

Nonprofits Insurance Alliance of California, Inc.

Audited Financial Statements

*Years ended December 31, 2023 and 2022
with Report of Independent Auditors*

Nonprofits Insurance Alliance of California, Inc.

Audited Financial Statements

Years ended December 31, 2023 and 2022

Contents

Report of Independent Auditors.....1 - 3

Audited Financial Statements

Balance Sheets.....4
Statements of Comprehensive Income.....5
Statements of Changes in Total Equity.....6
Statements of Cash Flows.....7
Notes to Financial Statements.....8 - 27

Required Supplementary Information (Unaudited)

Incurred and Cumulative Paid Losses and Allocated Loss Adjustment Expenses,
Net of Reinsurance.....29 - 36
Average Annual Percentage Payout of Incurred Losses by Age, Net of Reinsurance.....37

Report of Independent Auditors

Audit Committee of the Board of Directors
Nonprofits Insurance Alliance of California, Inc.

Opinion

We have audited the financial statements of Nonprofits Insurance Alliance of California, Inc. (the Company), which comprise the balance sheets as of December 31, 2023 and 2022, and the related statements of comprehensive income, changes in total 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 the Company as of December 31, 2023 and 2022, 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 the Company 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.

Other Information Included in the Annual Report

Management is responsible for the other information included in the Company's annual report (issued and presented separately from the audited financial statements). The other information comprises the information included in that annual report, but does not include the audited financial statements and our auditor's report thereon (incorporated by reference in the annual report). Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Adoption of New Accounting Standard

As discussed in Note 2 to the financial statements, effective January 1, 2023, the Company adopted Financial Accounting Standards Board Accounting Standards Update 2016-13 and subsequent amendments, *Financial Instruments—Credit Losses (Topic 326)*. Our opinion is not modified with respect to this matter.

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 the Company's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

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 the Company'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 the Company'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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the disclosures about short-duration insurance contracts, including incurred and cumulative paid losses and allocated loss adjustment expenses, net of reinsurance and average annual percentage payout of incurred losses by age, net of reinsurance, on pages 29 - 37 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Financial Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. 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 basic financial statements, and other knowledge we obtained during our audit of the basic 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.

A handwritten signature in cursive script that reads "Johnson Lambert LLP". The signature is written in black ink and is positioned in the lower-left quadrant of the page.

Raleigh, North Carolina
March 22, 2024

Nonprofits Insurance Alliance of California, Inc.

Balance Sheets

As of December 31, 2023 and 2022

	2023	2022
Assets		
Cash and cash equivalents	\$ 13,461,007	\$ 13,590,614
Investments in debt securities, at fair value (amortized cost - \$269,000,132 and \$261,976,539)	249,071,952	234,569,561
Investments in equity securities	22,327,466	20,885,734
Loans receivable (net of allowance for credit loss - \$9,700 and \$0)	509,713	523,585
Premiums receivable (net of allowance for credit loss - \$69,052 and \$86,196)	40,547,762	32,548,935
Agents balances	17,329,428	5,442,702
Interest receivable	1,549,566	1,387,219
Prepaid expenses and other assets	422,912	83,596
Reinsurance recoverable	64,649,457	46,437,076
Prepaid reinsurance premium	21,396,795	17,482,502
Deferred acquisition costs	9,903,731	8,451,719
Property and equipment, net	23,322,979	24,060,075
Total assets	\$ 464,492,768	\$ 405,463,318
Liabilities and Total Equity		
Liabilities		
Loss and loss adjustment expense reserves	\$ 234,783,309	\$ 184,269,795
Unearned premium	77,989,535	64,964,052
Accounts payable and other accrued liabilities	893,528	1,155,681
Payable to affiliates	3,445,932	3,497,444
Reinsurance premium payable	4,685,388	1,578,491
Total liabilities	321,797,692	255,465,463
Total Equity		
Members' contributions	900,507	900,507
Accumulated earnings	161,722,749	176,504,320
Accumulated other comprehensive loss	(19,928,180)	(27,406,972)
Total equity	142,695,076	149,997,855
Total liabilities and equity	\$ 464,492,768	\$ 405,463,318

The accompanying notes are an integral part of these financial statements.

Nonprofits Insurance Alliance of California, Inc.

Statements of Comprehensive Income

Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Revenues		
Gross written premium	\$ 153,618,577	\$ 130,326,236
Ceded written premium	<u>(42,373,485)</u>	<u>(35,713,020)</u>
Net written premium	111,245,092	94,613,216
Change in unearned premium, net	<u>(9,111,190)</u>	<u>(6,617,983)</u>
Net earned premium	102,133,902	87,995,233
Net investment income	8,082,580	6,352,556
Net investment gain (loss) on securities	3,783,738	(6,115,927)
Other income	<u>1,029,917</u>	<u>470,050</u>
Total revenues	<u>115,030,137</u>	<u>88,701,912</u>
Expenses		
Losses and loss adjustment expenses, net	100,592,648	72,632,565
Commission expense, net	13,956,605	11,585,203
Management fee	13,011,803	12,543,721
Other expenses	<u>2,250,652</u>	<u>1,601,979</u>
Total expenses	<u>129,811,708</u>	<u>98,363,468</u>
Excess of expenses over revenue, prior to dividend	(14,781,571)	(9,661,556)
Dividend to policyholders	<u>-</u>	<u>(111,265)</u>
Net loss	(14,781,571)	(9,772,821)
Other comprehensive income (loss)		
Net unrealized holding gains (losses) arising during the year	7,532,142	(33,679,183)
Reclassification adjustment for net realized (gains) losses included in net loss	<u>(53,350)</u>	<u>253,772</u>
Other comprehensive income (loss)	<u>7,478,792</u>	<u>(33,425,411)</u>
Comprehensive loss	<u>\$ (7,302,779)</u>	<u>\$ (43,198,232)</u>

The accompanying notes are an integral part of these financial statements.

Nonprofits Insurance Alliance of California, Inc.

Statements of Changes in Total Equity

Years Ended December 31, 2023 and 2022

	<u>Members'</u> <u>Contributions</u>	<u>Accumulated</u> <u>Earnings</u>	<u>Accumulated</u> <u>Other</u> <u>Comprehensive</u> <u>Income (Loss)</u>	<u>Total</u>
Balances, January 1, 2022	\$ 900,507	\$ 186,277,141	\$ 6,018,439	\$ 193,196,087
Net loss	-	(9,772,821)	-	(9,772,821)
Other comprehensive loss (debt securities only)	<u>-</u>	<u>-</u>	<u>(33,425,411)</u>	<u>(33,425,411)</u>
Balances, December 31, 2022	900,507	176,504,320	(27,406,972)	149,997,855
Net loss	-	(14,781,571)	-	(14,781,571)
Other comprehensive income (debt securities only)	<u>-</u>	<u>-</u>	<u>7,478,792</u>	<u>7,478,792</u>
Balances, December 31, 2023	<u>\$ 900,507</u>	<u>\$ 161,722,749</u>	<u>\$ (19,928,180)</u>	<u>\$ 142,695,076</u>

The accompanying notes are an integral part of these financial statements.

Nonprofits Insurance Alliance of California, Inc.

Statements of Cash Flows

Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities		
Net loss	\$ (14,781,571)	\$ (9,772,821)
Adj. to reconcile net income to net cash from operating activities		
Net investment (gain) loss on securities	(3,783,738)	6,115,927
Depreciation and amortization	737,889	726,908
Amortization of premium on debt securities	55,031	634,498
Changes in operating assets and liabilities		
Premium receivable	(7,998,827)	(6,131,936)
Agents balances	(11,886,726)	2,349,232
Interest receivable	(162,347)	(188,924)
Prepaid expenses and other assets	(339,316)	(3,280)
Reinsurance recoverable	(18,212,381)	(6,237,033)
Prepaid reinsurance premium	(3,914,293)	(2,435,808)
Deferred acquisition costs	(1,452,012)	(1,243,382)
Loss and loss adjustment expense reserves	50,513,514	20,104,870
Unearned premium	13,025,483	9,053,791
Reinsurance payable	3,106,897	(2,182,551)
Dividend payable	-	(1,045,065)
Payable to affiliates	(51,512)	1,809,232
Accounts payable and other accrued liabilities	<u>(262,154)</u>	<u>(1,389,979)</u>
Net cash flows from operating activities	4,593,937	10,163,679
Cash flows from investing activities		
Purchases of investments	(63,105,376)	(61,477,279)
Proceeds from sales and maturities of investments	58,367,960	53,826,955
Principal collected on loans	<u>13,872</u>	<u>67,605</u>
Net cash used in investing activities	<u>(4,723,544)</u>	<u>(7,582,719)</u>
Net change in cash and cash equivalents	(129,607)	2,580,960
Cash and cash equivalents, beginning of year	<u>13,590,614</u>	<u>11,009,654</u>
Cash and cash equivalents, end of year	<u>\$ 13,461,007</u>	<u>\$ 13,590,614</u>

The accompanying notes are an integral part of these financial statements.

Nonprofits Insurance Alliance of California, Inc.

Notes to Financial Statements

Years ended December 31, 2023 and 2022

Note 1 - Organization

Nonprofits Insurance Alliance of California, Inc. (the Company) is a nonprofit organization incorporated in 1988 in the State of California. The Company operates in California as a risk pool pursuant to authorization under Section 5005.1 of the California Corporations Code. The Company is not subject to the rules, regulation and supervision of the California Department of Insurance.

The Company is a member of the Nonprofits Insurance Alliance (NIA), which consists of nonprofit companies whose primary activities serve 501(c)(3) tax-exempt nonprofit organizations by providing a source of liability and property insurance coverage tailored to the specialized needs of the nonprofit sector, and assisting these organizations to develop and implement successful loss control and risk management programs. NIA includes the Company, Alliance of Nonprofits for Insurance, Risk Retention Group, Inc. (ANI), National Alliance of Nonprofits for Insurance, Inc. (NANI), Alliance Member Services, Inc. (AMS), and AMS Insurance Services, Inc. (AMSIS).

Organizations which meet the following requirements may become members of the Company: (1) nonprofit organizations which are incorporated in California or qualified to do business in California; (2) which have received and maintain current and unrevoked determination of tax exempt status under Section 501(c)(3) of the Internal Revenue Code; and (3) which pay the premium for such coverages and any required membership contribution. Because the Company is nonassessable, the member insureds of the Company are not liable for the Company's liabilities should they exceed the Company's assets.

The Company provides commercial general liability, employee benefits liability, social service professional liability, business auto liability, auto physical and property damage, employer's non owned and hired automobile liability, improper sexual conduct and physical abuse liability, directors' and officers' (D&O) liability, umbrella liability, and business property risks coverage to its members. Employment practices liability is available on the D&O liability coverage form. Typical liability limits are \$1 million per occurrence with aggregate limits of \$3 million available. Coverage is provided on an occurrence basis for all except improper sexual conduct and physical abuse liability and D&O liability which are provided on an event trigger coverage form. Claims-made options are available on improper sexual conduct and physical abuse coverage and social services professional liability. Defense is included in the limits of the improper sexual conduct and physical abuse liability as well as employee benefits liability. Employee benefits liability is provided on a claims-made form. The Company also offers umbrella coverage for liability policies up to \$10 million. The Company reinsures part of the coverages as described in Note 6.

Nonprofits Insurance Alliance of California, Inc.

Notes to Financial Statements (Continued)

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP). The Company follows accounting and reporting policies for insurance enterprises.

Adoption of Accounting Standard

The Company adopted Accounting Standards Update (ASU) 2016-13 and subsequent amendments, *Financial Instruments – Credit Losses (Topic 326)* (the guidance) on January 1, 2023. The guidance replaces the incurred loss impairment model with an expected loss model, also referred to as the current expected credit loss (CECL) model. The model requires companies to measure expected credit losses on financial assets measured at amortized cost and record an allowance for credit loss against those assets. The guidance also amends the impairment model for available for sale debt securities. Companies are required to measure expected credit losses and record an allowance for credit loss in lieu of a writedown when management does not intend to sell and does not believe that it is more likely than not, they will be required to sell available for sale debt securities before recovery. There was no impact to the Company from adopting the credit loss standard as of January 1, 2023.

Financial Statement Estimates

The preparation of financial statements in conformity with GAAP 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 revenues and expenses during the reporting period. Actual results could differ materially from those estimates.

Credit Losses

The Company measures expected credit losses on financial assets held at amortized cost and available for sale debt securities, and records an allowance for credit loss when management determines a credit loss exists. Allowances for credit losses are recorded as contra-assets that reduce the corresponding financial assets on the balance sheets, with the offset recorded as credit loss income (expense) in the statements of comprehensive income. As the estimate of expected credit losses changes with subsequent evaluations, those increases and decreases are recognized in current operations. The Company writes off uncollectible amounts against the allowance for credit losses when it determines that a financial asset is partially or fully uncollectible. Credit losses are included within the other expenses line item on the statements of comprehensive income.

Nonprofits Insurance Alliance of California, Inc.

Notes to Financial Statements (Continued)

Note 2 - Summary of Significant Accounting Policies (Continued)

Credit Losses (Continued)

Prior to the adoption of the credit loss standard on January 1, 2023, financial assets reported at amortized cost were reviewed for impairment using an incurred loss model. Similarly, prior to January 1, 2023, management made a determination as to whether debt securities were other-than-temporarily impaired. Factors considered in identifying other-than-temporary impairment (OTTI) for debt securities included: (1) whether the Company intends to sell the investment or whether it is more likely than not that the Company will be required to sell the security prior to an anticipated recovery in value; (2) the likelihood of the recoverability of principal and interest for debt securities (i.e., whether there is a credit loss); (3) the length of time and extent to which the fair value has been less than amortized cost; and (4) the financial condition, near-term and long-term prospects for the issuer, including the relevant industry conditions and trends, and implications of rating agency actions and offering prices.

Investments

Investments in debt securities are classified as available for sale and are reported at fair value, with unrealized gains and losses reported as a component of other comprehensive income. Estimated fair values of debt securities are generally based on average bid prices, or the average bid prices of similar issues with the same life and expected yields.

Equity securities are reported at fair value with changes in fair value recognized in net income. Estimated fair values of equity securities are based on quoted market prices for identical assets in active markets.

Realized investment gains and losses are recognized based upon the specific identification of investments sold. Debt securities are considered impaired when the fair value of the security is less than its cost or amortized cost.

The Company evaluates debt securities in an unrealized loss position for expected credit losses on an individual security basis. When the Company intends to sell a security, or when it is more likely than not that it will be required to sell a security before recovery, the Company writes down the amortized cost of the security to its fair value with a charge to income. For securities that do not meet the criteria above, management evaluates whether the decline in fair value is due to credit factors or non-credit factors. In making this assessment, management considers the extent to which fair value is less than amortized cost, individual security ratings and changes made to those ratings by rating agencies, and adverse conditions specifically related to the security, among other factors. If this assessment indicates that a credit loss exists, management calculates and records the expected credit loss using a discounted cash flow analysis.

Nonprofits Insurance Alliance of California, Inc.

Notes to Financial Statements (Continued)

Note 2 - Summary of Significant Accounting Policies (Continued)

Investments (Continued)

After recording the expected credit loss, any remaining difference between the fair value and amortized cost of the security is recorded as a non-credit loss through other comprehensive income. Changes in the allowance for credit losses are recorded as credit loss income (expense). There was no allowance for credit loss on debt securities as of December 31, 2023.

The Company elected not to measure the credit loss allowance for accrued interest receivable on debt securities and writes off accrued interest as credit loss expense when it is greater than 90-days past due. For the year ended December 31, 2023, no accrued interest was written off to credit loss expense. Accrued interest receivable on debt securities in the amount of \$1,549,566 as of December 31, 2023, was excluded from the estimate of credit losses.

The Company invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, liquidity, and credit risk. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities may occur in the near term and those changes could materially affect the amounts reported on the balance sheets.

Cash and Cash Equivalents

Cash and cash equivalents include cash on deposit and money market mutual funds, and any securities with original maturities within three months of the acquisition date. The Company maintains certain cash and cash equivalent balances that exceed Federal Deposit Insurance Corporation insurance thresholds, which management does not consider to be a significant risk.

Premium Receivable and Agents Balances

The Company includes in premium receivable the unpaid balance of premium due from policyholders that are payable in full on the effective date of the insurance policy or in installments under the Company's installment payment plan. Premiums receivable are reported net of an allowance for credit losses. The Company measures expected credit losses on premiums receivable on a collective basis through review of aging schedules, or on an individual basis when more relevant. An expected credit loss is calculated based on the Company's ongoing review of amounts outstanding, historical loss data including delinquencies and write offs, and is then adjusted for current conditions, and reasonable and supportable forecasts. Credit risk is partially mitigated by the Company's ability to cancel the policy if the policyholder does not pay the premium. During both 2023 and 2022, the Company wrote off \$18,000 of premium receivable.

AMS collects premium on behalf of the Company and remits it to the Company. Agents balances include premium collected by AMS on behalf of the Company and not yet remitted.

Nonprofits Insurance Alliance of California, Inc.

Notes to Financial Statements (Continued)

Note 2 - Summary of Significant Accounting Policies (Continued)

Reinsurance

Reinsurance recoverable (including amounts related to claims incurred but not reported) and prepaid reinsurance premiums are reported as assets. Reinsurance recoverable on unpaid losses and loss adjustment expenses is estimated in a manner consistent with the gross liabilities relating to the underlying insured contracts, as discussed below. The Company measures expected credit losses on reinsurance recoverables on a collective basis based on A.M. Best credit ratings, or on an individual basis when more relevant. Management first considers the impact of any collateral or credit enhancements related to specific reinsurance recoverables. An expected credit loss is calculated by applying a historical default rate to the receivable, adjusted for current conditions, and reasonable and supportable forecasts. Changes in the allowance for credit loss on reinsurance recoverables are recorded as credit loss income (expense) on the statements of comprehensive income. There was no allowance for credit loss on reinsurance recoverables as of December 31, 2023.

Reinsurance payable represents ceded premium unpaid. Ceding commissions are recorded based on ceded written premium, and are deferred and recognized over the policy term, as discussed in the following paragraph. Ceding commissions are reported as an offset to commission expense.

Deferred Acquisition Costs

Policy acquisition costs are deferred and amortized over the period of premium recognition. Deferred acquisition costs include commissions (net of ceding commissions) and departmental costs associated with successful policy issuance. Amortization of acquisition costs was \$18,041,352 and \$15,569,456 for 2023 and 2022, respectively. Anticipated investment income is considered in determining if a premium deficiency exists. No premium deficiency reserve has been recorded as of December 31, 2023 or 2022.

Property and Equipment

Data processing equipment, purchased software, office furniture and equipment are stated at cost, net of accumulated depreciation, and depreciated over five years using the straight-line method. The building is stated at cost, net of accumulated depreciation, and depreciated over 40 years using the straight-line method. Land is stated at historical cost. Upon retirement or disposition of property and equipment, any gain or loss is included in other income on the statements of comprehensive income.

High Deductible Policies

Policies may be underwritten with deductibles ranging from \$25,000 to \$250,000. The Company has 3 policies in force with high deductibles of \$100,000 or more as of December 31, 2023 and 2022, which may be unsecured or may require the policyholder to provide collateral to secure obligations up to the estimated policyholder liabilities.

Nonprofits Insurance Alliance of California, Inc.

Notes to Financial Statements (Continued)

Note 2 - Summary of Significant Accounting Policies (Continued)

Liability for Losses and Loss Adjustment Expenses

The liability for losses and loss adjustment expenses (LAE) consists of estimated costs of each unpaid claim reported prior to the close of the accounting period, as well as those incurred but not yet reported. Management believes that the reserves for losses and LAE at December 31, 2023 and 2022 are appropriately established in the aggregate and are adequate to cover the ultimate cost of reported and unreported claims attaching by that date, based upon an actuarial analysis prepared by a consulting actuary.

The establishment of appropriate reserves is an inherently uncertain process. Reserves are based on management's best estimates and, accordingly, the subsequent development of these reserves may not conform to the assumptions used in the determination. The ultimate liability could be significantly in excess or less than the amount indicated in the financial statements and the ultimate net cost to settle all claims may vary from these estimates. Reserves are regularly reviewed and updated using the most current information available. Any resulting adjustments are reflected in current operations.

Revenue Recognition

Premiums are recognized as earned on a pro rata basis over the terms of the policies, usually twelve months. Unearned premium reserves are established to cover the unexpired portion of premium written.

Policyholder Dividend

The Company accrues for policyholder dividends on the date that they are declared by the Board of Directors, based on the estimated ultimate payout. Changes in the estimated ultimate payout are recognized in current operations.

Income Taxes

The Company is tax-exempt for federal tax purposes under Section 501(c)(3) of the Internal Revenue Code, and is tax-exempt in the State of California according to Section 23701z of the Revenue and Taxation Code. During the years ended December 31, 2023 and 2022, the Company did not have any income subject to taxation as unrelated business income. Management concluded that the Company has properly maintained its exempt status and that no uncertain tax positions exist as of December 31, 2023.

Nonprofits Insurance Alliance of California, Inc.

Notes to Financial Statements (Continued)

Note 2 - Summary of Significant Accounting Policies (Continued)

Subsequent Events

The Company evaluated subsequent events through March 22, 2024, the date on which these financial statements were available to be issued, and considered any relevant matters in the preparation of the financial statements and note disclosures.

A member insured received an adverse court ruling of \$14.8 million on December 1, 2023. Subsequent to year end, the Company agreed to post collateral for an appeal bond that will enable the member to appeal the ruling. The Company may either establish a letter of credit or submit a cash deposit. As of the date of the financial statements, the amount of collateral needed for the appeal bond has not been finalized. However, once posted, the Company does not anticipate drawing on the collateral as it is only needed to facilitate the appeal process.

Note 3 - Investments

Investments in debt securities, carried in the accompanying balance sheets at estimated fair value, consist of the following as of December 31:

<u>2023</u>	<u>Amortized Cost</u>	<u>Unrealized Gains</u>	<u>Unrealized Losses</u>	<u>Estimated Fair Value</u>
U.S. government and agency obligations	\$ 35,006,530	\$ 14,709	\$ 4,630,689	\$ 30,390,550
Municipal obligations	18,082,763	2,980	1,413,717	16,672,026
Corporate obligations	113,888,944	532,493	7,653,587	106,767,850
Residential mortgage-backed securities	80,426,953	314,003	6,143,853	74,597,103
Commercial mortgage-backed securities	10,938,150	57,479	585,457	10,410,172
Automobile asset-backed securities	10,656,792	15,524	438,065	10,234,251
Total debt securities	<u>\$ 269,000,132</u>	<u>\$ 937,188</u>	<u>\$ 20,865,368</u>	<u>\$ 249,071,952</u>
<u>2022</u>	<u>Amortized Cost</u>	<u>Unrealized Gains</u>	<u>Unrealized Losses</u>	<u>Estimated Fair Value</u>
U.S. government and agency obligations	\$ 30,830,515	\$ -	\$ 4,828,600	\$ 26,001,915
Municipal obligations	19,793,760	1,860	2,081,994	17,713,626
Corporate obligations	113,902,373	5,530	11,831,838	102,076,065
Residential mortgage-backed securities	69,855,634	60,483	7,003,070	62,913,047
Commercial mortgage-backed securities	7,152,775	-	719,907	6,432,868
Automobile asset-backed securities	20,441,482	-	1,009,442	19,432,040
Total debt securities	<u>\$ 261,976,539</u>	<u>\$ 67,873</u>	<u>\$ 27,474,851</u>	<u>\$ 234,569,561</u>

Nonprofits Insurance Alliance of California, Inc.

Notes to Financial Statements (Continued)

Note 3 - Investments (Continued)

The amortized cost and estimated fair value of investments in debt securities at December 31, 2023, by contractual maturity, are shown below. Actual maturities may differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or repayment penalties.

	<u>Amortized Cost</u>	<u>Estimated Fair Value</u>
Due in 1 year or less	\$ 6,626,154	\$ 6,515,326
Due after 1 year through 5 years	75,552,435	71,484,479
Due after 5 years through 10 years	68,865,280	63,300,376
Due after 10 years	15,934,368	12,530,245
Residential mortgage-backed securities	80,426,953	74,597,103
Commercial mortgage-backed securities	10,938,150	10,410,172
Automobile asset-backed securities	<u>10,656,792</u>	<u>10,234,251</u>
	<u>\$ 269,000,132</u>	<u>\$ 249,071,952</u>

Residential mortgage-backed securities consist entirely of issues of the Federal National Mortgage Association (Fannie Mae), the Federal Home Loan Mortgage Corporation (Freddie Mac) and the Government National Mortgage Association (Ginnie Mae).

At December 31, 2023 and 2022, unrealized losses on debt securities were as follows:

	<u>Less Than 12 Months</u>		<u>12 Months or Greater</u>		<u>Total</u>	
	<u>Unrealized Losses</u>	<u>Estimated Fair Value</u>	<u>Unrealized Losses</u>	<u>Estimated Fair Value</u>	<u>Unrealized Losses</u>	<u>Estimated Fair Value</u>
<u>2023</u>						
U.S. government and agency obligations	\$ 139,499	\$ 9,037,362	\$ 4,491,190	\$ 20,949,265	\$ 4,630,689	\$ 29,986,627
Municipal obligations	20	499,980	1,413,697	15,764,288	1,413,717	16,264,268
Corporate obligations	-	-	7,653,587	91,490,930	7,653,587	91,490,930
Residential mortgage-backed securities	196,767	11,230,161	5,947,086	54,765,699	6,143,853	65,995,860
Commercial mortgage-backed securities	-	-	585,457	5,464,201	585,457	5,464,201
Automobile asset-backed securities	2,253	642,704	435,812	8,247,994	438,065	8,890,698
	<u>\$ 338,539</u>	<u>\$ 21,410,207</u>	<u>\$ 20,526,829</u>	<u>\$ 196,682,377</u>	<u>\$ 20,865,368</u>	<u>\$ 218,092,584</u>

Nonprofits Insurance Alliance of California, Inc.

Notes to Financial Statements (Continued)

Note 3 - Investments (Continued)

	Less Than 12 Months		12 Months or Greater		Total	
	Unrealized Losses	Estimated Fair Value	Unrealized Losses	Estimated Fair Value	Unrealized Losses	Estimated Fair Value
<u>2022</u>						
U.S. government and agency obligations	\$ 3,693,575	\$ 21,659,139	\$ 1,135,025	\$ 4,342,776	\$ 4,828,600	\$ 26,001,915
Municipal obligations	1,230,138	12,099,994	851,856	5,111,773	2,081,994	17,211,767
Corporate obligations	5,767,569	65,372,122	6,064,269	34,856,724	11,831,838	100,228,846
Residential mortgage-backed securities	3,615,528	44,333,693	3,387,542	15,870,011	7,003,070	60,203,704
Commercial mortgage-backed securities	96,061	1,204,024	623,846	5,228,844	719,907	6,432,868
Automobile asset-backed securities	75,914	1,949,004	933,528	17,483,036	1,009,442	19,432,040
	<u>\$ 14,478,785</u>	<u>\$ 146,617,976</u>	<u>\$ 12,996,066</u>	<u>\$ 82,893,164</u>	<u>\$ 27,474,851</u>	<u>\$ 229,511,140</u>

As of December 31, 2023 and 2022, 516 and 567 securities, respectively, were in an unrealized loss position. The Company determined that no specific allowance for credit loss is needed for these securities and believes that the decline in value of these securities is due to interest rate changes and other market conditions. These securities carry investment grade ratings and the issuers continue to make timely principal and interest payments.

Current accounting guidance establishes a three-level hierarchy, which prioritizes the inputs to valuation techniques used to measure fair value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets (Level 1), the next priority to quoted prices for identical assets in inactive markets or similar assets in active markets (Level 2) and the lowest priority to unobservable inputs (Level 3).

Nonprofits Insurance Alliance of California, Inc.

Notes to Financial Statements (Continued)

Note 3 - Investments (Continued)

The following table presents the Company's investment securities within the fair value hierarchy, indicating the objectivity and reliability of the inputs used to value those securities at December 31:

<u>2023</u>	<u>Estimated Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Debt securities:				
U.S. government and agency obligations	\$ 30,390,550	\$ 30,390,550	\$ -	\$ -
Municipal obligations	16,672,026	-	16,672,026	-
Corporate obligations	106,767,850	-	106,767,850	-
Residential mortgage-backed securities	74,597,103	-	74,597,103	-
Commercial mortgage-backed securities	10,410,172	-	10,410,172	-
Automobile asset-backed securities	<u>10,234,251</u>	<u>-</u>	<u>10,234,251</u>	<u>-</u>
Total debt securities	249,071,952	30,390,550	218,681,402	-
Equity securities	<u>22,327,466</u>	<u>22,327,466</u>	<u>-</u>	<u>-</u>
Total investments	<u>\$271,399,418</u>	<u>\$ 52,718,016</u>	<u>\$218,681,402</u>	<u>\$ -</u>
<u>2022</u>	<u>Estimated Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Debt securities				
U.S. government and agency obligations	\$ 26,001,915	\$ 26,001,915	\$ -	\$ -
Municipal obligations	17,713,626	-	17,713,626	-
Corporate obligations	102,076,065	-	102,076,065	-
Residential mortgage-backed securities	62,913,047	-	62,913,047	-
Commercial mortgage-backed securities	6,432,868	-	6,432,868	-
Automobile asset-backed securities	<u>19,432,040</u>	<u>-</u>	<u>19,432,040</u>	<u>-</u>
Total debt securities	234,569,561	26,001,915	208,567,646	-
Equity securities	<u>20,885,734</u>	<u>20,885,734</u>	<u>-</u>	<u>-</u>
Total investments	<u>\$255,455,295</u>	<u>\$ 46,887,649</u>	<u>\$208,567,646</u>	<u>\$ -</u>

Nonprofits Insurance Alliance of California, Inc.

Notes to Financial Statements (Continued)

Note 3 - Investments (Continued)

The components of net investment gain (loss) on securities for the years ended December 31, 2023 and 2022 are as follows:

	<u>2023</u>	<u>2022</u>
Investment gains (losses):		
Equity securities		
Unrealized gain (loss) on equity securities held as of December 31	\$ 3,837,359	\$ (5,862,155)
Gain recognized during the year on equity securities sold	<u>331,417</u>	<u>-</u>
Total	4,168,776	(5,862,155)
Debt securities		
Gross realized gains	181,622	198,888
Gross realized losses	<u>(566,660)</u>	<u>(452,660)</u>
Total	(385,038)	(253,772)
Total net investment gain (loss) on securities	<u>\$ 3,783,738</u>	<u>\$ (6,115,927)</u>

Note 4 - Property and Equipment

Property and equipment at December 31 consists of:

	<u>2023</u>	<u>2022</u>
Computers and software	\$ 322,200	\$ 332,541
Building	22,677,256	22,677,256
Furniture and fixtures	<u>727,826</u>	<u>727,825</u>
	23,727,282	23,737,622
Accumulated depreciation	<u>(2,742,415)</u>	<u>(2,015,659)</u>
	20,984,867	21,721,963
Land	<u>2,338,112</u>	<u>2,338,112</u>
Property and equipment, net	<u>\$ 23,322,979</u>	<u>\$ 24,060,075</u>

The Company recognized depreciation and amortization expense of \$737,889 and \$726,908 for the years ended December 31, 2023 and 2022, respectively.

Nonprofits Insurance Alliance of California, Inc.

Notes to Financial Statements (Continued)

Note 5 - Loss and Loss Adjustment Expense Reserves

Activity in the loss and LAE reserves for 2023 and 2022 is summarized as follows:

	<u>2023</u>	<u>2022</u>
Gross loss and LAE, January 1	\$ 184,269,795	\$ 164,164,925
Reinsurance recoverable on unpaid loss and LAE	<u>(46,244,736)</u>	<u>(40,284,368)</u>
Net loss and LAE reserves	<u>138,025,059</u>	<u>123,880,557</u>
Incurred related to		
Current year	77,717,658	62,421,482
Prior years	<u>22,874,990</u>	<u>10,211,083</u>
Total incurred	<u>100,592,648</u>	<u>72,632,565</u>
Paid related to		
Current year	12,340,277	11,744,010
Prior years	<u>57,739,393</u>	<u>46,744,053</u>
Total paid	<u>70,079,670</u>	<u>58,488,063</u>
Net loss and LAE reserves, December 31	168,538,037	138,025,059
Reinsurance recoverable on unpaid loss and LAE	<u>66,245,272</u>	<u>46,244,736</u>
Gross loss and LAE reserves, December 31	<u>\$ 234,783,309</u>	<u>\$ 184,269,795</u>

As a result of changes in estimates of insured events in prior years, the loss and LAE reserves related to prior accident years increased by a net \$22,874,990 and \$10,211,083 for the years ended December 31, 2023 and 2022, respectively. Driving the 2023 changes are unfavorable development primarily on the auto liability and D&O lines driven by a combination of inflationary increases and claim severity. Driving the 2022 development changes are unfavorable development primarily on the auto liability and D&O lines driven by a combination of inflationary increases and claim severity. As of December 31, 2023 and 2022, the amounts billed and recoverable for deductible policies were \$1,211,090 and \$1,257,268, respectively. These amounts are reported as offsets to losses and LAE incurred in the statements of comprehensive income.

Nonprofits Insurance Alliance of California, Inc.

Notes to Financial Statements (Continued)

Note 5 - Loss and Loss Adjustment Expense Reserves (Continued)

The reconciliation of the net incurred and paid losses development tables to the liability for losses and LAE on the balance sheet as of December 31, 2023 is as follows:

Net outstanding liabilities	
Auto Physical Damage	\$ 667,044
Auto Liability	27,232,353
Directors & Officers	46,775,011
General Liability	33,881,400
Improper Sexual Conduct and Physical Abuse	33,133,883
Social Services Professional	13,650,376
Umbrella	3,525,650
Property	<u>2,654,097</u>
Liabilities for unpaid losses and LAE, net of reinsurance	<u>161,519,814</u>
Reinsurance recoverable	
Auto Physical Damage	651,260
Auto Liability	3,656,081
Directors & Officers	2,745,725
General Liability	7,205,767
Improper Sexual Conduct and Physical Abuse	6,348,890
Social Services Professional	3,893,389
Umbrella	35,473,978
Property	<u>6,270,182</u>
Total reinsurance recoverable on unpaid losses and LAE	<u>66,245,272</u>
Unallocated LAE	<u>7,018,223</u>
Total gross liability for unpaid losses and LAE	<u>\$ 234,783,309</u>

Nonprofits Insurance Alliance of California, Inc.

Notes to Financial Statements (Continued)

Note 5 - Loss and Loss Adjustment Expense Reserves (Continued)

The following is information about incurred and cumulative paid losses and LAE, net of reinsurance, and total incurred-but-not-reported (IBNR) liabilities plus expected development on reported claims, net of reinsurance and the cumulative number of reported claims as of December 31, 2023, by category:

Auto Physical Damage

<u>Accident Year</u>	<u>Incurred</u>	<u>Cumulative Paid</u>	<u>Total IBNR Plus Expected Development on Reported Claims</u>	<u>Cumulative Number of Reported Claims</u>
2014	\$ 727,304	\$ 727,304	\$ -	695
2015	710,530	710,530	-	784
2016	899,494	899,494	-	854
2017	903,493	903,493	-	853
2018	1,144,914	1,144,914	-	678
2019	1,193,220	1,197,533	-	880
2020	1,195,581	1,195,568	-	841
2021	1,809,897	1,785,295	3,806	1,065
2022	2,344,100	2,290,695	56,155	1,276
2023	2,568,988	1,975,651	143,424	1,223
Total	<u>\$ 13,497,521</u>	<u>\$ 12,830,477</u>	<u>\$ 203,385</u>	

Auto Liability

<u>Accident Year</u>	<u>Incurred</u>	<u>Cumulative Paid</u>	<u>Total IBNR Plus Expected Development on Reported Claims</u>	<u>Cumulative Number of Reported Claims</u>
2014	\$ 4,730,806	\$ 4,730,796	\$ -	900
2015	7,559,697	7,559,746	-	945
2016	6,877,072	6,877,100	-	971
2017	6,003,323	5,499,375	100,301	872
2018	7,980,831	6,850,426	44,086	679
2019	12,479,910	10,794,651	225,036	761
2020	7,138,355	5,347,689	422,751	526
2021	10,191,314	6,692,087	735,686	649
2022	11,594,432	4,812,241	3,161,976	838
2023	13,690,602	1,849,878	7,029,823	885
Total	<u>\$ 88,246,342</u>	<u>\$ 61,013,989</u>	<u>\$ 11,719,659</u>	

Nonprofits Insurance Alliance of California, Inc.

Notes to Financial Statements (Continued)

Note 5 - Loss and Loss Adjustment Expense Reserves (Continued)

Directors & Officers

<u>Accident Year</u>	<u>Incurred</u>	<u>Cumulative Paid</u>	Total IBNR Plus Expected Development on <u>Reported Claims</u>	<u>Cumulative Number of Reported Claims</u>
2014	\$ 8,488,565	\$ 8,488,564	\$ 26,930	300
2015	9,506,505	9,399,154	8,261	305
2016	9,990,106	9,974,450	599	322
2017	13,591,507	13,122,292	-	422
2018	10,969,304	10,164,424	42,334	391
2019	15,826,760	14,345,110	148,424	419
2020	18,182,959	15,499,439	852,220	417
2021	22,894,356	16,352,871	696,881	566
2022	21,040,777	10,305,148	6,884,385	480
2023	26,503,564	2,594,870	18,319,355	378
Total	<u>\$ 156,994,403</u>	<u>\$ 110,246,322</u>	<u>\$ 26,979,389</u>	

General Liability

<u>Accident Year</u>	<u>Incurred</u>	<u>Cumulative Paid</u>	Total IBNR Plus Expected Development on <u>Reported Claims</u>	<u>Cumulative Number of Reported Claims</u>
2014	\$ 4,068,798	\$ 4,068,798	\$ 102,478	466
2015	9,768,203	9,747,689	-	488
2016	7,117,125	6,921,691	-	472
2017	7,267,820	6,466,729	292,303	509
2018	8,459,384	8,115,365	236,153	493
2019	8,971,762	6,793,654	710,061	475
2020	11,547,731	9,023,472	360,501	370
2021	11,399,612	4,600,686	1,026,231	439
2022	11,857,747	2,987,917	2,951,665	459
2023	12,894,773	848,011	7,549,695	425
Total	<u>\$ 93,352,955</u>	<u>\$ 59,574,012</u>	<u>\$ 13,229,087</u>	

Nonprofits Insurance Alliance of California, Inc.

Notes to Financial Statements (Continued)

Note 5 - Loss and Loss Adjustment Expense Reserves (Continued)

Improper Sexual Conduct and Physical Abuse

<u>Accident Year</u>	<u>Incurred</u>	<u>Cumulative Paid</u>	Total IBNR Plus Expected Development on <u>Reported Claims</u>	<u>Cumulative Number of Reported Claims</u>
2014	\$ 3,378,502	\$ 2,879,674	\$ -	50
2015	4,422,421	4,063,868	132,504	71
2016	4,923,612	4,750,407	173,205	75
2017	5,629,809	2,720,916	696,168	89
2018	7,312,335	4,701,782	1,014,648	94
2019	4,029,259	2,117,747	1,056,746	72
2020	3,778,345	1,518,324	644,901	49
2021	5,783,333	1,715,370	1,566,737	77
2022	7,706,420	275,542	5,197,516	63
2023	7,759,756	85,007	6,428,998	63
Total	<u>\$ 54,723,792</u>	<u>\$ 24,828,637</u>	<u>\$ 16,911,423</u>	

Social Services Professional

<u>Accident Year</u>	<u>Incurred</u>	<u>Cumulative Paid</u>	Total IBNR Plus Expected Development on <u>Reported Claims</u>	<u>Cumulative Number of Reported Claims</u>
2014	\$ 2,816,658	\$ 2,816,658	\$ -	73
2015	2,313,636	2,313,636	-	46
2016	1,530,985	1,530,993	-	44
2017	1,835,531	1,469,886	72,105	47
2018	2,960,357	2,424,907	140,556	59
2019	2,883,665	2,471,249	273,177	54
2020	6,182,262	3,589,211	637,480	56
2021	2,811,912	509,115	782,135	53
2022	3,899,441	364,716	1,556,688	65
2023	3,982,412	76,112	1,886,636	42
Total	<u>\$ 31,216,859</u>	<u>\$ 17,566,483</u>	<u>\$ 5,348,777</u>	

Nonprofits Insurance Alliance of California, Inc.

Notes to Financial Statements (Continued)

Note 5 - Loss and Loss Adjustment Expense Reserves (Continued)

Umbrella

<u>Accident Year</u>	<u>Incurred</u>	<u>Cumulative Paid</u>	Total IBNR Plus Expected Development on <u>Reported Claims</u>	<u>Cumulative Number of Reported Claims</u>
2014	\$ 350,122	\$ 350,122	\$ -	3
2015	217,803	217,800	-	2
2016	3,001	3,001	-	1
2017	1,017,271	767,264	-	8
2018	697,686	275,870	-	9
2019	650,004	650,000	-	2
2020	1,191,977	891,852	75,151	7
2021	439,838	59,876	378,845	3
2022	801,931	-	801,931	-
2023	1,371,802	-	896,802	2
Total	<u>\$ 6,741,435</u>	<u>\$ 3,215,785</u>	<u>\$ 2,152,729</u>	

Property

<u>Accident Year</u>	<u>Incurred</u>	<u>Cumulative Paid</u>	Total IBNR Plus Expected Development on <u>Reported Claims</u>	<u>Cumulative Number of Reported Claims</u>
2016	\$ 298,027	\$ 298,027	\$ -	32
2017	3,458,572	3,457,288	1,283	323
2018	3,205,615	3,205,618	-	417
2019	3,776,952	3,776,378	302	438
2020	4,719,258	4,673,536	37,493	492
2021	5,289,166	5,206,469	75,909	449
2022	6,319,271	6,141,951	113,400	435
2023	6,659,280	4,312,777	1,375,576	463
Total	<u>\$ 33,726,141</u>	<u>\$ 31,072,044</u>	<u>\$ 1,603,963</u>	

Methodology for Determining Losses and LAE Reserves

Loss reserves are management's best estimate of ultimate losses and are based on the analysis performed by consulting actuaries. They analyze each portion of our business in a variety of ways and use multiple actuarial methodologies in performing these analyses, including: Bornhuetter-Ferguson (paid and reported) method, Cape Cod (paid and reported) method, initial expected loss method, paid loss development method, reported loss development method, and case reserve development method. The selected ultimate losses are within the consulting actuaries' range of reasonable levels.

Nonprofits Insurance Alliance of California, Inc.

Notes to Financial Statements (Continued)

Note 5 - Loss and Loss Adjustment Expense Reserves (Continued)

Methodology for Determining Incurred But Not Reported Reserves

Using generally accepted actuarial reserving techniques, we project our estimate of ultimate losses and LAE at each reporting date. Our IBNR reserve is the difference between the projected ultimate losses and LAE incurred and the sum of case losses and loss expense reserves and inception-to-date paid losses and LAE.

Significant Changes in Methodologies and Assumptions

There were no significant changes in methodologies or assumptions from the prior year.

Methodology for Determining Cumulative Number of Reported Claims

Reported claim counts represent claim events on a specified policy, rather than individual claimants and include claims that did not or are not expected to result in an incurred loss.

Note 6 - Reinsurance

In the normal course of business, the Company uses excess of loss (both per risk and catastrophe) and quota share reinsurance contracts to limit its exposure to unanticipated loss severity and frequency. Prior to 2008, the Company's reinsurance structure varied, with retention on liability lines ranging from \$50,000 to \$500,000, and was placed with various third-party reinsurers and, in certain years, with NANI, rated "A" by A.M. Best.

Beginning January 1, 2008, the Company purchased excess of loss reinsurance coverage for \$500,000 excess of a Company retention of \$500,000, per occurrence. Beginning January 1, 2010, the Company changed its coverage to \$400,000 excess of Company retention \$600,000 per occurrence. These coverages were placed with the Company's third-party reinsurer. Beginning January 1, 2013 the Company changed its excess of loss reinsurance coverage to \$300,000 excess of Company retention of \$700,000. The Company also maintains an aggregate reinsurance cover of \$3 million in excess of \$1 million. The aggregate treaty also provides for clash coverage on all liability lines except umbrella. Beginning January 1, 2013 the Company diversified risk by placing these coverages with various reinsurers.

The Company offers umbrella coverage with a maximum limit of \$10 million. Beginning January 1, 2013, umbrella policies are ceded 85% - 100% on a quota share treaty basis based on underlying coverage limits. Beginning January 1, 2013 the Company diversified its risk by placing these coverages with various reinsurers. Umbrella policies were previously ceded 90% on a quota share treaty basis to the Company's third-party reinsurer.

Nonprofits Insurance Alliance of California, Inc.

Notes to Financial Statements (Continued)

Note 6 - Reinsurance (Continued)

Beginning August 1, 2016, the Company began writing business property risks which are limited by facultative reinsurance to \$10 million per risk. The Company cedes 10% of this on a quota share treaty basis to NANI. The Company and NANI jointly purchase reinsurance on a per risk excess of loss basis from unaffiliated reinsurers in excess of their combined retention of \$300,000 in 2023 and \$200,000 in 2022. The Company and NANI also purchased catastrophe excess of loss coverage with unaffiliated reinsurers for \$23 million in excess of \$2 million per occurrence for years ended 2023 and 2022.

The Company reinsurers its auto physical damage line with NANI, on a 50% quota share basis.

Management monitors the credit quality of its reinsurance recoverables on an annual basis through review of A.M. Best credit ratings and credit rating changes. As of December 31, 2023, 99.6% of the Company's reinsurance paid and unpaid was due from reinsurers rated A or better by A.M. Best and 0.4% was due from reinsurers rated B. Risks reinsured would become an expense of the Company in the event the reinsurers are unable to or will not fulfill the obligations assumed under the agreements. As of December 31, 2023 and 2022, the Company concluded that no allowance for credit losses was necessary.

The effects of reinsurance ceded on premium earned and losses, which are stated net of reinsurance on the statements of comprehensive income, are quantified in the table below:

	<u>2023</u>	<u>2022</u>
Premium earned	\$ 46,287,778	\$ 33,277,212
Loss and LAE	39,959,626	23,433,576

For the years ended 2023 and 2022, the Company received ceding commissions of \$6,559,859 and \$5,742,698, respectively, which are recorded as a reduction to commission expense. The maximum amount of return commission that would have been due to reinsurers if all reinsurance had been cancelled with the return of unearned premium reserves at December 31, 2023 and 2022 was \$3,231,376 and \$2,802,788, respectively.

Nonprofits Insurance Alliance of California, Inc.

Notes to Financial Statements (Continued)

Note 7 - Related Party Transactions

The Company has a management agreement with affiliate AMS. Based on the agreement, AMS is responsible for the Company's overall operation, including policy services, claims management, member services, reinsurance negotiations, marketing, accounting and financial management, and general and administration management. The fees charged to the affiliated companies by AMS are determined only to recover the net expenses incurred by AMS. The management and administrative fees for the services provided by AMS were \$16,179,101 and \$14,639,207 for the years ended December 31, 2023 and 2022, respectively. As of December 31, 2023 and 2022, the Company had a payable to AMS of \$4,295,154 and \$3,884,943, respectively, for these fees which is included in payable to affiliates on the balance sheets.

Reinsurance balances related to NANI include the following as of and for the years ended December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Reinsurance recoverable	\$ 2,409,368	\$ 929,529
Premiums ceded	7,720,005	5,402,412
Losses recovered	4,446,247	3,512,826
Premium payable	985,042	889,407
Prepaid reinsurance premium	3,892,238	3,003,265

Note 8 - Dividends

In August 2006, the Board of Directors adopted a policyholder dividend plan effective January 1, 2007. This plan is designed to reward members for length of continuous coverage, as well as for favorable claims experience of the Company as a whole. The Board of Directors retains the sole authority to declare a policyholder dividend. In any year that a policyholder dividend is declared, members who qualify will be entitled to receive a policyholder dividend upon renewal of their policy beginning June 1 through May 31. No policyholder dividends were declared for the 2022-2023 or 2023-2024 policy years.

Note 9 - Contingencies

In the normal course of business, lawsuits may arise against the Company. Contingent liabilities arising from litigation and other matters are not considered material in relation to the financial position of the Company.

Required Supplemental Information (Unaudited)

Nonprofits Insurance Alliance of California, Inc.

Incurred and Cumulative Paid Losses and Allocated Loss Adjustment Expenses, Net of Reinsurance

The following is information about incurred and paid claims development, net of reinsurance and by category for years ended December 31:

Auto Physical Damage

Incurred Losses and Allocated Loss Adjustment Expenses, Net of Reinsurance

Accident Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
2014	\$ 836,641	\$ 836,641	\$ 836,641	\$ 786,641	\$ 740,208	\$ 740,208	\$ 740,208	\$ 727,306	\$ 727,304	\$ 727,304
2015		778,222	778,222	728,216	710,828	710,828	710,828	710,739	710,560	710,530
2016			737,807	937,818	904,248	904,248	904,248	899,495	899,495	899,494
2017				904,983	922,474	922,474	882,499	878,781	879,156	903,493
2018					1,170,273	1,189,016	1,189,016	1,141,395	1,145,068	1,144,914
2019						1,122,653	1,222,644	1,187,645	1,193,928	1,193,220
2020							1,417,043	1,522,183	1,200,261	1,195,581
2021								1,530,796	1,848,672	1,809,897
2022									2,324,089	2,344,100
2023										2,568,988
Total										<u>\$ 13,497,521</u>

Cumulative Paid Losses and Allocated Loss Adjustment Expenses, Net of Reinsurance

Accident Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
2014	\$ 711,772	\$ 727,039	\$ 727,304	\$ 727,304	\$ 727,304	\$ 727,304	\$ 727,304	\$ 727,304	\$ 727,304	\$ 727,304
2015		636,855	703,573	705,407	710,792	710,797	710,797	710,730	710,530	710,530
2016			846,813	911,528	897,743	899,494	899,494	899,494	899,494	899,494
2017				766,143	897,770	880,370	879,086	878,774	879,153	903,493
2018					1,023,271	1,136,376	1,139,715	1,141,420	1,145,078	1,144,914
2019						1,102,948	1,181,907	1,183,666	1,197,750	1,197,533
2020							1,050,100	1,207,146	1,198,246	1,195,568
2021								1,409,632	1,798,346	1,785,295
2022									1,981,410	2,290,695
2023										1,975,651
Total										<u>12,830,477</u>
All outstanding liabilities before 2014, net of reinsurance										-
Liabilities for losses and loss adjustment expenses, net of reinsurance										<u>\$ 667,044</u>

Nonprofits Insurance Alliance of California, Inc.

Incurred and Cumulative Paid Losses and Allocated Loss Adjustment Expenses, Net of Reinsurance

Auto Liability

Incurred Losses and Allocated Loss Adjustment Expenses, Net of Reinsurance										
Accident Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
2014	\$ 6,299,470	\$ 6,299,470	\$ 5,738,447	\$ 5,673,507	\$ 5,023,457	\$ 5,023,457	\$ 4,743,038	\$ 4,731,365	\$ 4,731,365	\$ 4,730,806
2015		6,785,271	6,785,271	6,535,272	7,375,238	7,505,314	7,575,278	7,608,853	7,565,728	7,559,697
2016			7,392,884	7,592,914	7,192,854	7,192,854	6,722,878	6,942,869	6,876,544	6,877,072
2017				6,660,267	5,040,289	5,040,289	4,690,256	5,410,238	5,746,299	6,003,323
2018					6,923,434	7,225,334	5,925,350	7,255,417	7,089,106	7,980,831
2019						6,626,924	8,826,954	9,646,955	11,892,939	12,479,910
2020							6,697,902	6,242,026	7,211,066	7,138,355
2021								7,994,109	8,573,635	10,191,314
2022									9,018,639	11,594,432
2023										13,690,602
Total										<u>\$ 88,246,342</u>

Cumulative Paid Losses and Allocated Loss Adjustment Expenses, Net of Reinsurance										
Accident Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
2014	\$ 1,346,720	\$ 2,746,514	\$ 4,209,481	\$ 4,548,359	\$ 4,666,900	\$ 4,700,614	\$ 4,731,325	\$ 4,731,338	\$ 4,731,338	\$ 4,730,796
2015		1,589,529	2,763,899	3,957,182	6,214,484	6,727,948	7,290,142	7,308,078	7,545,423	7,559,746
2016			1,614,014	3,621,080	4,729,882	5,777,221	6,159,154	6,656,596	6,876,534	6,877,100
2017				1,301,837	2,088,346	2,836,007	3,825,752	4,176,790	4,860,790	5,499,375
2018					1,662,949	2,711,294	3,486,713	4,776,355	6,529,282	6,850,426
2019						1,588,200	5,440,042	6,196,597	8,441,180	10,794,651
2020							1,895,353	2,545,706	4,135,880	5,347,689
2021								1,182,387	2,947,213	6,692,087
2022									1,976,447	4,812,241
2023										1,849,878
Total										<u>61,013,989</u>
All outstanding liabilities before 2014, net of reinsurance										-
Liabilities for losses and loss adjustment expenses, net of reinsurance										<u>\$ 27,232,353</u>

Nonprofits Insurance Alliance of California, Inc.

Incurred and Cumulative Paid Losses and Allocated Loss Adjustment Expenses, Net of Reinsurance

Directors & Officers

Incurred Losses and Allocated Loss Adjustment Expenses, Net of Reinsurance										
Accident Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
2014	\$ 9,655,950	\$ 9,655,950	\$ 9,855,916	\$ 8,090,984	\$ 8,199,218	\$ 8,314,212	\$ 8,544,286	\$ 8,584,315	\$ 8,551,046	\$ 8,488,565
2015		1,445,400	1,445,400	1,229,588	9,379,615	9,379,615	9,229,614	9,359,586	9,440,254	9,506,505
2016			2,931,506	2,931,506	10,870,095	9,870,101	9,725,010	9,505,045	10,015,193	9,990,106
2017				2,800,102	2,271,857	2,271,857	12,216,803	12,543,275	14,169,851	13,591,507
2018					3,449,536	2,781,204	12,781,204	12,681,155	11,178,265	10,969,304
2019						2,965,433	12,965,433	13,365,489	15,727,647	15,826,760
2020							12,491,779	15,098,990	16,079,974	18,182,959
2021								15,672,024	18,172,011	22,894,356
2022									18,362,650	21,040,777
2023										26,503,564
Total										<u>\$ 156,994,403</u>

Cumulative Paid Losses and Allocated Loss Adjustment Expenses, Net of Reinsurance										
Accident Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
2014	\$ 987,895	\$ 3,542,926	\$ 6,350,776	\$ 7,480,937	\$ 7,724,964	\$ 8,013,478	\$ 8,260,473	\$ 8,488,418	\$ 8,488,564	\$ 8,488,564
2015		571,882	3,504,844	5,849,670	7,903,919	8,382,429	8,823,149	9,071,572	9,285,936	9,399,154
2016			909,886	5,018,823	7,647,940	8,276,552	8,759,891	9,061,680	9,890,523	9,974,450
2017				1,073,743	3,808,930	7,529,844	9,800,837	11,797,582	12,396,634	13,122,292
2018					869,031	3,816,033	5,367,382	8,336,574	8,966,131	10,164,424
2019						793,692	5,777,809	9,816,911	12,304,180	14,345,110
2020							1,109,298	6,257,386	12,913,415	15,499,439
2021								1,516,531	8,769,542	16,352,871
2022									2,374,027	10,305,148
2023										2,594,870
Total										<u>110,246,322</u>
All outstanding liabilities before 2014, net of reinsurance										<u>26,930</u>
Liabilities for losses and loss adjustment expenses, net of reinsurance										<u>\$ 46,775,011</u>

Nonprofits Insurance Alliance of California, Inc.

Incurred and Cumulative Paid Losses and Allocated Loss Adjustment Expenses, Net of Reinsurance

General Liability

Incurred Losses and Allocated Loss Adjustment Expenses, Net of Reinsurance

Accident Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
2014	\$ 7,235,658	\$ 7,880,305	\$ 7,430,348	\$ 5,250,227	\$ 4,660,100	\$ 4,650,004	\$ 4,060,046	\$ 4,062,906	\$ 4,063,074	\$ 4,068,798
2015		7,768,095	7,768,095	9,218,081	9,095,557	9,455,537	9,523,508	9,641,089	9,753,373	9,768,203
2016			7,937,381	7,937,381	7,218,327	7,418,385	7,366,431	7,346,407	7,310,689	7,117,125
2017				8,083,576	7,614,981	7,389,976	7,450,062	7,442,483	6,948,627	7,267,820
2018					7,696,275	8,696,248	8,756,731	9,006,815	9,229,554	8,459,384
2019						8,053,818	8,392,846	8,592,849	8,691,604	8,971,762
2020							8,681,138	10,094,347	10,604,919	11,547,731
2021								10,068,598	10,399,562	11,399,612
2022									11,857,747	11,857,747
2023										12,894,773
Total										<u>\$ 93,352,955</u>

Cumulative Paid Losses and Allocated Loss Adjustment Expenses, Net of Reinsurance

Accident Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
2014	\$ 536,043	\$ 1,815,835	\$ 2,510,737	\$ 3,434,731	\$ 3,858,790	\$ 3,910,707	\$ 3,976,723	\$ 4,000,837	\$ 4,021,263	\$ 4,068,798
2015		917,595	1,931,149	4,227,832	7,519,047	8,403,295	9,372,065	9,545,091	9,753,416	9,747,689
2016			572,839	1,659,851	3,626,500	5,238,390	6,546,890	6,876,122	6,916,941	6,921,691
2017				557,148	1,804,689	3,521,809	4,812,826	6,220,939	6,357,811	6,466,729
2018					751,784	2,388,978	4,787,918	6,332,291	7,624,135	8,115,365
2019						551,074	1,823,266	3,721,775	5,701,415	6,793,654
2020							832,026	3,547,042	5,822,572	9,023,472
2021								560,763	2,229,356	4,600,686
2022									724,693	2,987,917
2023										848,011
Total										<u>59,574,012</u>
All outstanding liabilities before 2014, net of reinsurance										<u>102,457</u>
Liabilities for losses and loss adjustment expenses, net of reinsurance										<u>\$ 33,881,400</u>

Nonprofits Insurance Alliance of California, Inc.

Incurred and Cumulative Paid Losses and Allocated Loss Adjustment Expenses, Net of Reinsurance

Improper Sexual Conduct and Physical Abuse

Incurred Losses and Allocated Loss Adjustment Expenses, Net of Reinsurance

Accident Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
2014	\$ 2,823,391	\$ 2,823,391	\$ 2,823,391	\$ 2,823,391	\$ 3,566,624	\$ 3,566,721	\$ 3,428,278	\$ 2,948,301	\$ 2,863,502	\$ 3,378,502
2015		2,962,173	2,962,173	3,223,712	3,967,473	4,182,485	4,182,485	4,232,893	4,212,465	4,422,421
2016			2,918,183	3,668,210	5,579,195	6,579,230	6,579,230	5,332,264	4,985,053	4,923,612
2017				3,313,921	5,668,816	5,668,816	5,468,840	4,213,896	3,718,165	5,629,809
2018					5,630,071	7,630,125	8,179,589	8,384,877	7,184,856	7,312,335
2019						5,845,245	5,845,245	6,211,421	4,441,569	4,029,259
2020							8,009,090	5,536,097	5,030,258	3,778,345
2021								6,217,608	6,270,060	5,783,333
2022									7,906,412	7,706,420
2023										7,759,756
Total										<u>\$ 54,723,792</u>

Cumulative Paid Losses and Allocated Loss Adjustment Expenses, Net of Reinsurance

Accident Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
2014	\$ 24,974	\$ 151,144	\$ 1,162,880	\$ 1,449,796	\$ 1,971,952	\$ 2,438,345	\$ 2,529,221	\$ 2,863,490	\$ 2,863,511	\$ 2,879,674
2015		39,309	119,219	357,073	1,515,528	2,277,677	3,657,604	4,023,285	4,034,970	4,063,868
2016			65,381	681,471	1,360,404	3,559,670	4,576,122	4,614,032	4,736,741	4,750,407
2017				43,173	599,009	1,523,111	1,954,497	2,090,993	2,360,252	2,720,916
2018					13,336	593,526	1,856,801	2,731,862	3,771,565	4,701,782
2019						29,086	216,500	539,585	943,454	2,117,747
2020							55,600	149,149	263,577	1,518,324
2021								104,410	677,688	1,715,370
2022									33,517	275,542
2023										85,007
Total										<u>24,828,637</u>
All outstanding liabilities before 2014, net of reinsurance										<u>3,238,728</u>
Liabilities for losses and loss adjustment expenses, net of reinsurance										<u>\$ 33,133,883</u>

Nonprofits Insurance Alliance of California, Inc.

Incurred and Cumulative Paid Losses and Allocated Loss Adjustment Expenses, Net of Reinsurance

Social Services Professional

Incurred Losses and Allocated Loss Adjustment Expenses, Net of Reinsurance										
Accident Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
2014	\$ 3,328,470	\$ 3,328,470	\$ 3,328,470	\$ 3,128,459	\$ 2,715,427	\$ 2,865,419	\$ 2,816,400	\$ 2,816,642	\$ 2,816,658	\$ 2,816,658
2015		3,136,828	3,136,828	2,986,825	2,380,413	2,380,413	2,173,853	2,173,853	2,315,535	2,313,636
2016			3,429,700	3,879,709	2,895,124	1,895,122	1,790,009	1,635,118	1,530,985	1,530,985
2017				3,787,931	3,513,709	2,362,875	2,083,007	2,315,800	1,868,444	1,835,531
2018					4,095,160	3,495,150	3,349,806	3,358,372	3,161,258	2,960,357
2019						4,063,632	4,063,321	2,520,745	2,560,273	2,883,665
2020							3,784,434	3,784,434	4,511,482	6,182,262
2021								4,064,129	3,908,708	2,811,912
2022									3,993,707	3,899,441
2023										3,982,412
Total										<u>\$ 31,216,859</u>

Cumulative Paid Losses and Allocated Loss Adjustment Expenses, Net of Reinsurance										
Accident Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
2014	\$ 109,365	\$ 1,241,252	\$ 2,097,970	\$ 2,259,696	\$ 2,344,655	\$ 2,816,239	\$ 2,816,393	\$ 2,816,658	\$ 2,816,658	\$ 2,816,658
2015		31,427	284,954	953,594	1,464,203	1,767,639	1,771,255	1,775,771	1,812,569	2,313,636
2016			33,803	170,594	1,059,743	1,530,773	1,530,993	1,530,993	1,530,993	1,530,993
2017				18,275	106,585	1,274,816	1,369,775	1,448,905	1,461,403	1,469,886
2018					56,051	313,698	1,191,505	1,912,098	2,284,825	2,424,907
2019						4,216	227,397	1,361,356	2,437,307	2,471,249
2020							110,066	1,772,263	2,656,972	3,589,211
2021								78,929	196,129	509,115
2022									87,029	364,716
2023										76,112
Total										<u>17,566,483</u>
All outstanding liabilities before 2014, net of reinsurance										-
Liabilities for losses and loss adjustment expenses, net of reinsurance										<u>\$ 13,650,376</u>

Nonprofits Insurance Alliance of California, Inc.

Incurred and Cumulative Paid Losses and Allocated Loss Adjustment Expenses, Net of Reinsurance

Umbrella

Incurred Losses and Allocated Loss Adjustment Expenses, Net of Reinsurance										
Accident Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
2014	\$ 600,311	\$ 600,311	\$ 600,311	\$ 600,311	\$ 353,151	\$ 353,151	\$ 350,125	\$ 350,125	\$ 350,122	\$ 350,122
2015		435,029	435,029	435,029	112,664	212,668	182,125	182,164	217,803	217,803
2016			486,307	486,307	178,087	39,328	6,331	3,332	3,001	3,001
2017				513,820	344,963	527,531	622,528	622,528	789,765	1,017,271
2018					445,675	45,675	45,675	195,675	272,701	697,686
2019						462,820	390,846	1,118,789	650,004	650,004
2020							581,441	581,441	675,320	1,191,977
2021								747,979	747,979	439,838
2022									1,057,936	801,931
2023										1,371,802
Total										<u>\$ 6,741,435</u>

Cumulative Paid Losses and Allocated Loss Adjustment Expenses, Net of Reinsurance										
Accident Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
2014	\$ 163	\$ 122	\$ 350,122	\$ 350,122	\$ 350,122	\$ 350,122	\$ 350,122	\$ 350,122	\$ 350,122	\$ 350,122
2015		-	-	-	-	399	180,299	180,299	180,299	217,800
2016			-	-	-	-	3,001	3,001	3,001	3,001
2017				-	-	367,526	617,264	617,264	767,264	767,264
2018					-	-	-	9,619	251,388	275,870
2019						-	300,000	650,000	650,000	650,000
2020							350,000	350,000	402,501	891,852
2021								-	-	59,876
2022									-	-
2023										-
Total										<u>3,215,785</u>
All outstanding liabilities before 2014, net of reinsurance										-
Liabilities for losses and loss adjustment expenses, net of reinsurance										<u>\$ 3,525,650</u>

Nonprofits Insurance Alliance of California, Inc.

Incurred and Cumulative Paid Losses and Allocated Loss Adjustment Expenses, Net of Reinsurance

Property

Incurred Losses and Allocated Loss Adjustment Expenses, Net of Reinsurance

Accident Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
2016			\$ 279,688	\$ 329,687	\$ 365,132	\$ 302,134	\$ 298,336	\$ 298,178	\$ 298,027	\$ 298,027
2017				3,124,194	3,474,172	3,564,178	3,507,469	3,505,900	3,460,981	3,458,572
2018					4,914,420	3,228,557	3,228,557	3,194,876	3,238,441	3,205,615
2019						3,754,399	3,854,272	3,854,272	3,807,485	3,776,952
2020							4,741,306	4,741,306	4,736,264	4,719,258
2021								5,789,239	5,789,239	5,289,166
2022									5,854,289	6,319,271
2023										6,659,280
Total										<u>\$ 33,726,141</u>

Cumulative Paid Losses and Allocated Loss Adjustment Expenses, Net of Reinsurance

Accident Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
2016			\$ 36,213	\$ 31,786	\$ 306,940	\$ 298,026	\$ 298,026	\$ 298,027	\$ 298,027	\$ 298,027
2017				2,261,099	3,375,175	3,458,398	3,399,225	3,442,658	3,457,373	3,457,288
2018					1,913,935	3,174,568	3,214,947	3,188,370	3,205,321	3,205,618
2019						2,535,687	3,801,877	3,840,817	3,794,244	3,776,378
2020							3,376,107	4,508,040	4,634,190	4,673,536
2021								3,590,040	5,151,363	5,206,469
2022									4,033,308	6,141,951
2023										4,312,777
Total										31,072,044
All outstanding liabilities before 2014, net of reinsurance										-
Liabilities for losses and loss adjustment expenses, net of reinsurance										<u>\$ 2,654,097</u>

Nonprofits Insurance Alliance of California, Inc.

Average Annual Percentage Payout of Incurred Losses by Age, Net of Reinsurance

The following is the average historical claims duration as of December 31, 2023 by category:

Average Annual Percentage Payout of Incurred Claims by Age, Net of Reinsurance										
Years	1	2	3	4	5	6	7	8	9	10
Auto Physical Damage	87.5 %	10.8 %	(0.5)%	0.3 %	0.1 %	- %	0.7 %	- %	- %	- %
Auto Liability	19.7 %	20.3 %	18.8 %	17.1 %	10.3 %	6.1 %	3.7 %	1.0 %	0.1 %	- %
Directors & Officers	8.1 %	30.9 %	27.6 %	16.4 %	7.7 %	5.3 %	4.8 %	1.9 %	0.6 %	- %
General Liability	7.8 %	18.4 %	22.7 %	23.6 %	14.1 %	4.7 %	1.4 %	0.9 %	0.2 %	1.2 %
Improper Sexual Conduct and Physical Abuse	0.9 %	6.2 %	14.0 %	20.3 %	16.5 %	12.7 %	5.0 %	3.5 %	0.4 %	0.5 %
Social Services Professional	1.9 %	13.3 %	34.4 %	20.1 %	5.7 %	4.5 %	0.2 %	0.5 %	10.9 %	- %
Umbrella	2.9 %	5.1 %	26.0 %	9.6 %	22.5 %	20.2 %	- %	- %	8.6 %	- %
Property	67.0 %	29.0 %	1.9 %	0.8 %	0.2 %	0.1 %	- %	- %	- %	- %