



State of the Program

*NPIP Annual Meeting
October 23, 2015*

Non Profit
Insurance Program



Legislative Report

Waypoint Consulting

Non-profit Risk Pool Legislation

- SB 5119 (Sen. Angel), HB 1249 (Rep. Clibborn)
- Collaboration between NPIP/DES
- Purpose of Bill
 - Statutory clarification no co-mingling of government and non-profits in pools
 - Move non-profits to own chapter in RCW
 - Express authority for multi-state operation by non-profit pools

DES Rulemaking

- SB 5119 Signed by Governor April 25, 2015
- DES held three stakeholder workshops in July
 - Establish rules for non-profit chapter and open up local government rule
 - Goal of no surprises for stakeholders
- NPIP participation and submission of suggested changes
 - Clean up non-profit rule vs. local government – example use of term interlocal agreement vs. MOU
 - Clarify and simplify rules around regulations in terms of elections, notification to DES regulator, etc.
 - Establish regulatory process for multi-state operations
- DES held two public hearings in October
- New rules to take effect in November

2016 Legislative Session

Lay of the Land

- 60 Day Session
 - 2nd half of biennium, very short deadlines
 - McCleary ruling, legislature fined, Governor calls for five corner work group
 - Campaign year
- Supplemental Budgets – Few “must do” issues
 - Operating budget – forest fire \$
 - \$89 m in capital capacity
 - Already passed large transportation revenue package

Large Number of “Off-year” Changes/Announcements

- Hunter to DEL, Dunshee new House Appropriations Chair, Capital Budget Chair to be Tharinger
- Hatfield to Commerce, Takko to Senate, new Local Government Chair still undecided
- Kohl-Welles running for KC Council, if wins Carlyle to Senate, Finance Chair to be Lytton
- Dammeier announced for Pierce Co. Exec in 2016, Zeiger announced for his Senate seat
- Miloscia announced for Treasurer 2016
- Fraser and Habib announced for Lt. Governor 2016
- Roach announced for Pierce Co. Council 2016

What does this mean for Non-Profits? What can you do?

- McCleary continues to squeeze operating resources even with economic recovery.
- Non-profits and services by non-profits are generally very well regarded in the legislature.
- Relationships. Relationships. Relationships. Relationships. Nothing replaces direct relationships between legislators and non-profit EDs or others.
- It's never too late to start!

Board of Directors



- **Madelyn Carlson, Chair** – People for People, Area 3
- **Darlene Riley, Vice Chair** – Paratransit Services, Area 1
- **Karl Johanson, Fiscal Officer** – Disability Action Center- NW, Inc., At-Large #3
- **Amber Johnson** – Spokane Neighborhood Action Partners, At Large #1
- **Cheryl Hamilton** – Educational Opportunities for Children and Families, Area 2
- **Jon Andrus** – Catholic Charities of Spokane, Area 4
- **Open** – At Large #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 non profits.

Core Values

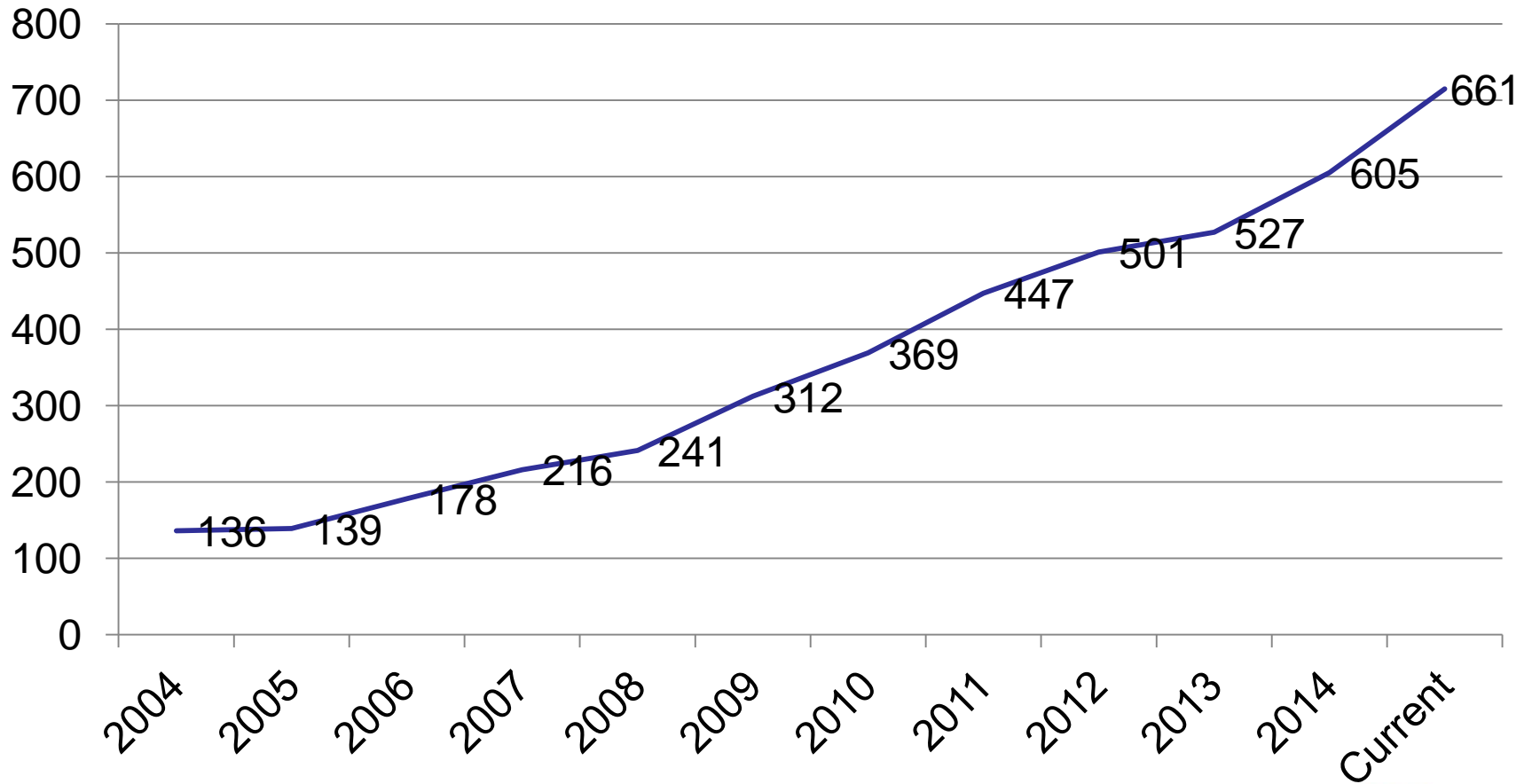
- Quality, Integrity, Respect, Community, Partnership, Responsive, Reliable, Innovative

What Differentiates NPIP?

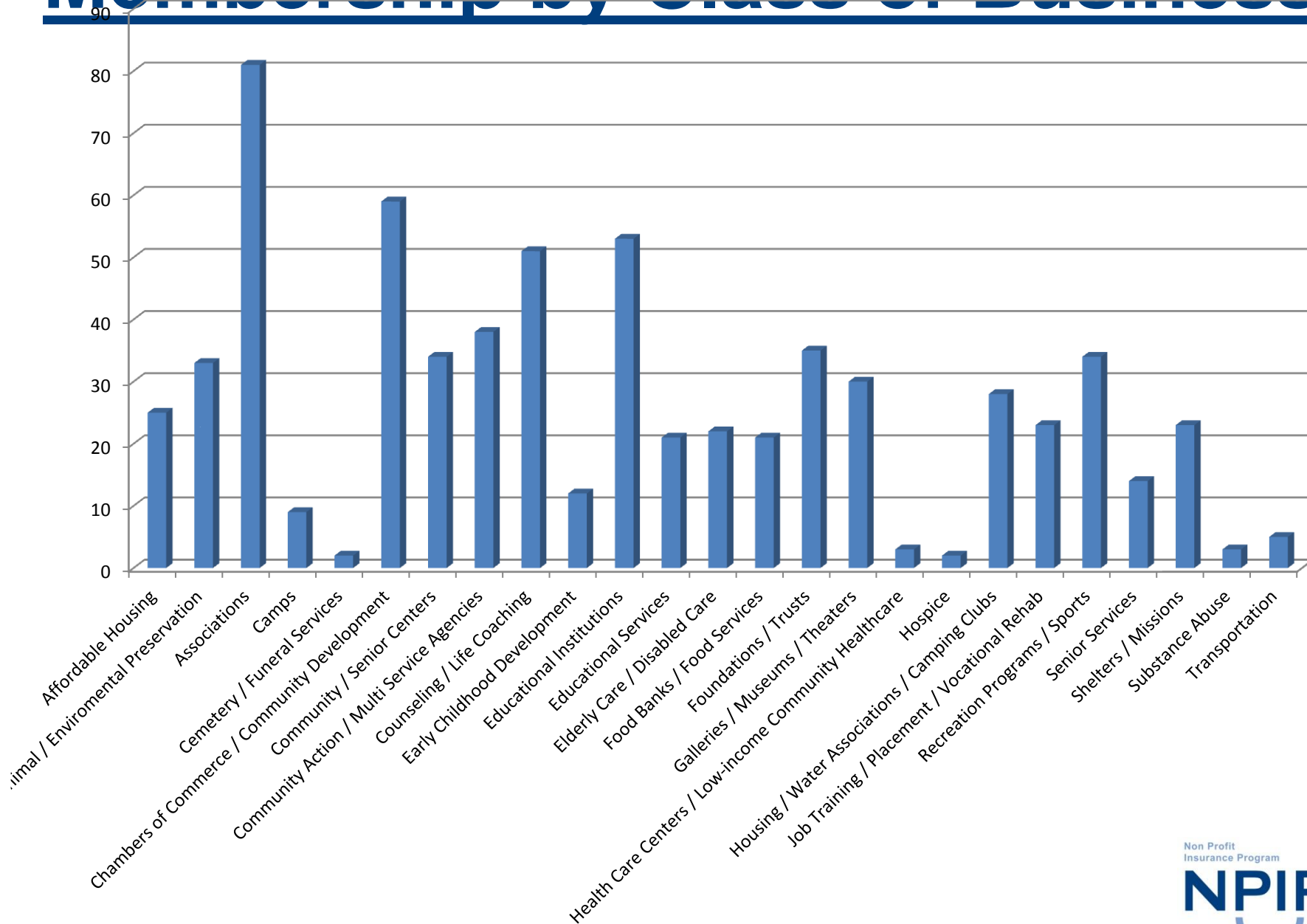
- Member-Owned Nonprofit Organization
- Specialized Coverage for Nonprofits
- Risk Management Services
- Pre Litigation Program
- Dedicated Claims Handling
- Conservative Funding Approach (Aggregate Stop Loss Policy)
- Quality Network of Brokers/Agents



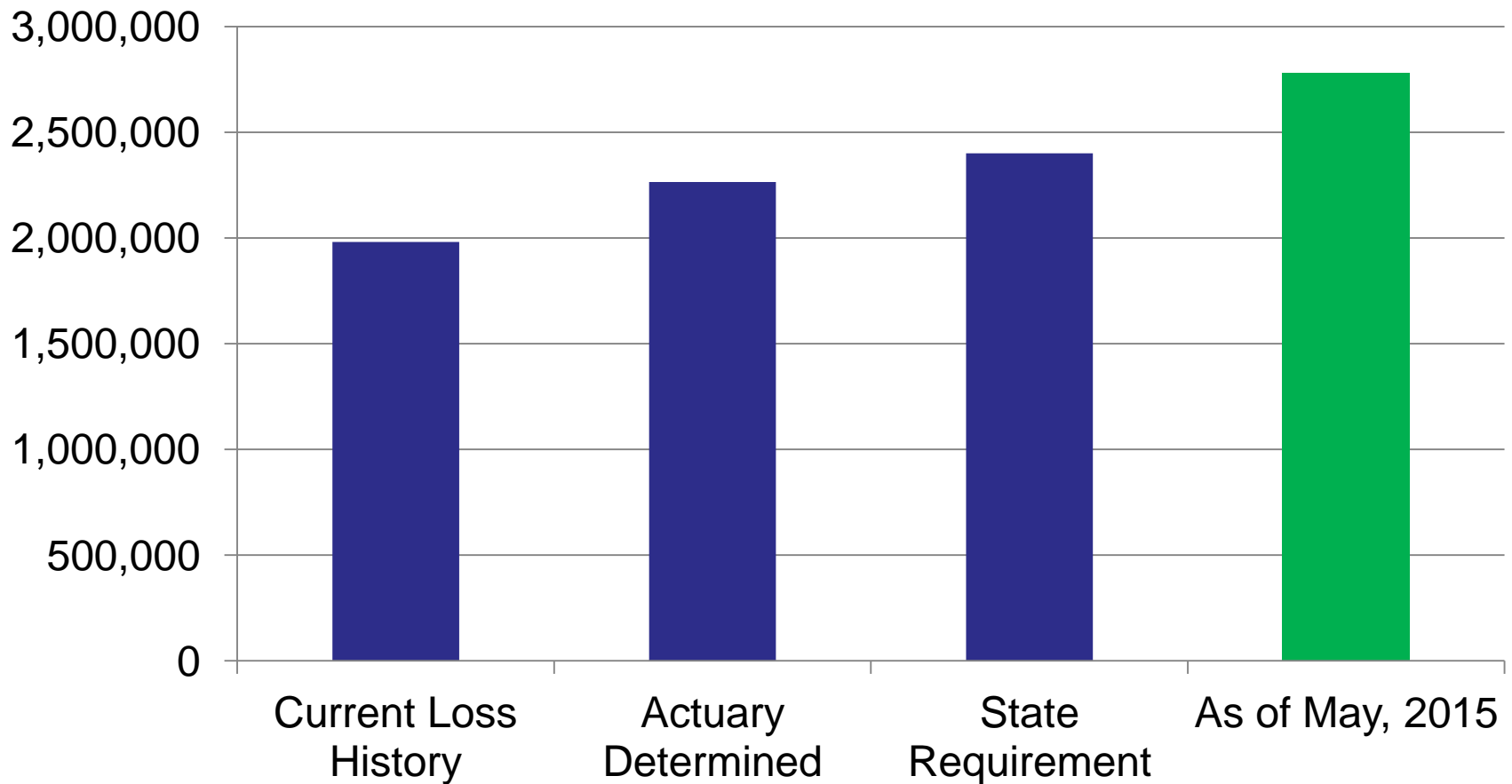
NPIP Membership



Membership by Class of Business



Financial Health- Assets to Claims Liability Comparison



Financial Health

As of May 31, 2015

- Total Assets \$2.85 Million
- Total Liabilities \$1.75 Million
- Unreserved Equity \$0.92 Million

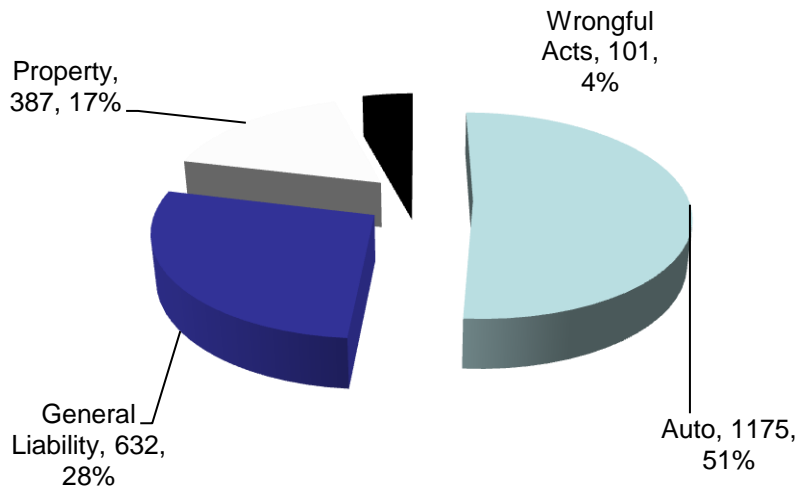
Revenues vs. Expenses

Fiscal Year 14/15

- Total Revenues \$13.2 Million
- Total Operating Expenses \$13.0 Million

NPIP Loss History

6/1/2010 – 9/10/15

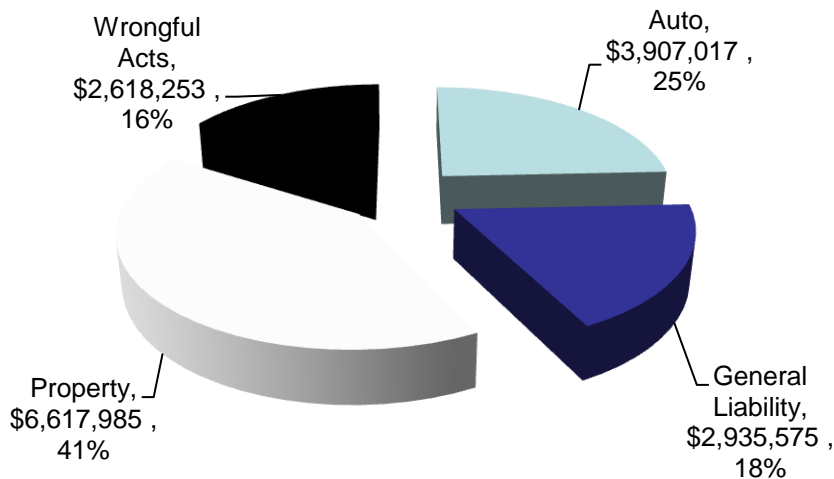


Claims	Count
Auto	1175
General Liability	632
Property	387
Wrongful Acts	101
Total	2295

ABI	Auto Bodily Injury	Crime	Crime	EB	Equip. Breakdown
ACOL	Auto Collision	DOL	Directors & Officers Liability	GLPI	General Liability Personal Injury
ACOMP	Auto Comprehensive	GLBI	General Liability Bodily Injury	MP	Misc. Professionals
AM	Automotive Medical	GLBIS	General Liab. Bodily Injury Sexual	PROP	Property
ALPD	Auto Property Damage	PMED	Premises Med	WA	Wrongful Acts
UIM	Uninsured Motorist	GLPD	General Liab. Property Damage		

NPIP Loss History

6/1/2010 – 9/10/15



Claims	Count
Auto	\$ 3,907,017
General Liability	\$ 2,935,575
Property	\$ 6,617,985
Wrongful Acts	\$ 2,618,253
Total	\$ 16,078,830

ABI	Auto Bodily Injury	Crime	Crime	EB	Equip. Breakdown
ACOL	Auto Collision	DOL	Directors & Officers Liability	GLPI	General Liability Personal Injury
ACOMP	Auto Comprehensive	GLBI	General Liability Bodily Injury	MP	Misc. Professionals
AM	Automotive Medical	GLBIS	General Liab. Bodily Injury Sexual	PROP	Property
ALPD	Auto Property Damage	PMED	Premises Med	WA	Wrongful Acts
UIM	Uninsured Motorist	GLPD	General Liab. Property Damage		

Risk Management Services

- Pre-Litigation and Personnel Issue Consulting
- Educational Services
 - Webinars
 - Onsite Training
 - Driver Training Simulator

On-site Training



Provided 116 workshops for 50 members

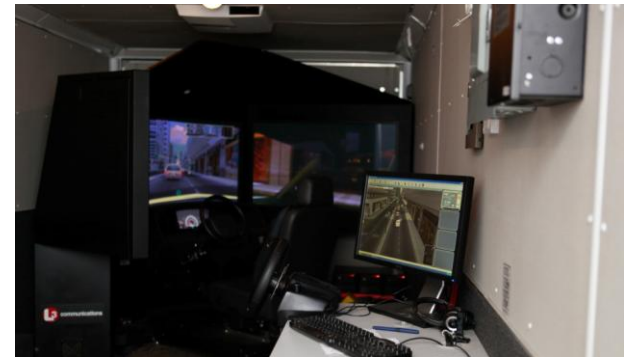
- Addressing Personnel Challenges through Effective Leadership
- Bullying, Defusing Anger, Diversity and Confidentiality in the Workplace
- Developing and Managing Volunteer Programs
- Diversity with a Focus on Sexual Harassment
- Dos and Don'ts of Discipline
- Maintaining a Professional Work Environment
- Maintaining Professional Boundaries, Conflict, and Multi-Generational Workforce
- Performance Appraisals
- 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

Provided 120 hours of training for 12 members

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



Audit Results

- For the purpose of pooling insurance, NPIP is considered a governmental entity. Therefore, NPIP is audited by the Washington State Auditor's Office (SAO)
- The most recent completed financial audit by SAO (Fiscal Year 2013/14) had no findings.

The Future of NPIP

- With the legislative changes, the new rules for NPIP will take effect in November.
- Membership Agreement and Bylaws will be revised to reflect the new regulations.
- Non-profits outside of Washington can become members.

NPIP's Challenges

- Even though NPIP is an insurance program that has non-profits as its exclusive membership, the IRS does not consider NPIP a non-profit.
- The NPIP Board continues to work with an attorney specializing in Federal Tax Codes to change the IRS opinion that NPIP is a for profit entity.

The Immediate Future

- Finalize Appeal Process with IRS
- Work with Insurance Regulator to Better Understand Non-Profits
- Maintain competitive Renewal Rates
- Seek New Program Coverages
- Continue Board Committee Work

Board Committee Work

- Risk Management Solutions
- Program Growth
- Legislative Relationship
- Policies and Procedures
- Board Governance

The Long-Term Future

- Expanded Services
 - Workers Comp
 - Health Care
 - Specialized Insurance Solutions
- Growth – Expansion into neighboring States