



For Nonprofits, by Nonprofits.

FAQ

2016 Membership Agreement Changes

1. Why are changes being made?

A RCW change was made in 2015, moving NPIP to its own Chapter, so legal references in the current Member Agreement are incorrect. Under the prior RCW (law), NPIP was treated as a public entity creating confusion as NPIP is a WA Non Profit Corporation. An update to the Membership Agreement between NPIP and its members is necessary to adhere to the new RCW, and to the new WAC (administrative code). The new Member Agreement creates additional flexibility for the growth of the program including the potential for addition of out-of-state non-profit members.

2. Will this change influence my premiums?

No. The proposed changes will not directly influence current premiums. The NPIP Board of Directors feels that growth is healthy for NPIP; it will increase marketplace presence of the program, i.e., “market clout.” By expanding the membership of the program, NPIP’s premiums could become even more stable, with the possibility of reductions in premiums in future years.

3. Is NPIP stable and financially sound?

Yes. NPIP is stable and financially sound as reflected by the “clean” 2015 audit conducted by the Washington State Auditor. The NPIP Board of Directors takes stability and financial security of NPIP very seriously. The program has had stable rates since inception, with the minimal increases caused primarily by market conditions. NPIP purchases an additional insurance to protect the program against losses and has program reserves in compliance with state law. NPIP has an unrestricted equity reserve fund and has adopted a process and budget line item specifically to increase NPIP’s unrestricted fund balance.

The change in the RCW allows NPIP to invest unrestricted reserves. The NPIP Board of Directors is currently revising its investment policy. In addition, NPIP is now able to use a private audit firm for the annual financial audit. Results will be posted at www.npip.org.



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4. Are there changes to the services NPIP provides as part of my premium?

No. The services NPIP provides to you as a member will not change with this Membership Agreement. You will still have access to free: risk management advice and services, Pre-Litigation support, training workshops, webinars, risk alerts, and all of the resources at www.myrisksolutions.com. For a list of the full free services available as a member of the program, please visit www.npip.org or call 509-754-2027.

5. How do I voice concerns about this change or propose changes to NPIP?

NPIP's Board is open to member feedback and participation. NPIP is governed by a Board of Directors elected by the membership; each NPIP Board Member is a designated program representative of a NPIP member. There are four (4) regional representatives and three (3) at-large (statewide) representatives. If you have any requests for the Board to consider, you can contact your regional representative or an at-Large member, or contact the program administrator, Clear Risk Solutions, at 509-754-2027 or smcdonnell@npip.org. The email addresses for board members are available on the NPIP website.

As with the previous Member Agreement, individual NPIP members have the power to elect board members, and to vote on questions that are referred to the membership by the Board.

6. Do I have to do anything? What action do I need to take?

At this step in the process, no action is required. If you have concerns or questions, please communicate those to the Board or Administrator as soon as possible. After the new Member Agreement is approved by the Board of Directors, each NPIP member will be required to pass a Resolution and sign a new Membership Agreement. You and your insurance agent will be provided adequate time and the information necessary to complete the Resolution and signature process within the timelines dictated by state law.