Report of Independent Auditors and
Financial Statements with
Supplementary Information

Non Profit Insurance Program (NPIP)

May 31, 2026 and 2025

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Report of Independent Auditors

The Board of Directors
Non Profit Insurance Program (NPIP)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Non Profit Insurance Program (NPIP), which comprise the balance sheets as of May 31, 2026 and 2025, the related statements of operations and changes in members' equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Non Profit Insurance Program as of May 31, 2026 and 2025, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Non Profit Insurance Program (NPIP) and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Non Profit Insurance Program (NPIP)'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Baker Tilly Advisory Group, LP and Baker Tilly US, LLP, trading as Baker Tilly, are members of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities. Baker Tilly US, LLP is a licensed CPA firm that provides assurance services to its clients. Baker Tilly Advisory Group, LP and its subsidiary entities provide tax and consulting services to their clients and are not licensed CPA firms.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Non Profit Insurance Program (NPIP)'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Non Profit Insurance Program (NPIP)'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements that comprise Non Profit Insurance Program (NPIP)'s financial statements. The schedule of incurred claims and allocated claim adjustment expenses, net of reinsurance, on pages 27 and 28, and the schedule of expenditures (unaudited) on page 29, are presented for purposes of additional analysis and are not required part of the financial statements. Such information is the responsibility of management and, was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Baker Tilly US, LLP

Portland, Oregon
September 28, 2026

Financial Statements

Non Profit Insurance Program (NPIP)
Balance Sheets
May 31, 2026 and 2025

	2026	2025
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 21,432,996	$ 22,463,502
Investments	7,110,919	1,751,503
Accounts receivable		
Member receivables	11,072	54,320
Excess/reinsurance recoverable	201,776	886,520
Prepaid expenses	7,690	2,200
Total current assets	28,764,453	25,158,045
TOTAL ASSETS	$ 28,764,453	$ 25,158,045
LIABILITIES AND MEMBERS' EQUITY		
CURRENT LIABILITIES		
Claims unpaid	$ 8,326,254	$ 6,695,801
Accounts payable	3,929	219,979
Unearned member assessments	89,884	60,545
Income tax payable	489,649	2,004,455
Total current liabilities	8,909,716	8,980,780
NONCURRENT LIABILITIES		
Claims unpaid, less current portion	7,932,595	6,362,526
Deferred income tax liability	390,426	212,323
Total noncurrent liabilities	8,323,021	6,574,849
MEMBERS' EQUITY	11,531,716	9,602,416
TOTAL LIABILITIES AND MEMBERS' EQUITY	$ 28,764,453	$ 25,158,045

See accompanying notes.

Non Profit Insurance Program (NPIP)
Statements of Operations and Changes in Members' Equity
Years Ended May 31, 2026 and 2025

	2026	2025
OPERATING REVENUE		
Member assessments	$ 46,833,907	$ 47,531,497
Total operating revenue	46,833,907	47,531,497
OPERATING EXPENSES		
Paid on current losses	2,681,981	2,894,384
Change in loss reserves	8,777,219	7,204,089
Case reserves and loss adjustment expense	1,555,733	2,377,292
Excess/reinsurance premiums	21,644,815	17,011,238
General and administrative expense	10,761,369	10,560,914
Total operating expenses	45,421,117	40,047,917
OPERATING INCOME	1,412,790	7,483,580
NONOPERATING REVENUE		
Unrealized gain	275,877	41,560
Interest and dividend income	829,852	850,172
Total nonoperating revenue	1,105,729	891,732
INCOME BEFORE TAXES	2,518,519	8,375,312
INCOME TAX EXPENSE	589,219	1,858,264
NET INCOME	1,929,300	6,517,048
MEMBERS' EQUITY, beginning of year	9,602,416	3,085,368
MEMBERS' EQUITY, end of year	$ 11,531,716	$ 9,602,416

See accompanying notes.

Non Profit Insurance Program (NPIP)
Statements of Cash Flows
Years Ended May 31, 2026 and 2025

	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES		
Assessments received from members	$ 46,906,494	$ 47,382,123
Cash paid for claims expense	(8,474,728)	(6,973,645)
Cash paid for excess/premiums	(20,960,071)	(16,458,566)
Cash paid for operations	(10,766,859)	(10,559,894)
Cash paid on case reserves	(1,555,733)	(2,377,292)
Interest and dividends received	829,852	850,172
Income taxes paid (refunded)	(1,925,922)	282,623
Net cash from operating activities	4,053,033	12,145,521
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(5,083,539)	(55,468)
Net cash used in investing activities	(5,083,539)	(55,468)
NET CHANGE IN CASH	(1,030,506)	12,090,053
CASH AND CASH EQUIVALENTS, beginning of year	22,463,502	10,373,449
CASH AND CASH EQUIVALENTS, end of year	$ 21,432,996	$ 22,463,502
RECONCILIATION OF NET INCOME TO NET CASH FROM OPERATING ACTIVITIES		
NET INCOME	$ 1,929,300	$ 6,517,048
Adjustments to reconcile net income to net cash provided by operating activities		
Unrealized gain on investments	(275,877)	(41,560)
Deferred income taxes	178,103	(16,811)
Change in assets and liabilities		
Member receivables	43,248	(25,535)
Income tax receivable	-	153,243
Excess/reinsurance recoverable	684,744	552,672
Prepaid expenses	(5,490)	1,020
Incurred but not reported and case reserves	3,200,522	3,128,809
Accounts payable	(216,050)	(3,981)
Unearned member assessments	29,339	(123,839)
Income tax liability	(1,514,806)	2,004,455
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 4,053,033	$ 12,145,521

See accompanying notes.

Note 1 – Nature of the Organization

Non Profit Insurance Program (NPIP or Program) was organized in Washington State as a United States property and casualty insurance company 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 operates under Washington's joint self-insurance program as outlined in chapter 48.180 of the Revised Code of Washington (RCW). The RCW allows local governments to self-insure with other entities and to jointly purchase insurance or reinsurance with those other entities for property and liability risks.

As outlined in the Program's foundation document (Membership Agreement), members must give a 90-day notice before March 1 each year 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. As of May 31, 2026 and 2025, NPIP had 879 members and 889 members, respectively.

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.

Accounting estimates – The preparation of the financial statements in accordance 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 certificates of deposit and highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Cash consists of cash on hand and cash on deposit at financial institutions. In general, the Federal Deposit Insurance Corporation (FDIC) insures cash balances up to $250,000 per depositor, per bank. Amounts in excess of the FDIC limit are uninsured. It is NPIP's policy to monitor the financial strength of the banks holding its deposits on an ongoing basis. NPIP holds cash balances in excess of the FDIC insurance limits from time to time in the normal course of operations. If any of the financial institutions with whom NPIP does business were to be placed into receivership with the FDIC, NPIP may be unable to access the cash they have on deposit with such institutions. If NPIP were unable to access its cash and cash equivalents as needed, NPIP's financial position and ability to operate its business could be adversely affected. NPIP has not experienced any losses in such accounts, and management believes it is not exposed to any significant credit risk on cash.

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 NPIP Fiscal Committee, made up of member representatives and Clear Risk staff. 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 debts or uncollectible accounts receivable over $500 will be presented to the Fiscal Committee for approval prior to being written off.

Claims unpaid – 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, 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 on both actual historical data that reflect past inflation and 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 – The RCW allows nonprofit and government corporations to participate in a joint self-insurance program to cover property or liability risks and permits these programs to jointly purchase insurance or reinsurance on behalf of its members. As a result, these reinsurance contracts are with the individual members, not with NPIP. On its self-insurance program, 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.

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.

Investments – All investments are recorded at fair value based on quoted market prices. The net unrealized gains or losses in fair value of investments, as well as all other investment income, are recognized in the statements of operations and changes in members' equity.

These investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of securities will occur in the near term and that such changes could materially affect total equity and the amounts reported in the balance sheets.

Unpaid claims and claim adjustment expense – Claims are charged to expense 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.

Reserved unallocated loss adjustment expenses – Pursuant to the contract in place between NPIP and its third-party administrator (TPA) Clear Risk Solutions, 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. Reserved unallocated loss adjustment expenses include current paid on losses expenses and change in loss reserves expenses on the statement of operations.

Income taxes – Accounting Standards Codification 740, *Income Taxes*, requires that deferred income tax assets or liabilities be recognized for the expected future income tax consequences of events that have been recognized in the financial statements and are determined based on the temporary differences between the financial statement carrying amounts and tax basis of assets and liabilities.

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. NPIP 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 NPIP'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 NPIP's effective tax rate on future earnings.

NPIP recognizes the tax benefit from uncertain tax positions only if it is more likely than not that 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. NPIP recognizes interest and penalties related to income tax matters in income tax expense. See Note 10 for additional details.

RCW 48.180.055 exempts NPIP from insurance premium taxes; fees assessed under Chapters 48.02., 48.32, and 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.

Fair value measurements – NPIP's financial assets recognized or disclosed at fair value on a recurring basis consist of investments in securities classified as trading securities (see Note 3), which are valued primarily based on quoted prices for identical instruments in active markets.

The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value hierarchy has been established that requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. Three levels of inputs may be used to measure fair value:

Level 1 – Quoted prices for identical instruments in active markets.

Level 2 – Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations whose inputs are observable or whose significant value drivers are observable.

Level 3 – Instruments whose significant value drivers are unobservable.

Reclassifications – Certain account reclassifications have been made to the financial statements of the prior year in order to conform with the current-year presentation. These reclassifications have no effect on previously reported net income or members' equity.

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, 2026, which is the date the financial statements are available to be issued.

Note 3 – Investments

NPIP's fair values of investments are measured using Level 1 inputs and consisted of the following:

	2026	2025
Equity funds	$ 3,541,645	$ 273,535
Fixed income funds	3,517,020	1,453,764
Money market funds	52,254	24,204
Total	$ 7,110,919	$ 1,751,503

Note 4 – 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 2025–26 policy year:

2025-2026

Type of Coverage	Member Deductibles*	Self-Insured Retention	Excess Limits
Property loss			
Buildings and content	$5k – Residential and Shelter, $10K 2R, $25K 2R locations over $25M TIV, Water Damage deductible to match property deductible, except $50K WD 2R locations $1,000 – All others	$500,000	$100,000,000 per occurrence
Flood	2% of insurable values, subject to a $25,000 minimum and $100,000 maximum, Each Member, Each Occurrence.	$500,000	$25,000,000 annual aggregate
Earthquake	2% of insurable values, subject to a $25,000 minimum, Each Member, Each Occurrence.	$500,000	$25,000,000 annual aggregate
Equipment breakdown	$1,000	$100,000	$100,000,000 per occurrence
Employee dishonesty	$2,500 Employee Theft & Computer Fraud; $1,000 Forgery or Alteration & Money or Securities	$500,000	$1,000,000 per occurrence
Auto comp and collision	See Schedule**	$500,000	$300,000 per occurrence (while in transit) $2,000,000 (except while in transit)
Liability loss			
Auto liability (AL) including bodily injury, property damage, and underinsured motorist (UIM)	See Schedule** (UIM - Property Damage $100/$300; Bodily Injury $0)	$500,000	$5,000,000 AL per occurrence; $1,000,000 UIM per occurrence
General liability including bodily injury, property damage, and personal injury	$0	$500,000	$5,000,000 per occurrence
Wrongful acts / misc. professional liability	$1,000 = 0 - 24 Employees $2,500 = 25 - 500 Employees $10,000 = 500+ Employees	$500,000	$5,000,000 per claim

Type of Coverage	Member Deductibles*	Self-Insured Retention	Excess Limits
Cyber Coverage			
Privacy, Security and Technology Coverage	$2,500 for members with less than $1M in revenue/$10,000 for members with over $1M in revenue	$150,000 ($147,500 & $140,000 (member with annual revenue over $1M))	$5,000,000 annual aggregate; $1,000,000 Each Occurrence Member Limit

*Liability limits vary by member from $300,000 up to $100,000,000.
**Member deductible options are available upon request.

The following table reflects the risk financing limits on coverage policies issued and retained by NPIP for the independent schools program for the 2025–26 policy year:

2025-2026

Type of Coverage	Member Deductibles*	Self-Insured Retention	Excess Limits
Property Loss			
Buildings and Content	$5k – Residential and Shelter, $10K 2R, $25K 2R locations over $25M TIV, Water Damage deductible to match property deductible, except $50K WD 2R locations $1,000 - All others	$500,000	$100,000,000 per occurrence
Flood	2% of insurable values, subject to a $25,000 minimum and $100,000 maximum, Each Member, Each Occurrence.	$500,000	$25,000,000 annual aggregate
Earthquake	2% of insurable values, subject to a $25,000 minimum, Each Member, Each Occurrence.	$500,000	$25,000,000 annual aggregate
Equipment Breakdown	$1,000	$100,000	$100,000,000 per occurrence
Employee Dishonesty	$2,500 Employee Theft & Computer Fraud; $1,000 Forgery or Alteration & Money or Securities	$500,000	$1,000,000 per occurrence
Auto Comp and Collision	See Schedule**	$500,000	$300,000 per occurrence

Type of Coverage	Member Deductibles*	Self-Insured Retention	Excess Limits
Liability Loss			
Auto Liability including Bodily Injury, Property Damage and Underinsured Motorist	*See schedules (UIM - Property Damage $100/$300; Bodily Injury $0)	$500,000	$15,000,000 AL per occurrence; $1,000,000 UIM per occurrence
General Liability including Bodily Injury, Property Damage and Personal Injury	$1,000	$500,000	$15,000,000 per occurrence
Wrongful acts / Misc. Professional Liability	$1,000 = 0 - 24 Employees $2,500 = 25 - 500 Employees $10,000 = 500+ Employees	$500,000	$15,000,000 per claim
Cyber Coverage			
Privacy, Security, and Technology Coverage	$2,500 & $10,000	$150,000 ($147,500 & $140,000 (member with annual revenue over $1M))	$5,000,000 annual aggregate; $1,000,000 Each Occurrence Member Limit

*Liability limits vary by member from $300,000 up to $100,000,000.
**Member deductible options are available upon request.

The following table reflects the risk financing limits on coverage policies issued and retained by NPIP for the housing group program for the 2025–26 policy year:

2025-2026

Type of Coverage	Member Deductibles*	Self-Insured Retention	Excess Limits
Property Loss			
Buildings and Content	$5k – Residential and Shelter, $10K 2R, $25K 2R locations over $25M TIV, Water Damage deductible to match property deductible, except $50K WD 2R locations $1,000 - All others	$350,000	$100,000,000 per occurrence
Flood	2% of insurable values, subject to a $25,000 minimum and $100,000 maximum, Each Member, Each Occurrence.	$350,000	$25,000,000 annual aggregate
Earthquake	2% of insurable values, subject to a $25,000 minimum, Each Member, Each Occurrence.	$350,000	$25,000,000 annual aggregate
Equipment Breakdown	$1,000	$100,000	$100,000,000 per occurrence
Employee Dishonesty	$1,000	$350,000	$1,000,000 per occurrence
Auto Comp and Collision	See Schedule**	$350,000	$300,000 per occurrence (while in transit) $2,000,000 (except while in transit)
Liability Loss			
Auto Liability including Bodily Injury, Property Damage and Underinsured Motorist	*See schedules (UIM - Property Damage $100/$300; Bodily Injury $0)	$350,000	$2,000,000 AL per occurrence; $1,000,000 UIM per occurrence
General Liability including Bodily Injury, Property Damage and Personal Injury	$0	$350,000	$2,000,000 per occurrence
Wrongful acts / misc. professional liability	$1,000 = 0 - 24 Employees $2,500 = 25 - 500 Employees $10,000 = 500+ Employees	$350,000	$2,000,000 per claim
Cyber Coverage			
Privacy, Security, and Technology Coverage	$2,500 & $10,000	$150,000 ($147,500 & $140,000 (member with annual revenue over $1M))	$5,000,000 annual aggregate; $1,000,000 Each Occurrence Member Limit

*Liability limits vary by member from $300,000 up to $100,000,000.
**Member deductible options are available upon request.

Note 5 – 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 pool (group) annual aggregate limits provided by NPIP, including the excess insurance limits combined with the Program's self-insured retention limits for these excess insurance contracts for all members except independent schools and housing group are as follows:

2025-2026					
Type of Coverage	**2025-26 Pool Limit (Annual Group Aggregate)**	**Carrier**	**Carrier Rating**	**Years with Carrier**	**Occurrence or Claims Made**
General Liability	$50,000,000	Munich Reinsurance America, Inc.	A+ XV	14	Occurrence
Automobile Liability	N/A	Munich Reinsurance America, Inc.	A+ XV	14	Occurrence
Wrongful Acts/ Misc Prof Liab	$40,000,000	Munich Reinsurance America, Inc.	A+ XV	14	Claims Made
Property	$100,000,000	NPIP: Munich Reinsurance America, Inc. - First $5M, National Union Fire Insurance Co. of Pittsburgh, PA (Lexington) Canopius US Insurance, Inc, Endurance American Specialty Insurance Company Part of $5M excess $5M, Ironshore Indemnity Inc, National Union Fire Insurance Co. of Pittsburgh, PA, Westfield Specialty Insurance Company, Fidelis Insurance Bermuda Ltd. (London) Certain Underwriters at Lloyds-Synd 2623/623 (Beazley), Aspen Specialty Insurance Company, Part of $20M excess $10M, Arch Specialty Insurance Company, Axis Surplus Insurance Company, Fidelis Insurance Bermuda ltd (London) Certain Underwriters at Lloyds (London QBE), Swiss Re Corporate Solutions America Insurance Corp Part of $45M excess $30M, Ironshore Indemnity Inc, RSUI Indemnity Company, Fidelis Insurance Bermuda Ltd (London) Part of $25M excess $75M, Munich RE $90M xs $10M. Liberty Surplus Insurance Group TRIA	A+ XV / A XV / A- XII / A+XV / A XV / A XV/ A XV/ A XV / A XV/ A XV / A- VIII / A- VII / A- XV / A+XV / A XV / A++ XIV / A XV / A++ XIV / A XV / A+ XV / A XV		Occurrence
Equipment Breakdown	$100,000,000	The Hartford Steam Boiler Inspection and Insurance Company (HSB)	A++ XI	18	Occurrence
Employee Dishonesty	$1,000,000	Munich Reinsurance America, Inc.	A+ XV	14	Occurrence
Privacy, Security, and Technology	$5,000,000	Indian Harbor Insurance Company (AXA XL)	A+ XV	3	Occurrence

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

2025-2026					
Type of Coverage	**2025-26 per Occurrence Limit**	**Carrier**	**Carrier Rating**	**Years with Carrier**	**Occurrence or Claims Made**
General Liability	$5,000,000	Munich Reinsurance America, Inc.	A+ XV	14	Occurrence
Automobile Liability	$5,000,000	Munich Reinsurance America, Inc.	A+ XV	14	Occurrence
Wrongful Acts/ Misc. Prof Liab	$5,000,000	Munich Reinsurance America, Inc.	A+ XV	14	Claims Made
Property	$100,000,000	NPIP: Munich Reinsurance America, Inc. - First $5M, National Union Fire Insurance Co. of Pittsburgh, PA (Lexington) Canopius US Insurance, Inc, Endurance American Specialty Insurance Company Part of $5M excess $5M, Ironshore Indemnity Inc, National Union Fire Insurance Co. of Pittsburgh, PA, Westfield Specialty Insurance Company, Fidelis Insurance Bermuda Ltd. (London) Certain Underwriters at Lloyds-Synd 2623/623 (Beazley), Aspen Specialty Insurance Company, Part of $20M excess $10M, Arch Specialty Insurance Company, Axis Surplus Insurance Company, Fidelis Insurance Bermuda ltd (London) Certain Underwriters at Lloyds (London QBE), Swiss Re Corporate Solutions America Insurance Corp Part of $45M excess $30M, Ironshore Indemnity Inc, RSUI Indemnity Company, Fidelis Insurance Bermuda Ltd (London) Part of $25M excess $75M, Munich RE $90M xs $10M. Liberty Surplus Insurance Group TRIA	A+ XV / A XV / A- XII / A+XV / A XV / A XV/ A XV/ A XV / A XV/ A XV / A- VIII / A- XII / A XV / A XV / A XV / A+XV / A XV / A++ XIV / A XV / A++ XIV / A XV / A+ XV / A XV		Occurrence
Equipment Breakdown	$100,000,000	The Hartford Steam Boiler Inspection and Insurance Company	A++ XI	18	Occurrence
Employee Dishonesty	$1,000,000	Munich Reinsurance America, Inc.	A+ XV	14	Occurrence
Privacy, Security, and Technology	$1,000,000	Indian Harbor Insurance Company (AXA XL)	A+ XV	3	Occurrence

NPIP's 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 pool (group) annual aggregate limits provided by these excess insurance contracts are as follows:

2025-2026					
Type of Coverage	**2025-26 Pool Limit (Group Annual Aggregate)**	**Carrier**	**Carrier Rating**	**Years with Carrier**	**Occurrence or Claims Made**
General Liability	$50,000,000	Munich Reinsurance America, Inc., General Star Indemnity Company	A+ XV / A++ XV	14	Occurrence
Automobile Liability	N/A	Munich Reinsurance America, Inc, General Star Indemnity Company	A+ XV / A++ XV	14	Occurrence
Wrongful Acts/ Misc Prof Liab	$40,000,000	Munich Reinsurance America, Inc, General Star Indemnity Company	A+ XV / A++ XV	14	Claims Made
Property	$100,000,000	Munich Reinsurance America, Inc. - First $5M, National Union Fire Insurance Co. of Pittsburgh, PA (Lexington) Canopius US Insurance, Inc, Endurance American Specialty Insurance Company Part of $5M excess $5M, Ironshore Indemnity Inc, National Union Fire Insurance Co. of Pittsburgh, PA, Westfield Specialty Insurance Company, Fidelis Insurance Bermuda Ltd. (London) Certain Underwriters at Lloyds-Synd 2623/623 (Beazley), Aspen Specialty Insurance Company, Part of $20M excess $10M, Arch Specialty Insurance Company, Axis Surplus Insurance Company, Fidelis Insurance Bermuda ltd (London) Certain Underwriters at Lloyds (London QBE), Swiss Re Corporate Solutions America Insurance Corp Part of $45M excess $30M, Ironshore Indemnity Inc, RSUI Indemnity Company, Fidelis Insurance Bermuda Ltd (London) Part of $25M excess $75M, Munich RE $90M xs $10M. Liberty Surplus Insurance Group TRIA	A+ XV / A XV / A- XII / A+XV / A XV / A XV/ A XV/ A XV / A XV/ A XV / A- VIII / A- XII / A XV / A XV / A XV / A+XV / A XV / A++ XIV / A XV / A++ XIV / A XV / A+ XV / A XV		Occurrence
Equipment Breakdown	$100,000,000	The Hartford Steam Boiler Inspection and Insurance Company	A++ XI	18	Occurrence
Employee Dishonesty	$5,000,000	Munich Reinsurance America, Inc.	A+ XV	14	Occurrence
Privacy, Security, and Technology	$5,000,000	Indian Harbor Insurance Company (AXA XL)	A+ XV	3	Occurrence

NPIP's 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 pool (group) annual aggregate limits provided by these excess insurance contracts are as follows:

2025–2026					
Type of Coverage	**2025-26 per Occurrence Limit**	**Carrier**	**Carrier Rating**	**Years with Carrier**	**Occurrence or Claims Made**
General Liability	$15,000,000	Munich Reinsurance America, Inc $10M, General Star Indemnity Company $5M	A+ XV / A++ XV	14	Occurrence
Automobile Liability	$15,000,000	Munich Reinsurance America, Inc., General Star Indemnity Company	A+ XV / A++ XV	14	Occurrence
Wrongful Acts/ Misc Prof Liab	$15,000,000	Munich Reinsurance America, Inc., General Star Indemnity Company	A+ XV / A++ XV	14	Claims Made
Property	$100,000,000	Munich Reinsurance America, Inc. - First $5M, National Union Fire Insurance Co. of Pittsburgh, PA (Lexington) Canopius US Insurance, Inc, Endurance American Specialty Insurance Company Part of $5M excess $5M, Ironshore Indemnity Inc, National Union Fire Insurance Co. of Pittsburgh, PA, Westfield Specialty Insurance Company, Fidelis Insurance Bermuda Ltd. (London) Certain Underwriters at Lloyds-Synd 2623/623 (Beazley), Aspen Specialty Insurance Company, Part of $20M excess $10M, Arch Specialty Insurance Company, Axis Surplus Insurance Company, Fidelis Insurance Bermuda ltd (London) Certain Underwriters at Lloyds (London QBE), Swiss Re Corporate Solutions America Insurance Corp Part of $45M excess $30M, Ironshore Indemnity Inc, RSUI Indemnity Company, Fidelis Insurance Bermuda Ltd (London) Part of $25M excess $75M, Munich RE $90M xs $10M. Liberty Surplus Insurance Group TRIA	A+ XV / A XV / A-XII / A+XV / A XV / A XV/ A XV/ A XV / A XV/ A XV / A- VIII / A- XII / A XV / A XV / A XV / A+XV / A XV / A++ XIV / A XV / A++ XIV / A XV / A+ XV / A XV		Occurrence
Equipment Breakdown	$100,000,000	The Hartford Steam Boiler Inspection and Insurance Company	A++ XI	18	Occurrence
Employee Dishonesty	$1,000,000	Munich Reinsurance America, Inc	A+ XV	14	Occurrence
Privacy, Security and Technology	$1,000,000	Indian Harbor Insurance Company (AXA XL)	A+XV	3	Occurrence

NPIP's housing group maintain excess insurance contracts with several insurance carriers, which provide various limits of coverage over the Program's self-insured retention limits. The pool (group) annual aggregate limits provided by these excess insurance contracts are as follows:

2025-2026					
Type of Coverage	**2025-26 Pool Limit (Group Annual Aggregate)**	**Carrier**	**Carrier Rating**	**Years with Carrier**	**Occurrence or Claims Made**
General Liability	$25,000,000	Munich Reinsurance America, Inc., Pennsylvania Manufacturers' Association Insurance Company (Old Republic)	A+ XV / A+ XV	1	Occurrence
Automobile Liability	N/A	Munich Reinsurance America, Inc., Pennsylvania Manufacturers' Association Insurance Company (Old Republic)	A+ XV / A+ XV	1	Occurrence
Wrongful Acts/ Misc Prof Liab	$10,000,000	Munich Reinsurance America, Inc., Pennsylvania Manufacturers' Association Insurance Company (Old Republic)	A+ XV / A+ XV	1	Claims Made
Property	$100,000,000	Everest Indemnity Insurance Company - National Union Fire Insurance Co. of Pittsburgh PA, Ironshore Indemnity Inc, Steadfast Insurance Company, General Star Indemnity Company, StarStone Specialty Insurance Company - Part of Primary $10M; Ironshore Indemnity Inc. National Union Fire Insurance Co of Pittsburgh, PA, Westfield Specialty Insurance Company, Fidelis Insurance Bermuda Ltd. (London),Aspen Specialty Insurance Company, Certain Underwriters at Lloyds-Synd 2623/623 (Beazley), Canopius US Insurance, Inc., Velocity Specialty Insurance Company - Part of $20M excess $10M, StarStone Specialty Insurance Company, Starr Surplus Lines Insurance Company - Part of $65M excess $10M, Arch Specialty Insurance Company, Axis Surplus Insurance Company, Fidelis Insurance Bermuda Ltd. (London), Certain Underwriters at Lloyds (London QBE & KI & Ark), Swiss Re Corporate Solutions America Insurance Corporation- Part of $45M excess $30M, Ironshore Indemnity Inc, RSUI Indemnity Company Inc, Fidelis Insurance Bermuda Ltd. (London) Part of $25M excess $75M, Munich Reinsurance America, Inc., - Part of $90M excess $10M, (Liberty Surplus Insurance Group TRIA - $100M)	A+ XV / A+ XV / A XV / A+ XV / A++ XV / A XIII / A XV / A XV / A XV / A XV / A XV / A- XII / A- VIII / A XII / A XV / A+ XV / A XV / A XV / A XV / A+ XV / A XV / A++ XIV / A XV / A+ XV / A XV		Occurrence
Equipment Breakdown	$100,000,000	The Hartford Steam Boiler Inspection and Insurance Company	A++ XI	18 (shares EB with NPIP)	Occurrence
Employee Dishonesty	$3,000,000	Munich Reinsurance America, Inc.	A+ XV	1	Occurrence
Privacy, Security, and Technology	$5,000,000	Indian Harbor Insurance Company (AXA XL)	A+ XV	3 (shares cyber with NPIP)	Occurrence

NPIP's housing group 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:

2025–2026					
Type of Coverage	**2025-26 per Occurrence Limit**	**Carrier**	**Carrier Rating**	**Years with Carrier**	**Occurrence or Claims Made**
General Liability	$5,000,000	Munich Reinsurance America, Inc - Primary $2M, Pennsylvania Manufacturers' Association Insurance Company (Old Republic) $3M xs $2M	A+ XV / A+ XV	1	Occurrence
Automobile Liability	$5,000,000	Munich Reinsurance America, Inc - Primary $2M, Pennsylvania Manufacturers' Association Insurance Company (Old Republic) $3M xs $2M	A+ XV / A+ XV	1	Occurrence
Wrongful Acts/ Misc Prof Liab	$5,000,000	Munich Reinsurance America, Inc - Primary $2M, Pennsylvania Manufacturers' Association Insurance Company (Old Republic) $3M xs $2M	A+ XV / A+ XV	1	Claims Made
Property	$100,000,000	Everest Indemnity Insurance Company - National Union Fire Insurance Co. of Pittsburgh PA, Ironshore Indemnity Inc, Steadfast Insurance Company, General Star Indemnity Company, StarStone Specialty Insurance Company - Part of Primary $10M; Ironshore Indemnity Inc. National Union Fire Insurance Co of Pittsburgh, PA, Westfield Specialty Insurance Company, Fidelis Insurance Bermuda Ltd. (London),Aspen Specialty Insurance Company, Certain Underwriters at Lloyds-Synd 2623/623 (Beazley), Canopius US Insurance, Inc., Velocity Specialty Insurance Company - Part of $20M excess $10M, StarStone Specialty Insurance Company, Starr Surplus Lines Insurance Company - Part of $65M excess $10M, Arch Specialty Insurance Company, Axis Surplus Insurance Company, Fidelis Insurance Bermuda Ltd. (London), Certain Underwriters at Lloyds (London QBE & KI & Ark), Swiss Re Corporate Solutions America Insurance Corporation- Part of $45M excess $30M, Ironshore Indemnity Inc, RSUI Indemnity Company Inc, Fidelis Insurance Bermuda Ltd. (London) Part of $25M excess $75M, Munich Reinsurance America, Inc., - Part of $90M excess $10M, (Liberty Surplus Insurance Group TRIA - $100M)	A+ XV / A+ XV / A XV / A+ XV / A++ XV / A XIII / A XV / A XV / A XV / A XV / A XV / A XV / A-XII / A- VIII / A XII / A XV / A+ XV / A XV / A XV / A XV / A+ XV / A XV / A++ XIV / A XV / A+ XV / A XV		Occurrence
Equipment Breakdown	$100,000,000	The Hartford Steam Boiler Inspection and Insurance Company	A++ XI	18 (shares EB with NPIP)	Occurrence
Employee Dishonesty	$1,000,000	Munich Reinsurance America, Inc.	A+ XV	1	Occurrence
Privacy, Security and Technology	$1,000,000	Indian Harbor Insurance Company (AXA XL)	A+XV	3 (shares cyber with NPIP)	Occurrence

Excess insurance premiums were $21,644,815 and $17,011,238 for the years ended May 31, 2026 and 2025, respectively, for coverage obtained by the Program above its self-insured retention amounts. At May 31, 2026 and 2025, the Program had estimated recoveries under its aggregate stop-loss and excess insurance arrangements of $949,883 and $824,665, respectively. These estimated recoveries represent amounts associated with claims otherwise included in the Program's unpaid claims estimates. Certain amounts receivable from and payable to the same excess insurance carrier are settled on a net basis and are presented net in the accompanying balance sheets when the applicable right-of-setoff criteria are met. Accordingly, the estimated recoveries described above do not necessarily equal the excess/reinsurance recoverable presented separately on the balance sheets. Uncollected excess reinsurance receivable from Munich Reinsurance of America, Inc. is $201,776 and $886,520 as of May 31, 2026, and 2025, respectively. The Program has not experienced losses in excess of the combined coverage provided by its self-insured and excess insurance arrangements during the past three years.

Note 6 – 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.

Note 7 – Related-Party Transactions

NPIP's TPA and insurance broker is operated as Clear Risk Solutions (also known as Public Risk Underwriters of the Northwest). 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 is paid approximately $6,400,000 annually for administration, risk management, and underwriting/placement services for the year ended May 31, 2026, compared with approximately $6,000,000 for the year ended May 31, 2025. In addition, claims insurance payments attributable to Public Risk Underwriters of the Northwest pass through NPIP for invoices and payments made to the carriers for insurance.

Note 8 – Claims Unpaid - Incurred but Not Reported and Case Reserves

As discussed in Note 2, the Program establishes a liability for both reported and unreported insured events under the joint self-insurance program, which includes estimates of both future payments of losses and related claim adjustment expenses. Claims unpaid include claims incurred but not reported and case reserves. The following table represents changes in the aggregate liability for NPIP:

	2026	2025
Claims unpaid at the beginning of the year	$ 13,058,327	$ 9,929,518
INCURRED CLAIMS AND CLAIM ADJUSTMENT EXPENSES		
Provision for insured events of current year	11,008,235	9,590,185
Change in provision for insured events of prior years	331,498	668,870
Total insured claims and claim adjustment expenses	11,339,733	10,259,055
PAYMENTS		
Claims and claim adjustment expenses attributable to insured events of current year	2,681,981	2,894,384
Claims and claim adjustment expenses attributable to insured events of prior years	5,457,230	4,235,862
Total payments	8,139,211	7,130,246
Total claims unpaid at end of year	$ 16,258,849	$ 13,058,327

For the years ended May 31, 2026 and 2025, claims and claim adjustment expenses incurred included unfavorable development of $331,498 and $668,870, respectively. These unfavorable developments were not considered significant to the reserving process.

	2026	2025
Claims unpaid, current portion	$ 8,326,254	$ 6,695,801
Claims unpaid, less current portion	7,932,595	6,362,526
Total unpaid claims liability	$ 16,258,849	$ 13,058,327

Note 9 – Financial Solvency/Required Assets (WAC) 200-150

Washington Administrative Code (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 nonclaim liabilities must be at least equal to the unpaid claims estimate at the expected level as determined by the actuary. In addition, 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. Primary assets are defined as cash, investments, and tax adjustments less accounts payable, deferred income tax payables, and deferred revenue. Secondary assets are defined as insurance receivables, real estate, or other assets (less any nonclaim liabilities), the value of which can be independently verified by the State Risk Manager.

	2026	2025
Primary asset test		
Primary assets	$ 28,212,778	$ 23,545,967
Estimated claims liabilities at expected levels	16,258,849	13,058,327
Results	Pass	Pass
Secondary asset test		
Primary and secondary assets	$ 28,273,936	$ 24,486,808
Estimated claims at 80% confidence level	20,107,667	14,812,684
Results	Pass	Pass

Note 10 – Income Taxes

The significant components of income taxes are as follows:

	2026	2025
Current expense	$ 411,116	$ 1,875,075
Deferred tax (benefit) expense	178,103	(16,811)
Income tax expense	$ 589,219	$ 1,858,264

Total tax expense is less than amounts computed by applying the statutory federal income tax rate to the income before tax for the following reasons:

	2026	2025
Tax expense, at statutory rate	$ 528,889	$ 1,758,816
Tax penalty paid	5,847	80,695
Other	54,483	18,753
Income tax expense	$ 589,219	$ 1,858,264

The significant components of NPIP's deferred tax assets and liabilities were as follows:

	2026	2025
Deferred tax assets		
Unearned member premium	$ 3,775	$ 2,543
Tax Discount	155,206	182,245
Deferred tax liabilities		
Unallocated loss adjustment expense	(464,739)	(374,924)
Acquisition costs	(12,771)	(7,145)
Unrealized gains	(71,897)	(13,963)
TCJA adjustment to discounted loss reserves	-	(1,079)
Net deferred tax liability	$ (390,426)	$ (212,323)

The Program is subject to taxation in the U.S. and files a federal income tax return. The legislation for the Tax Cuts and Jobs Act (TCJA) of 2017 resulted in credit adjustments of $0 and $1,078 in 2026 and 2025, respectively. The Program is unaware of any unrecognized tax benefits.

Supplementary Information

Non Profit Insurance Program (NPIP)
Notes to Incurred Claims and Allocated Claim Adjustment Expenses, Net of Reinsurance (Unaudited)

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 at the end of the current year for each policy 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, and 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 (NPIP)
Incurred Claims and Allocated Claim Adjustment Expenses, Net of Reinsurance (Unaudited)
For the Fiscal and Policy Year Ended May 31, 2026

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
1 Required contribution and investment revenues										
Earned	$ 15,688,907	$ 16,339,440	$ 17,922,496	$ 19,165,646	$ 22,527,805	$ 25,927,282	$ 31,109,565	$ 37,459,111	48,423,229	47,939,636
Ceded	7,269,796	6,941,416	7,765,091	8,281,163	8,834,665	11,020,062	12,177,313	15,782,961	17,011,238	21,644,815
Net earned	8,419,111	9,398,024	10,157,405	10,884,483	13,693,140	14,907,220	18,932,252	21,676,150	31,411,991	26,294,821
2 Unallocated expenses	5,797,149	6,033,320	6,880,899	6,881,608	7,343,498	8,523,128	9,458,285	10,447,247	12,938,207	12,317,102
3 Estimated claims and expense, end of policy year										
Incurred	3,350,123	3,939,462	6,181,846	4,429,778	4,941,050	8,373,614	15,334,719	17,819,670	18,080,185	15,468,438
Ceded	772,852	1,355,931	2,928,827	1,083,894	517,524	1,099,007	4,874,595	6,527,594	8,490,000	4,460,203
Net incurred	2,577,271	2,583,531	3,253,019	3,345,884	4,423,526	7,274,607	10,460,124	11,292,076	9,590,185	11,008,235
4 Net paid (cumulative) as of										
End of policy year	1,642,608	1,380,145	1,494,579	1,986,151	1,819,067	4,035,217	5,253,420	3,909,295	2,894,384	2,681,981
One year later	2,577,271	2,242,810	2,740,764	2,983,654	3,018,386	6,526,893	8,229,706	7,954,480	6,332,589	-
Two years later	2,578,524	2,583,531	2,928,044	3,260,601	3,480,514	6,526,893	8,229,706	9,703,207	-	-
Three years later	2,578,524	2,583,380	3,083,255	3,345,834	3,866,867	6,526,893	8,381,343	-	-	-
Four years later	2,578,524	2,583,380	3,124,795	3,345,834	4,062,622	6,526,893	-	-	-	-
Five years later	2,578,524	2,583,380	3,189,126	3,345,834	4,181,558	-	-	-	-	-
Six years later	2,578,524	2,583,380	3,184,048	3,345,834	-	-	-	-	-	-
Seven years later	2,578,524	2,583,380	3,183,773	-	-	-	-	-	-	-
Eight years later	2,578,524	2,583,380	-	-	-	-	-	-	-	-
Nine years later	2,578,524	-	-	-	-	-	-	-	-	-
5 Reestimated ceded claims and expenses	2,622,638	6,960,951	3,749,281	6,707,349	6,176,010	4,861,007	6,963,675	9,343,416	11,061,136	4,460,203
6 Reestimated net incurred claims and expenses										
End of policy year	2,577,271	2,583,531	3,253,019	3,345,884	4,423,526	7,274,607	10,460,124	11,292,076	9,590,185	11,008,235
One year later	2,577,271	2,583,531	3,244,696	3,345,834	4,503,472	6,861,366	9,922,295	11,822,011	9,882,849	-
Two years later	2,578,524	2,583,531	3,244,696	3,345,834	4,298,288	6,835,495	9,978,603	11,970,940	-	-
Three years later	2,578,524	2,583,380	3,244,696	3,345,834	4,356,843	6,919,147	10,019,533	-	-	-
Four years later	2,578,524	2,583,380	3,244,696	3,345,834	4,392,054	6,840,220	-	-	-	-
Five years later	2,578,524	2,583,380	3,244,696	3,345,834	4,336,482	-	-	-	-	-
Six years later	2,578,524	2,583,380	3,208,459	3,345,834	-	-	-	-	-	-
Seven years later	2,578,524	2,583,380	3,191,931	-	-	-	-	-	-	-
Eight years later	2,578,524	2,583,380	-	-	-	-	-	-	-	-
Nine years later	2,578,524	-	-	-	-	-	-	-	-	-
7 Decrease in estimated net incurred claims and expense from end of policy year	1,253	(151)	(61,088)	(50)	(87,044)	(434,387)	(440,591)	678,864	292,664	-

See report of independent auditors.

Non Profit Insurance Program (NPIP)
Schedule of Expenditures (Unaudited)
Years Ended May 31, 2026 and 2025

	2026	2025
Contracted services		
Third-party administrator/directors' fees	$ 2,668,976	$ 3,090,482
Professional/consulting fees	165,345	166,415
General administrative expenses		
Account education/simulators	3,387	30,158
Member grant program	-	16,000
Miscellaneous and supplies	27,738	18,577
Meeting expense	3,220	488
Conferences	6,304	8,370
Marketing	6,200	3,083
Group legal and accounting	976	47,540
License/dues/subscriptions	9,390	2,359
Travel	36,834	22,788
Underwriting/placement fees	3,738,622	2,842,251
Prelitigation program	360,833	475,458
Medicare reporting	-	-
Tax preparation fees	8,975	7,782
Other		
Brokerage fees/reinsurance	3,634,753	3,765,605
Sponsorships/donations	13,000	4,080
Bad debt expense	14,196	-
Directors' E&O	62,620	59,478
Total general and administrative expenses	$ 10,761,369	$ 10,560,914

See report of independent auditors.

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