b>Type of coverage</b>	<b>Member deductibles*</b>	<b>Self-insured retention</b>	<b>Excess limits</b>
<b>Property loss:</b>			
Buildings and content	\$2,500 – Residential \$500 – All others	\$50,000	\$75,000,000 per occurrence
Flood	2% of insurable values, subject to a \$25,000 minimum and \$100,000 maximum, Each Member, Each Occurrence.	\$50,000	\$25,000,000 annual aggregate
Earthquake	2% of insurable values, subject to a \$25,000 minimum, Each Member, Each Occurrence.	\$50,000	\$25,000,000 annual aggregate
Equipment breakdown	\$1,000	\$50,000	\$75,000,000 per occurrence
Employee dishonesty	\$500	\$50,000	\$1,000,000 per occurrence
Auto comp and collision	\$500 Private Passenger Vehicles, Pickups and Vans; \$2,500 Buses, Specialty Transport Vehicles, and Vans exceeding 8 passenger capacity; \$1,000 All Other Vehicles	\$50,000	\$300,000 per occurrence
<b>Liability loss:</b>			
Auto liability including bodily injury, property damage and underinsured motorist	\$2,500 Buses, Specialty Transport Vehicles, and Vans exceeding 8 passenger capacity; \$500 all others	\$50,000	\$5,000,000 AL per occurrence; \$1,000,000 UIM per occurrence
General liability including bodily injury, property damage and personal injury	\$0	\$50,000	\$5,000,000 per occurrence
Wrongful acts / misc. professional liability	\$1,000 = 0 - 24 Employees \$2,500 = 25 - 500 Employees \$10,000 = 500+ Employees	\$50,000	\$5,000,000 per claim

**NON PROFIT INSURANCE PROGRAM**  
**NOTES TO FINANCIAL STATEMENTS**

**Note 3 – Risk Financing Limits (Self-Insured Retention) (Continued)**

The following table reflects the risk financing limits on coverage policies issued and retained by NPIP for the Independent Schools for the 2015-16 policy year:

<b>Type of coverage</b>	<b>Member deductibles*</b>	<b>Self-insured retention</b>	<b>Excess limits</b>
<b>Property Loss:</b>			
Buildings and Content	\$1,000	\$50,000	\$75,000,000 per occurrence
Flood	2% of insurable values, subject to a \$25,000 minimum and \$100,000 maximum, Each Member, Each Occurrence.	\$50,000	\$25,000,000 annual aggregate
Earthquake	2% of insurable values, subject to a \$25,000 minimum, Each Member, Each Occurrence.	\$50,000	\$25,000,000 annual aggregate
Equipment Breakdown	\$2,500	\$50,000	\$75,000,000 per occurrence
Employee Dishonesty	\$2,500 Employee Theft & Computer Fraud; \$1,000 Forgery or Alteration & Money or Securities	\$50,000	\$1,000,000 per occurrence
Auto Comp and Collision	See Schedule	\$50,000	\$300,000 per occurrence
<b>Liability Loss:</b>			
Auto Liability including Bodily Injury, Property Damage and Underinsured Motorist	\$1,000	\$50,000	\$15,000,000 AL per occurrence; \$1,000,000 UIM per occurrence
General Liability including Bodily Injury, Property Damage and Personal Injury	\$1,000	\$50,000	\$15,000,000 per occurrence
Wrongful Acts / Misc. Professional Liability	\$1,000	\$50,000	\$15,000,000 per claim

**\*Member deductible options are available upon request.**

**NON PROFIT INSURANCE PROGRAM  
NOTES TO FINANCIAL STATEMENTS**

**Note 4 – Excess Insurance Contract/Reinsurance**

NPIP maintains excess insurance contracts with several insurance carriers, which provide various limits of coverage over the Program’s self-insured retention limits. The limits provided by these excess insurance contracts for all members **except Independent Schools** are as follows:

<b>Excess Insurance Contracts 2015-16</b>						
<b>Type of coverage</b>	<b>2015-16 Pool Limit</b>	<b>Carrier</b>	<b>Carrier Rating</b>	<b>Years with Carrier</b>	<b>Occurrence of claims made</b>	<b>2014-15 Pool Limit</b>
General Liability	\$50,000,000	American Alternative Insurance Corporation	A+ XV	8	Occurrence	\$50,000,000
Automobile Liability	\$5,000,000 (no aggregate)	American Alternative Insurance Corporation	A+ XV	8	Occurrence	\$5,000,000 (no aggregate)
Wrongful Acts/Misc Prof Liab	\$40,000,000	Princeton Excess & Surplus Lines Insurance Company	A+ XV	8	Claims Made	\$40,000,000
Property	\$75,000,000	American Alternative Insurance Corporation / RSUI Indemnity Company / Axis Insurance Company	A+ XV / A+ XIII / A+ XV	8	Occurrence	\$55,000,000
Equipment Breakdown	\$75,000,000	American Alternative Insurance Corporation / RSUI Indemnity Company / Axis Insurance Company	A+ XV / A+ XIII / A+ XV	12	Occurrence	\$55,000,000
Employee Dishonesty	\$1,000,000	American Alternative Insurance Corporation	A+ XV	8	Occurrence	\$1,000,000

**NON PROFIT INSURANCE PROGRAM**  
**NOTES TO FINANCIAL STATEMENTS**

**Note 4 – Excess Insurance Contract/Reinsurance (continued)**

Per-occurrence coverage limits provided by NPIP, including the excess insurance limits combined with the Program’s self-insured retention limits are as follows:

<b>Excess Insurance Contracts 2015-16</b>						
<b>Type of coverage</b>	<b>2015-16 per occurrence limit</b>	<b>Carrier</b>	<b>Carrier rating</b>	<b>Years with carrier</b>	<b>Occurrence of claims made</b>	<b>2014-15 Pool Limit</b>
General Liability	\$5,000,000	American Alternative Insurance Corporation	A+ XV	8	Occurrence	\$5,000,000
Automobile Liability	\$5,000,000	American Alternative Insurance Corporation	A+ XV	8	Occurrence	\$5,000,000
Wrongful Acts/Misc Prof Liab	\$5,000,000	Princeton Excess & Surplus Lines Insurance Company	A+ XV	8	Claims Made	\$5,000,000
Property	\$75,000,000	American Alternative Insurance Corporation / RSUI Indemnity Company / Axis Insurance Company	A+ XV / A+ XIII / A+ XV	8	Occurrence	\$55,000,000
Equipment Breakdown	\$75,000,000	American Alternative Insurance Corporation / RSUI Indemnity Company / Axis Insurance Company	A+ XV / A+ XIII / A+ XV	12	Occurrence	\$55,000,000
Employee Dishonesty	\$1,000,000	American Alternative Insurance Corporation	A+ XV	8	Occurrence	\$1,000,000

**NON PROFIT INSURANCE PROGRAM  
NOTES TO FINANCIAL STATEMENTS**

**Note 4 – Excess Insurance Contract/Reinsurance (continued)**

**NPIP independent schools** maintain excess insurance contracts with several insurance carriers, which provide various limits of coverage over the Program’s self-insured retention limits. The limits provided by these excess insurance contracts are as follows:

<b>Excess Insurance Contracts 2015-16</b>						
<b>Type of coverage</b>	<b>2015-16 Pool Limit</b>	<b>Carrier</b>	<b>Carrier rating</b>	<b>Years with carrier</b>	<b>Occurrence of claims made</b>	<b>2014-15 Pool Limit</b>
General Liability	\$50,000,000	American Alternative Insurance Corporation / Torus Specialty Insurance Company	A+ XV / A+ XI	6	Occurrence	\$50,000,000
Automobile Liability	\$15,000,000 (no aggregate)	American Alternative Insurance Corporation / Torus Specialty Insurance Company	A+ XV / A+ XI	6	Occurrence	\$15,000,000 (no aggregate)
Wrongful Acts/Misc Prof Liab	\$50,000,000	Princeton Excess & Surplus Lines Insurance Company / Torus Specialty Insurance Company	A+ XV / A+ XI	6	Claims Made	\$50,000,000
Property	\$75,000,000	American Alternative Insurance Corporation / RSUI Indemnity Company / Axis Insurance Company	A+ XV / A+ XIII / A+ XV	6	Occurrence	\$75,000,000
Equipment Breakdown	\$75,000,000	American Alternative Insurance Corporation / RSUI Indemnity Company / Axis Insurance Company	A+ XV / A+ XIII / A+ XV	6	Occurrence	\$75,000,000
Employee Dishonesty	\$1,000,000	American Alternative Insurance Corporation	A+ XV	6	Occurrence	\$1,000,000

**NON PROFIT INSURANCE PROGRAM  
NOTES TO FINANCIAL STATEMENTS**

**Note 4 – Excess Insurance Contract/Reinsurance (continued)**

**NPIP independent schools** maintains excess insurance contracts with several insurance carriers, which provide various limits of coverage over the Program’s self-insured retention limits. The limits provided by these excess insurance contracts are as follows:

<b>Excess Insurance Contracts 2015-16 – Per Occurrence/Claim Limits</b>						
<b>Type of coverage</b>	<b>2015-16 Pool Limit</b>	<b>Carrier</b>	<b>Carrier rating</b>	<b>Years with carrier</b>	<b>Occurrence of claims made</b>	<b>2014-15 Pool Limit</b>
General Liability	\$15,000,000	American Alternative Insurance Corporation / Torus Specialty Insurance Company	A+ XV / A+ XI	6	Occurrence	\$15,000,000
Automobile Liability	\$15,000,000	American Alternative Insurance Corporation / Torus Specialty Insurance Company	A+ XV / A+ XI	6	Occurrence	\$15,000,000
Wrongful Acts/Misc Prof Liab	\$15,000,000	Princeton Excess & Surplus Lines Insurance Company / Torus Specialty Insurance Company	A+ XV / A+ XI	6	Claims Made	\$15,000,000
Property	\$75,000,000	American Alternative Insurance Corporation / RSUI Indemnity Company / Axis Insurance Company	A+ XV / A+ XIII / A+ XV	6	Occurrence	\$75,000,000
Equipment Breakdown	\$75,000,000	American Alternative Insurance Corporation / RSUI Indemnity Company / Axis Insurance Company	A+ XV / A+ XIII / A+ XV	6	Occurrence	\$75,000,000
Employee Dishonesty	\$1,000,000	American Alternative Insurance Corporation	A+ XV	6	Occurrence	\$1,000,000

Reinsurance/Excess Insurance premiums ceded during the year were \$7,163,740. The estimated amount that is recoverable from excess and reinsurers that reduced the liabilities on the balance sheet was \$949,766. There have been no settlements that have exceeded the insurance coverage in the past three years.

**Note 5 – Members’ Supplemental Assessments and Credits**

The membership agreement provides for supplemental assessments to members in the event the fund lacks resources to pay claims. NPIP has never made a supplemental assessment.



**NON PROFIT INSURANCE PROGRAM**  
**NOTES TO FINANCIAL STATEMENTS**

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**Note 6 – Related-Party Transactions**

NPIP's TPA and insurance broker is Clear Risk Solutions. Clear Risk Solutions uses Apex and Peachtree Special Risk to place insurance coverage for the pool. Clear Risk Solutions, Apex, and Peachtree Special Risk are owned by the same parent company, Brown and Brown, Inc. Clear Risk Solutions runs its operations from Ephrata, Washington. Apex is located in Glen Allen, Virginia, and Peachtree Special Risk is located in Atlanta, Georgia.

**Note 7 – Unpaid Claims Liability**

As discussed in Note 1, the Program establishes a liability for both reported and unreported insured events, which includes estimates of both future payments of losses and related claim adjustment expenses. The following table represents changes in the aggregate liability for NPIP:

	<u>2016</u>
Unpaid Claims and Claim Adjustment Expenses/Claim Reserves at the Beginning of the Year	<u>\$ 1,458,666</u>
<b>INCURRED CLAIMS AND CLAIM ADJUSTMENT EXPENSES:</b>	
Provision for Insured Events of Current Year	2,373,417
Increase/(Decrease) in Provision for Insured Events of Prior Years	<u>(1,493,650)</u>
Total Insured Claims and Claim Adjustment Expenses	<u>879,767</u>
<b>PAYMENTS:</b>	
Claims and Claim Adjustment Expenses Attributable to Insured Events of Current Year	1,351,008
Claims and Claim Adjustment Expenses Attributable to Insured Events of Prior Years	<u>(576,178)</u>
Total Payments	<u>774,830</u>
Total Unpaid Claims and Claim Adjustment Expenses at End of Year	<u><u>\$ 1,563,603</u></u>

**NON PROFIT INSURANCE PROGRAM**  
**NOTES TO FINANCIAL STATEMENTS**

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**Note 8 – Financial Solvency/Required Assets (WAC) 200-150**

WAC 200-150 requires NPIP to maintain certain levels of primary and secondary assets to meet solvency standards. As defined in WAC 200-150-03001 total primary assets, cash and cash equivalents less non-claim liabilities, must be at least equal to the unpaid claims estimate at the expected level as determined by the actuary. Additionally, total primary and secondary assets must be at least equal to the unpaid claims estimate at the 80% confidence level as determined by the actuary. Secondary assets are defined as insurance receivables, real estate or other assets (less any non-claim liabilities) the value of which can be independently verified by the State Risk Manager.

	<u>May 31, 2016</u>
Primary Asset Test	
Primary Assets	\$ 2,257,978
Estimated Claims Liabilities	
at Expected Levels	1,563,603
Results	Pass
Secondary Asset Test	
Primary & Secondary Assets	\$ 2,636,270
Estimated Claims at 80%	
Confidence Level	1,563,603
Results	Pass

**SUPPLEMENTARY INFORMATION**

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**NON PROFIT INSURANCE PROGRAM**  
**TEN YEAR CLAIMS DEVELOPMENT INFORMATION (UNAUDITED)**

Fiscal and Policy Year Ended May 31, 2016										
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
4 Required contribution and investment revenues										
Earned		5,084,838	6,008,321	6,945,456	8,716,672	10,523,237	11,247,594	12,558,481	13,238,824	14,697,518
Ceded		2,388,402	3,384,361	3,434,788	5,051,301	5,216,462	5,159,433	6,215,069	6,688,906	7,163,740
Net Earned	2,716,795	2,696,436	2,623,960	3,510,668	3,665,371	5,306,775	6,088,161	6,343,412	6,549,918	7,533,778
2 Unallocated expenses	1,061,129	1,104,363	1,383,145	2,573,414	2,309,930	4,110,124	4,833,166	4,668,498	4,804,951	5,335,932
3 Estimated claims and expense, end of policy year:										
Incurred				1,422,567	1,572,974	1,794,950	2,472,814	3,765,868	2,010,610	1,972,713
Ceded				352,567	256,474	350,700	464,814	1,743,201	162,610	400,704
Net Incurred	1,684,517	1,699,718	1,651,097	1,070,000	1,316,500	1,444,250	2,008,000	2,022,667	1,848,000	1,572,009
4 Net Paid (cumulative) as of:										
End of Policy Year	959,028	743,293	873,513	364,855	459,952	534,515	804,331	1,193,900	886,998	1,351,008
One Year Later	1,169,239	959,934	564,884	712,795	720,923	763,546	1,462,904	1,997,058	1,471,714	
Two Years Later	1,233,533	480,636	670,637	786,633	828,366	1,006,572	1,634,598	2,022,667		
Three Years Later	747,813	573,177	758,273	904,830	840,207	1,034,882	1,806,348			
Four Years Later	817,653	590,370	709,865	900,587	854,046	1,048,301				
Five Years Later	817,653	590,778	709,865	899,986	853,421					
Six Years Later	817,653	590,370	706,202	899,436						
Seven Years Later	817,653	590,370	706,202							
Eight Years Later	817,653	590,370								
Nine Years Later	817,653									
5 Re-estimated ceded claims and expenses:	783,772	1,535,861	2,233,273	913,878	940,505	932,100	2,212,329	4,663,243	612,143	400,704
6 Re-estimated net incurred claims and expenses:										
End of Policy Year	1,684,517	1,699,718	1,651,097	1,070,000	1,316,500	1,444,250	2,008,000	2,022,667	1,848,000	1,572,009
One Year Later	1,615,840	1,675,992	860,000	1,025,000	1,125,470	1,108,000	2,062,380	2,022,667	1,859,390	
Two Years Later	1,596,574	623,028	807,537	990,000	1,005,710	1,240,214	1,975,029	2,022,667		
Three Years Later	807,341	636,403	832,840	1,002,158	939,485	1,126,138	1,881,222			
Four Years Later	843,064	590,370	752,840	918,122	880,086	1,090,526				
Five Years Later	825,930	590,778	709,865	914,314	871,197					
Six Years Later	817,653	590,370	706,202	911,967						
Seven Years Later	817,653	590,370	712,314							
Eight Years Later	817,653	590,370								
Nine Years Later	817,653									
7 Increase (decrease) in estimated net incurred claims and expense from end of policy year	(866,864)	(1,109,348)	(938,783)	(158,033)	(445,303)	(353,724)	(126,778)	-	11,390	-

**NON PROFIT INSURANCE PROGRAM**  
**NOTES TO TEN YEAR CLAIMS DEVELOPMENT INFORMATION (UNAUDITED)**

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This table illustrates how the Program's earned revenues (net of reinsurance) and investment income compare to related costs of loss (net of loss assumed by reinsurers) and other expenses assumed by the pool as of the end of the year. The rows of the table are defined as follows:

1. This section shows the total of each fiscal year's gross earned contribution revenue and investment revenue, contribution revenue ceded to reinsurers, and net earned contribution revenue and reported investment revenue.
2. This line shows each fiscal year's other operating costs of the pool including overhead and claims expenses not allocable to individual claims.
3. This line shows the pool's net incurred claims and allocated claim adjustment expenses (both paid and accrued) as originally reported at the end of the first year in which the event that triggered coverage under the contract occurred (called policy year).
4. This section shows the cumulative amounts paid as of the end of successive years for each policy year.
5. This line shows the latest re-estimated amount of claims assumed by reinsurers as of the end of the current year for each accident year.
6. This section shows how each policy year's net incurred claims increased or decreased as of the end of successive years. The re-estimations are based on actuary liability and property ultimate losses of the net layer, net of the stop loss. Re-estimations in prior years used a variety of methods including actuary liability estimates and management property estimates and aggregate stop losses. (This annual re-estimation results from new information received on known claims, reevaluation of existing information on known claims, as well as emergence of new claims not previously known.)
7. This line compares the latest re-estimated incurred claims amount to the amount originally established (line 3) and shows whether this latest estimate of claims cost is greater or less than originally thought. As data for individual policy years mature, the correlation between original estimates and re-estimated amounts is commonly used to evaluate the accuracy of incurred claims currently recognized in less mature policy years. The columns of the table show data for successive policy years.

## **NON PROFIT INSURANCE PROGRAM LIST OF PARTICIPATING MEMBERS (UNAUDITED)**

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1. A Common Voice
2. Aberdeen Neighborhood Housing Services
3. Adams County Pet Rescue
4. Admiral Theatre Foundation, The
5. Adopt A Pet
6. Adult Family Home Council
7. Advancing Leadership Foundation
8. Advocates for Immigrants in Detention NW
9. Alliance of People with disAbilities
10. ALSadaqa
11. Alternatives to Hunger
12. American Childhood Cancer Org. Inland NW
13. American Legion, Dept. of WA, The
14. American Legion-ArtSemroPost & LadiesAux
15. Animals As Natural Therapy
16. Annie Wright Schools
17. Arc - King County, The
18. Arc of Kitsap & Jefferson County, The
19. Arc of Southwest Washington, The
20. Arlington/Smokey Pt. Chamber of Commerce
21. Artist Trust
22. Asotin County Food Bank
23. Asset Stewardship Foundation, The
24. Assistance League of Everett
25. Associated Ministries of Tacoma-Pierce C
26. Association of WA Business/AWB Institute
27. Association of WA School Principals
28. Attain Housing
29. Attic Learning Community, The
30. Bainbridge Island Child Care Centers
31. Bangsund Dwelling Place, The, NFP/LUVES
32. Barn Ministries / The Barn Youth Center
33. Bastyr University
34. Battle Ground Chamber of Commerce
35. Bayside Swimming Club
36. Beats & Rhythms
37. Bellevue Boys & Girls Club
38. Bellingham Central Lions Club Foundation
39. Bellingham Christian School
40. Bellingham Visitors & Convention Bureau
41. Bellingham/Whatcom Chamber of Commerce
42. Bellwether Housing
43. Benton Affordable Housing Association
44. Benton City Chamber of Commerce
45. Benton-Franklin Co. Humane Society, The
46. Bethel Christian Life Center
47. Bethel Recreation Association
48. Bible Believers of Washington
49. Big Bend Community College Found.
50. Big Brothers Big Sisters of the INW
51. Bike Works Seattle
52. Black Diamond Community Center Assoc
53. Bldg Assc Poulsbo Ldg 44 Sons of Norway
54. Bleeding Disorder Foundation of WA, The
55. Blue Mountain Oncology Program
56. Boistfort Valley Water
57. Boost Collaborative
58. Boys & Girls Club of Benton & Franklin
59. Boys & Girls Club of the Columbia Basin
60. Boys & Girls Club of Thurston County
61. Boys and Girls Clubs of Skagit County
62. Brigadoon Service Dogs
63. Brigid Collins House
64. Building Industry Assoc of Whatcom Co
65. Burlington Little School
66. Bush School, The
67. C.A.S.T. for Kids Foundation
68. Camano Island Chamber of Commerce
69. Camano Senior & Community Center
70. Camp Berachah Ministries
71. Camp Fire NCW
72. Camp Fire Snohomish County
73. Camp Fire USA Samish Council
74. Camp Horizon Foundation
75. Capital Lakefair, Inc.
76. Capitol Land Trust
77. Cascade Adaptive Sports
78. Cascade Christian Schools
79. Cascade Foothills Farmland Association
80. Cascade Volleyball Club of Seattle
81. Catholic Charities of Spokane
82. CBVC
83. CDM Services
84. Center for Organizational Reform

**NON PROFIT INSURANCE PROGRAM  
LIST OF PARTICIPATING MEMBERS (UNAUDITED)**

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|---|---|
| 85. Center for Strengthening Teaching Prof.   | 127. Cornerstone Christian School             |
| 86. Centralia - Chehalis Chamber of Commerce  | 128. Council on Aging & Human Services        |
| 87. Centrum                                   | 129. Cove to Clover                           |
| 88. Changes Parent Support Network            | 130. Cove West Home Owners Association        |
| 89. Charles Wright Academy                    | 131. Cowboy Campsite Members Association      |
| 90. Chelan Douglas Counties Together! For a   | 132. Crime Stoppers of Lewis County           |
| 91. Chelan Valley Hope                        | 133. Crossroads Resource Center               |
| 92. Chelan-Douglas Child Services Assoc.      | 134. Daffodilians, Inc.                       |
| 93. Chelan-Douglas Co. Comm. Action Council   | 135. Delight Foundation                       |
| 94. Chelan-Douglas County CASA/GAL Program    | 136. Desert Aire Owners Association           |
| 95. Chelan-Douglas Land Trust                 | 137. Disability Action Center NW              |
| 96. Child Advocacy Center of Snohomish Co.    | 138. Dispute Resolution Center of Kitsap Co   |
| 97. Child Care Action Council of Thurston Co  | 139. Dispute Resolution Center of Thurston Co |
| 98. Children's Center                         | 140. Downtown Action to Save Housing          |
| 99. Children's Discovery Foundation           | 141. Downtown On the Go                       |
| 100. Children's Reading Foundation, The       | 142. Downtown Pasco Development Authority     |
| 101. Christian Enterprises                    | 143. Dreamview Estates Property Owners Assoc  |
| 102. Christian Hope Association, The          | 144. Dune Lakes Homeowners' Association       |
| 103. Claquato Cemetery Association            | 145. Earth and Space Research                 |
| 104. Clearwater School, The                   | 146. Earthcorps                               |
| 105. Colville Chamber of Commerce             | 147. East Central Community Organization      |
| 106. Committee for Children                   | 148. East County Senior Center                |
| 107. Communities in Schools of Federal Way    | 149. Eastside Baby Corner                     |
| 108. Community Action Center                  | 150. Eastside Catholic School                 |
| 109. Community Action of Skagit County        | 151. Eastside Christian School                |
| 110. Community Arts & Recreation Alliance     | 152. Eastside Preparatory School              |
| 111. Community Celebrations, Inc.             | 153. Eastside Timebank                        |
| 112. Community Child Care Center              | 154. Ebenezer Christian School                |
| 113. Community Choice                         | 155. Edmonds Center for the Arts              |
| 114. Community Cultural Project of Tonasket   | 156. Edmonds Senior Center                    |
| 115. Community Dinners - Seattle              | 157. Educational Oppor. for Children&Families |
| 116. Community Enrichment for Klickitat Co    | 158. Educational Programs in Home Living      |
| 117. Community Foundation of Snohomish County | 159. Edwall Water Association                 |
| 118. Community Frameworks                     | 160. EisenhowerBandPrnts&DavisBuccaneersBB    |
| 119. Community Mediation Services             | 161. Elizabeth Home                           |
| 120. Community Transportation Assoc of the NW | 162. Emerald City Pet Rescue                  |
| 121. Community Youth Services                 | 163. Emerald Heights Academy                  |
| 122. Compassion House                         | 164. Emergency Support Shelter                |
| 123. Conservation NW                          | 165. Emmaus Center, The                       |
| 124. Construction for Change                  | 166. End of Life of Washington                |
| 125. Continental Club, Inc., The              | 167. Enterprise For Progress in the Community |
| 126. Corbin Senior Activity Center            | 168. Ephrata Chamber of Commerce Inc.         |

**NON PROFIT INSURANCE PROGRAM  
LIST OF PARTICIPATING MEMBERS (UNAUDITED)**

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169.	Ephrata Senior Center, Inc.	211.	George Baldrige Pst #43-American Legion
170.	Eureka Thrift	212.	George Community Hall, Inc.
171.	Everett Recovery Cafe	213.	George Pocock Rowing Foundation, The
172.	Everett Senior Center Foundation	214.	German Heritage Society
173.	Evergreen Land Trust Association, The	215.	Giddens School
174.	Evergreen Mountain Bike Alliance	216.	Glen Community Association, The
175.	Evergreen Safety Council	217.	Global Visionaries
176.	Excel Public Charter School	218.	Goodwill Contracting Services
177.	Explorer West Middle School	219.	Goodwill Heritage Foundation
178.	F.A.C.E.S. Northwest	220.	Goodwill of the Olympics & Rainier Reg
179.	Fair Housing Center of Washington	221.	Grand Coulee Dam Seniors Inc.
180.	Faith Action Network	222.	Grandview Chamber of Commerce
181.	FaithMobile Ministries	223.	Grandview SD Parent Teacher Org/Booster
182.	Family Renewal Shelter	224.	Granite Falls S.D. Parent Teacher Org
183.	Family Resource Center of Lincoln County	225.	Grant County Animal Outreach
184.	Family Services of Grant County	226.	Greater Federal Way Ch. of Commerce
185.	Family Support Center of South Sound	227.	Greater Goldendale Area Chamber of Comm
186.	Far West Agribusiness Association	228.	Greater Grays Harbor
187.	Farmer Consumer Awareness Day	229.	Greater Hillyard Business Association
188.	Ferndale Chamber of Commerce	230.	Greater Marysville Tulalip Cham. of Comm
189.	Ferndale Food Bank	231.	Greater Seattle Chamber of Commerce
190.	Ferndale S.D. Parent Teacher Org/Booster	232.	Greater Spokane League Dist. #8 WIAA Sch
191.	First Place	233.	Greater Tacoma Community Foundation, The
192.	Fish/Food Banks of Pierce County	234.	Green Lake Preschool and Childcare Ctr
193.	Food Lifeline	235.	Grow Food
194.	Foundation for Private Enterprise Educat	236.	Grunewald Guild
195.	Free Clinic of SW Washington	237.	Hands on Children's Museum
196.	Friends of Camp Gallagher	238.	Harbor Assoc of Volunteers for Animals
197.	Friends of Children of Walla Walla	239.	Harbor Wildwatch
198.	Friends of Hospice	240.	Harrington Opera House Society
199.	Friends of Seattle Waterfront	241.	Helping Hand House
200.	Friends of Stonerose Fossils	242.	Helpline House
201.	Friends of the Carpenter	243.	Hero House
202.	Friends of the North Fork Comm. Library	244.	Highline High School Booster Club
203.	Friends of the South Whatcom Library	245.	Hillcrest Water Users Association
204.	Friends of Youth	246.	Hispanic Chamber of Commerce Yakima Co
205.	Friendship Adventures	247.	Historic Downtown Chelan Association
206.	Fusion	248.	Historic Downtown Kennewick Partnership
207.	FuturesNW	249.	Historic Fox Theatre Restorations
208.	G. Weyerhaeuser Pac. Rim Bonsai Collect.	250.	Historical Society of Federal Way
209.	Garden-Raised Bounty	251.	Home Trust of Skagit
210.	Garfield County Super Citizens	252.	Homeownership Center of Tacoma



**NON PROFIT INSURANCE PROGRAM  
LIST OF PARTICIPATING MEMBERS (UNAUDITED)**

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253.	HomeSight	295.	Kitsap Immigrant Assistance Center
254.	Homeward Bound	296.	Kla-Ha-Ya Days Festival
255.	Homeward Bound in Puyallup	297.	Knights of Columbus
256.	Hood Canal Salmon Enhancement Group	298.	Kulshan Community Land Trust
257.	Hooves With Heart	299.	L & E Academy Foundation
258.	Hospitality House	300.	Lake and Park School, The
259.	Housing Hope	301.	Lake Chelan Boating Club
260.	Human Services Council	302.	Lake Chelan Chamber of Commerce
261.	Humane Society - Western Region	303.	Lake Connor Park
262.	Humane Society of Cowlitz County, SPCA	304.	Lake Cushman Maintenance Co.
263.	Icicle Creek Center for the Arts	305.	Lake Sawyer Community Club
264.	Icicle Fund	306.	Lake Stevens Senior Center
265.	Ignite Ministries	307.	Lake Tyee
266.	Imagine Children's Museum	308.	Lake Washington Rowing Club
267.	InFocus Ministries	309.	L'Arche Tahoma Hope Community
268.	In-Home Care of Central Washington	310.	Laughing Horse Arts Foundation
269.	Inland Northwest Land Trust	311.	Leadership Snohomish County
270.	Inspire Youth Project	312.	Learning Avenues Child Care Centers
271.	Institute for Community Leadership	313.	Learning Well, The
272.	Interfaith Coalition of Whatcom County	314.	Leavenworth Summer Theater
273.	Interfaith Works	315.	Legacy Homeschool Center
274.	International Children's Care	316.	Leif Erikson Recreation Association
275.	International District Parking Assoc.	317.	Lewis County Economic Dev Council
276.	International Peace Arch Association	318.	Lewis County Historical Society
277.	Island Volunteer Caregivers	319.	Lewis County Mental Health Association
278.	Issaquah Food and Clothing Bank	320.	Lewis County Work Opportunities
279.	Jansen Art Center	321.	Liberty Christian School Tri-Cities
280.	Jefferson Community School	322.	Life Services of Spokane
281.	Jefferson County Historical Society	323.	Lighthouse Christian Ministries
282.	Jensen Memorial Youth Ranch	324.	Lighthouse Christian School
283.	Jet Oldsters Assoc. of Ferndale, The	325.	Lincoln Theatre Center Foundation, The
284.	Jubilee Academy	326.	Listen and Talk
285.	Jubilee Women's Center	327.	Local Development Council of Tacoma
286.	Kent Food Bank & Emergency Services	328.	Long Live the Kings
287.	Kent SD Parent Teacher Org/Boosters	329.	Lopez Children's Center
288.	Kent Youth and Family Services	330.	Lopez Community Center Association
289.	Kent Youth Soccer Association	331.	Lopez Housing Options (LOHO)
290.	Kettle Falls Area Chamber of Commerce	332.	Lost Lake Property Owners Association
291.	Kettle Falls Youth Works	333.	Lower Columbia Community Action Council
292.	Key Peninsula Civic Center Association	334.	Lower Valley Crisis & Support Services
293.	Kidstown International, Inc.	335.	Lynden Chamber of Commerce
294.	Kitsap Community Foundation	336.	Lynden Christian School

**NON PROFIT INSURANCE PROGRAM  
LIST OF PARTICIPATING MEMBERS (UNAUDITED)**

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337.	Lynden Youth Sports	379.	New Phoebe House Association
338.	Mamma's Hands	380.	Nisqually Land Trust
339.	Marysville Community Food Bank	381.	North Cascades Institute
340.	Masquers of Grant County	382.	North County Recreation Association
341.	Master's Christian School, The	383.	North Olympic Land Trust
342.	Mayfield Lake Youth Camp, Inc	384.	North Olympic Salmon Coalition
343.	Methow Conservancy	385.	North Twin Lakeview Homeowners Assoc.
344.	Methow Salmon Recovery Foundation	386.	Northeast Community Center Association
345.	Metropolitan Development Council, The	387.	Northshore Senior Center
346.	Mid-City Concerns	388.	Northsound Assn. for Catholic Education
347.	Millionair Club, Inc.	389.	Northwest Autism Center, The
348.	Mirror Ministries	390.	Northwest Christian Schools, Inc.
349.	Mission Vista	391.	Northwest Family Life
350.	Monroe Christian School Society	392.	Northwest Harvest/EMM
351.	Morningside	393.	Northwest Maritime Center
352.	Moses Lake Chamber of Commerce	394.	Northwest North Pole Adventures, Inc
353.	Moses Lake Christian Academy	395.	Northwest Svcs for Independent Living
354.	Moses Lake Senior Opportunity & Services	396.	Northwest Wall and Ceiling Bureau
355.	Moses LakeSD Parent Teacher Org/Boosters	397.	Northwest Washington Medical Society
356.	Mount Baker Theatre	398.	Northwest Youth Music Association
357.	Mount Vernon Christian School Assoc.	399.	NW School for Hearing-Impaired Children
358.	Mountain Sprouts Children's Community	400.	Oak Harbor Christian School
359.	Mountaineers Foundation	401.	Oaks Education Association
360.	Mountaineers, The	402.	Oakview Association
361.	Mountains To Sound Greenway Trust	403.	Ocean Shores Community Club
362.	Mt Baker Foothills Chamber of Commerce	404.	OCS Supporting Foundation
363.	Mt. Baker Co-op Preschool	405.	Odessa Chamber of Commerce
364.	Mt. Baker Rim Community Club	406.	Office of Rural and Farmworker Housing
365.	Mt. Baker Water Association, Inc.	407.	Okanogan Co. Transportation & Nutrition
366.	Mt. Si Senior Center	408.	Okanogan County Child Development Assn
367.	Music Theatre of Wenatchee, Inc.	409.	Okanogan County Community Action Council
368.	Mustard Seed Project of Key Peninsula	410.	Okanogan County Community Coalition
369.	MVR Ministries	411.	Olympia Tumwater Foundation
370.	N.E.W. Family Life Services	412.	Olympic Community Action Programs
371.	NAMI Eastside	413.	Onalaska Alliance for Sustainable Comm
372.	NARAL Pro-Choice Washington	414.	One to One of Lynden
373.	NCW Business Loan Fund	415.	OneRedmond
374.	Neighborhood House, Inc.	416.	OPAL Community Land Trust
375.	Nellie Goodhue Group Homes Inc.	417.	Open Window School, The
376.	New Earth Recovery	418.	Opportunity Council, The
377.	New Hope Health Center	419.	Orcas Christian School Foundation
378.	New Life Christian School	420.	Orcas Island Community Foundation

**NON PROFIT INSURANCE PROGRAM  
LIST OF PARTICIPATING MEMBERS (UNAUDITED)**

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421.	Orting Food Bank	463.	Projekt Bayern Association
422.	Pacific Arts Association	464.	Prosser Cemetery Association
423.	Pacific Christian Academy	465.	Prosser Chamber of Commerce
424.	Pacific Education Institute	466.	Pullman Chamber of Commerce
425.	Pacific Mtn Workforce Developmt Council	467.	Pullman Community Council on Aging, The
426.	Padilla Bay Foundation	468.	Purrfect Pals
427.	Palouse Chamber of Commerce	469.	Puyallup Valley St. Francis House
428.	Palouse Community Center	470.	Quality Behavioral Health
429.	Palouse Discovery Science Center	471.	Quilceda Community Services
430.	Palouse River Counseling Center	472.	Quincy Valley Chamber of Commerce
431.	Panther Booster Club, The	473.	Quincy Valley Historical Soc. & Museum
432.	Panza	474.	Quincy Valley School
433.	Paradise Lakes Country Club	475.	Rainier Foothills Wellness Foundation
434.	Paratransit Services	476.	Rainier Prep
435.	Passages Family Support	477.	Randall House, The
436.	Pateros/Brewster Community Resource Cent	478.	RE Sources
437.	Paul Lauzier Scholarship Foundation	479.	Reach Beyond Challenge Course
438.	Pelican Point Community Association	480.	Rebound of Whatcom County
439.	Peninsula Services	481.	Recreation Northwest
440.	People For People	482.	Refugee Federation Service Center
441.	Permaculture Lifestyle Institute	483.	Reliable Enterprises
442.	Peshastin Domestic Water Users	484.	Renton Area Youth and Family Services
443.	Pet Partners	485.	ReUse Works
444.	Phinney Neighborhood Association	486.	Ridge at Hangman Homeowners Association
445.	Phoenix Rising School, The	487.	Rimrock Meadows
446.	Pickford Film Center	488.	Ripple Foundation, The
447.	Pierce County Alliance	489.	Riverside Christian School
448.	Pierce County Ctr for Dispute Resolution	490.	Rochester Organization of Families
449.	Plateau Outreach Ministries	491.	Room One
450.	Plymouth Housing Group	492.	Rubicon Foundation
451.	Ponderosa Community Club, Inc.	493.	Rural Community Development Resources
452.	Pope's Kids Place	494.	Rural Resources Community Action
453.	Port Jobs	495.	Sacred Earth Foundation
454.	Port Ludlow Village Council	496.	Safe Family Ministries
455.	Port Townsend Aero Museum	497.	Saint's Pantry Food Bank, The
456.	Port Townsend Film Institute	498.	Salem Arms Community Housing
457.	Powerful Voices	499.	Samena Club
458.	Prairie Ridge Maintenance Co.	500.	Sawhorse Revolution
459.	Pregnancy Aid of Washington	501.	Sean Humphrey House
460.	PRIDE Prep Schools	502.	Seattle Christian School Association
461.	Proctor District Association, The	503.	Seattle Police Foundation
462.	Project Canine	504.	Seattle Preparatory School

**NON PROFIT INSURANCE PROGRAM  
LIST OF PARTICIPATING MEMBERS (UNAUDITED)**

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505.	Seattle-King Co Conv & Visitors Bureau	547.	Spokane C.O.P.S
506.	Seeds of Hope Ministries	548.	Spokane Historic Concerts Association
507.	Senior Life Resources	549.	Spokane Hoopfest Association
508.	Senior Serv Council San Juan Co - Orcas	550.	Spokane Housing Ventures
509.	Senior Services for South Sound	551.	Spokane International Academy
510.	Senior Services of Snohomish County	552.	Spokane Neighborhood Action Partners
511.	Serve Moses Lake	553.	Spokane Treatment and Recovery Services
512.	Service Board, The	554.	Spokane Urban Ministries, Inc.
513.	Share and Care House	555.	Spokane Valley Partners
514.	Sherwood Community Services	556.	Spokane Valley Senior Citizens Assoc.
515.	Shoreline-Lake Forest Park Arts Council	557.	Spokane Waldorf Education Association
516.	SideWalk	558.	Spokefest Association
517.	SIFF	559.	Sprague Chamber of Commerce
518.	SightConnection	560.	St. Paul's Academy
519.	Silvana Community Fair Board	561.	Stanwood Chamber of Commerce
520.	Skagit Domestic Violence&Sexual Assault	562.	Stanwood Community and Senior Center
521.	Skagitonians To Preserve Farmland	563.	Stanwood-Camano Food Bank Services
522.	SKCAC Industries and Employment Services	564.	Steilacoom Historical Museum Association
523.	Sky Valley Chamber of Commerce	565.	Stilly-Snohomish Fisheries Enhancemnt TF
524.	Sky Valley Food Bank	566.	Sunland Estates Homeowners Assoc.
525.	Skylar Education Academy	567.	Sunnyside Chamber of Commerce
526.	Smithwright Services	568.	Sunnyside Christian School
527.	Snohomish Community Food Bank	569.	Support, Advocacy, and Resource Center
528.	Snohomish SD Parent Teacher Org/Boosters	570.	Supporters of the Center
529.	Snohomish Seniors	571.	Sustainable Connections
530.	Sno-King Amateur Hockey Association	572.	Tacoma Community House
531.	Snoqualmie Falls Forest Theater	573.	Tacoma Musical Playhouse
532.	Sno-Valley Tilth	574.	Tacoma Pierce County Chamber of Commerce
533.	Snowline Community Club	575.	Tacoma Symphony Orchestra
534.	SOAR Academies	576.	Tacoma Waldorf School
535.	SoDo Business Improvement Area	577.	Tacoma Youth Symphony Association
536.	Sound Generations	578.	Tacoma-Pierce County Business Alliance
537.	Source of Spokane, The	579.	Tahoma Associates
538.	South Central Workforce Develop. Council	580.	Tahoma Audubon Society
539.	South King Co. St Vincent dePaul N.F.P	581.	Technic Training Center
540.	South of the Sound Comm Farm Land Trust	582.	Thumbnail Theater
541.	South Park Area Redevelopment Committee	583.	Thurston County Food Bank Inc.
542.	South Park Senior Citizens	584.	Tierra Village
543.	South Sound Dream Center	585.	Tillicum Riders
544.	South Sound Outreach Services	586.	Timebanks of Puget Sound
545.	SouthEast WA Economic Development Assoc	587.	TOGETHER!
546.	Specialized Housing Incorporated	588.	Trancare

**NON PROFIT INSURANCE PROGRAM  
LIST OF PARTICIPATING MEMBERS (UNAUDITED)**

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589.	Transition Fidalgo & Friends	631.	WA State Animal Response Team
590.	Transitional Resources	632.	WA State Association of Fire Chiefs
591.	Tri-Cities Chaplaincy	633.	WA State Autumn Leaf Festival
592.	Tri-Cities Food Bank	634.	WA State Cheer Coaches Assoc
593.	Tri-City Development Council	635.	WA State Community Action Partnership
594.	Tri-City Regional Chamber of Commerce	636.	WA State Crop Improvement Association
595.	Trilogy Recovery Community	637.	WA State Democratic Central Committee
596.	Turning Pointe Domestic Violence Svcs	638.	WA State Tactical Officers Association
597.	Union Gospel Mission Assoc of Olympia	639.	WA State Tree Fruit Association
598.	Union Gospel Mission of Yakima	640.	WA State University Alumni Association
599.	Union Hill Water Association	641.	WA Technology Student Association
600.	UNITE Family Services	642.	WA Trails Association
601.	United Fresh Potato Growers of WA & OR	643.	WA Vocational Services
602.	Univ Heights Ctr for the Comm Assoc, The	644.	Walkable & Livable Communities Institute
603.	University Congregational Housing Assoc	645.	Walla Walla Community Hospice
604.	Upper Valley Connection	646.	Wallingford Community Senior Center
605.	Upper Valley MEND/Cornerstone Community	647.	Walter Clore Wine & Culinary Center
606.	Valley Arts United	648.	Warm Beach Christian Camp & Conf. Center
607.	Vashon HouseHold	649.	Warm Beach Water Association
608.	Vashon Youth and Family Services	650.	Washington Cattlemen's Association
609.	Via, Veritas, Vita	651.	Washington FFA Association
610.	Village Community Services	652.	Washington HVACCA
611.	Village Green Foundation	653.	Washington Nonprofits
612.	Visiting Nurses Foundation	654.	Washington Toxics Coalition
613.	Vista Hermosa Foundation	655.	Weaver Foundation-Georgia Mattson
614.	Volunteer Firemen, Inc. - Whitman County	656.	Wenatchee Christian Early Learning
615.	WA Alliance for Better Schools	657.	Wenatchee River Institute
616.	WA Assoc of School Business Officials	658.	Wenatchee Valley College Foundation
617.	WA Association for Pupil Transportation	659.	Wenatchee Valley Museum and Cultural Cen
618.	WA Association of School Administrators	660.	Wenatchee Valley Senior Activity Center
619.	WA Career & Technical Sports Med. Assoc.	661.	Westside School
620.	WA Center for the Performing Arts, The	662.	Whatcom Alliance for Healthcare Access
621.	WA Community Action Network	663.	Whatcom Center for Early Learning
622.	WA Farm Labor Association	664.	Whatcom Council on Aging
623.	WA Farmers and Ranchers	665.	Whatcom Family YMCA
624.	WA Gorge Action Programs	666.	Whatcom Humane Society
625.	WA Growers League	667.	Whatcom Symphony Orchestra
626.	WA Health Foundation	668.	Whatcom-Skagit Housing
627.	WA Indian Gaming Association	669.	WHIMPS Mountain Bike Coalition
628.	WA Initiative for Supported Employment	670.	White Pass Community Services Coalition
629.	WA Occupational Information System	671.	Whitewater Aquatics Management
630.	WA St Society for Healthcare Engineering	672.	Whitman County Historical Society

**NON PROFIT INSURANCE PROGRAM  
LIST OF PARTICIPATING MEMBERS (UNAUDITED)**

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- 673. Wider Horizons
- 674. Wilbur Chamber of Commerce
- 675. Wishing Star Foundation
- 676. Women & Chldn Free Restaurant & Com Kitc
- 677. Women's Funding Alliance, The
- 678. Women's Resource Center of NCW
- 679. Worker Rights Coalition
- 680. Yakima Basin Fish & Wildlife Recov.Board
- 681. Yakima Tennis Club, The
- 682. Yakima Valley Visitors & Convention Bure
- 683. Yelm Adult Community Center
- 684. Yelm Community Schools PTOs/PTAs
- 685. Yelm Community Services
- 686. YMCA of the Palouse
- 687. Young Women's Christian Assoc of Spokane
- 688. Youth and Outreach Services
- 689. Youth Services of Kittitas County
- 690. YWCA Clark County
- 691. YWCA of Bellingham
- 692. YWCA of Olympia
- 693. YWCA Pierce County

**NON PROFIT INSURANCE PROGRAM  
SCHEDULE OF EXPENDITURES (UNAUDITED)  
FISCAL YEAR ENDED MAY 31, 2016**

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Contracted Services:	
Third Party Administrator/ Directors Fees	\$ 1,286,711
Actuary Study	16,000
Audit Expenses	30,382
Professional/Consulting Fees	36,376
General Administrative Expenses:	
Account Education/Simulators	44,872
Miscellaneous & Supplies	33,851
Meeting Expense	831
Conferences	14,358
Marketing	10,224
Group Legal & Accounting	50,836
License/Dues/Subscriptions	6,891
Travel	54,758
Underwriting/Placement Fees	1,227,046
Prelitigation Program	147,898
Medicare Reporting	10,000
Tax Preparation Fees	2,996
Other:	
Brokerage Fees/Reinsurance	1,184,780
Sponsorships/ Donations	6,000
Directors E&O	19,861
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Total General & Administrative Expenses	<u>\$ 4,184,671</u>

(\*Total Operating Expenses detailed on this schedule includes General and Administrative Expenses from the Income Statement.)