

WEBINAR

**NAILING
NONPROFIT
INSURANCE!**



NSM
Insurance Group

Build Success.®

WED., SEPT. 25, 2024 | 2:00 - 3:00 PM ET



Care Providers
Insurance Services

**Learn How CPS Can Help You Win with
Schools, IDD Orgs, Churches and More**



QUYNH TRAN
Program Director



JOE HEINEMAN
Senior Business Development Manager

Special Gift for the First 25 Agents to Register and Attend

- As a special thank you for joining us and signing up early, the first **25 agents** who registered for our webinar and who are on the call today will receive a CPS-branded vest
- If you are a winner, Mary Kate McGuire from our marketing team will be in touch to request your sizing information and mailing address



Today's Agenda

Introduction to NSM & CPS

Social Service Market Update

- Underwriting Trends
- Claims Trends

How CPS Can Help You Win

- Our Appetite
- Growth Classes

Recent Successes

Working with CPS

Q&A



INTRO TO NSM & CPS

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\$1.8B+ In Premium

1.5M+ Clients

30+ B2B and B2C Programs

20K Agent & Broker Relationships

29 Office Locations

1,464 Employees



NSM
Insurance Group

Build Success.®

34 YEARS
STRONG

ENTREPRENEURIAL
MINDSET



Sustainable and
Consistent Industry
Leader Celebrating
30+ Years in the
Business



Global Footprint
in 20 Countries



Superior Service
with 90% Client
Retention Rate



Long-Standing
Partnerships with
A+ Rated Carriers

Our Specialty Programs

We offer several best-in-class specialty insurance programs in the U.S. — specifically designed to help agents meet the unique needs of their clients



Learn more at nsminc.com



**Because the right support can make
a world of difference.**

**CPS is your dedicated partner for
nonprofit insurance.**

Care Providers Mission

At Care Providers, our mission is to be the leading provider of robust insurance and risk management for nonprofit and social services organizations

We have an unwavering commitment to:

- Disciplined and diligent underwriting
- Comprehensive insurance solutions
- Top-notch talent with in-depth knowledge
- Unparalleled partnership with our valued agent/broker partners



Meet the CPS Leadership Team



QUYNH TRAN
Program Director

19+ yrs



KEVIN CORNELL
Underwriting Manager

12+ yrs



**ERIN CRAWFORD
PETERSON**
Underwriting Manager

21+ yrs



JOE HEINEMAN
Senior Business
Development Manager

6+ yrs

INDUSTRY EXPERIENCE

Expertise

Partnership

Service



25+ Years of Dedication to Serving Nonprofits!

Focus

- Primary focus on social services
- Exclusive programs
- We help agents deliver great service

Capabilities

- A+ rated carrier partners
- Loss control
- In-house claims team and advocacy

We have the **Exclusive** Pen for the following carriers:
Arch & Guard



Staff Knowledge

- In-depth insurance experience — 15 years average tenure
- More than 100 years of combined experience within our program

Coverages

- Best-in-class coverage forms
- Flexibility
- Focus on emerging topics



MARKET UPDATE

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Social Service Market Update

- As of 2022, the global social service market was valued at \$4.8B / 4.8% GDP
- Stable forecast growth rate — 7.1% CAGR by 2032
- Driven by increased population, aging demographics, many other macroeconomic indicators
- Global factors are changing
 - Increased frequency and severity of natural disasters
 - Costs to rebuild went through the roof
 - In 2023, insurers were responsible for \$100B in damages from CAT events — now 4 years in a row
- Carriers are cautious and re-evaluating their portfolios
- Church carriers downgraded



Underwriting Trends

- Carriers are:
 - Completely exiting certain markets
 - Senior day centers and other senior care services
 - After school programs
 - Religious organizations
 - Museums
 - Others
 - Exiting certain pockets of the country
 - Increasing min. premium threshold
 - Sending more non-renewals
 - Introducing new wind/hail percentage deductibles in certain pockets of the country and moving forward
 - Scaling back on limits/coverage being offered
 - Limiting their appetites in CAT states/zones



Claims Trends

- Rise in nuclear verdicts
 - Higher compensation for perceived injustices
 - Median verdict increased by 95% from 2020 to 2022
 - Increasingly high number of verdicts \$10M+
- Increase in third-party litigation funding
 - Funded by external investors, e.g. private equity firms, in exchange for a portion of the settlement
 - Estimated \$15.2B in commercial litigation investments in the U.S.
 - Resulting surge in claims
- High-value traumatic brain injury (TBI) claims are more prevalent
 - An estimated 1.7M Americans sustain a TBI every year
 - Long-term medical care, rehabilitation, loss of income
 - Complex to diagnose and treat, making them challenging for insurers to manage
- More costly inflation-driven claims
 - Significantly higher cost of goods and services
- Continued prevalence of CAT claims
 - Sustained increase in severe weather patterns

Primary Loss Drivers

Property

- CAT claims
- Fire
- Frozen pipes
- Water backup

Auto

- Third-party bodily injury
- Collision

GL

- Professional liability
- Slip/fall
- Employment practices
- Abuse



HOW CPS CAN HELP YOU WIN

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Arch Key Classes

Social Service Programs

- Pregnancy Resource Centers

Religious/Faith-Based Institutions

- Churches
- Mosques
- Synagogues

Education Programs

- Private Schools
- Higher Ed
- Charter Schools



Guard Key Classes

Social Service Programs

- Community Action Agencies
- Counseling Services
- YWCAs
- Big Brothers Big Sisters
- Shelters/Homeless Prevention
- Head Starts
- Crisis Intervention & Family Assistance
- Senior Day Services



Home Health/Hospice

- Companion Care
- In-home Care
- Increased Quality of Care

IDD

- Employment Assistance Programs
- Vocational Programs
- Group Homes
- Special Needs Schools/ ABA Therapy

Community Organizations

- Museums
- Botanical Gardens

Coverage Offerings

Programs eligible in all states
except Massachusetts

General Liability

- Occurrence or Claims Made Options
- Primary Limits \$1M/\$3M/\$3M

Professional Liability

- Occurrence or Claims Made Options
- Primary Limits \$1M/\$3M
- Defense expense is in addition to limits

Sexual and Physical Abuse

Depends on the class

- Occurrence or Claims Made Options
- Primary Limits \$1M/\$3M
- Defense expense is in addition to limits (option for within limits for ARCH)

Automobile

- Liability Limits to \$1M per accident
- Coverage for 15 passenger vans and buses

Umbrella/Excess

- Limits to \$5M available
- Includes Professional and Abuse coverage

Property

- Blanket options available
- Extensive coverage in Property Enhancement

Additional Coverages:

- Employment Practices, Directors & Officers Liability, Fiduciary Liability, Crime, Inland Marine, Cyber Liability, Participant/Volunteer Accident, Wind Buyback, Workers' Comp

Ineligible Risks

- Traditional Day Care Centers
- Assisted Living Facilities/Nursing Homes for Seniors
- Public Transportation
- Habitat for Humanity Organizations
- Boy Scouts Organizations
- Addiction Treatment/Mental Health Organizations (please contact our sister program, ATP)
- Goodwills
- Pregnancy Centers, Churches and Schools not eligible in the 5 boroughs of NYC
- Standalone Camp Operations

Limited Appetite

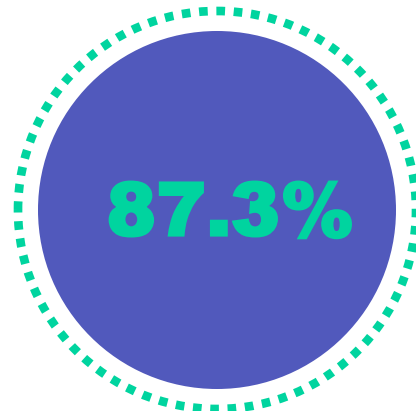
- Foster/Adoption Organizations
- Skilled Nursing
- YMCAs



CPS Key Stats



Policies
in Force



Average of
Bind-to-Quote
Ratios for all
Classes Combined



Average
Premium
Size



Largest GWP
States

Largest GWP Classes – Churches, IDD & Group Homes, Home Health, Shelters, Pregnancy Centers, Charter Schools, CAA, Head Start/Early Head Start, Private Schools, Senior Activity Centers

In-House Claims Teams

- **Jay Belcher** and **Wayne King** lead claims for CPS
 - Jay has 30+ years of experience in the insurance industry and monitors the performance of our TPA, **Athens Administrators** — one of the most experienced in the industry
 - Wayne brings 20 years of claims experience and a strong data analytics background which he uses to identify trends
- Primary goal is to make sure all claims are handled timely and properly — and that we also serve as a resource for our agents and your claims team as needed
- We have regular claims review sessions with Athens to ensure everyone is abreast of issues, trends and significant claims that could impact the overall CPS program



JAY BELCHER
CPS Program
Claims Manager



WAYNE KING
Director, NSM B2B Claims
& Data Analytics

Risk Management Resources

- Driver training
- Fleet safety training videos
- Slip and fall prevention
- Web-based risk management tools
- Toll-free, confidential abuse hotlines
- Discounted criminal background checks
- HR and employment law risk management tools





RECENT SUCCESSES

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Recent Win – Before & After School Program

- **Coverage:** Package, Auto & Umbrella
- **Premium:** \$20,000
- **Key to Success:** We reviewed a new account that was previously underwritten incorrectly, then bound the account quickly and correctly — **establishing a strong relationship with a new agency!**



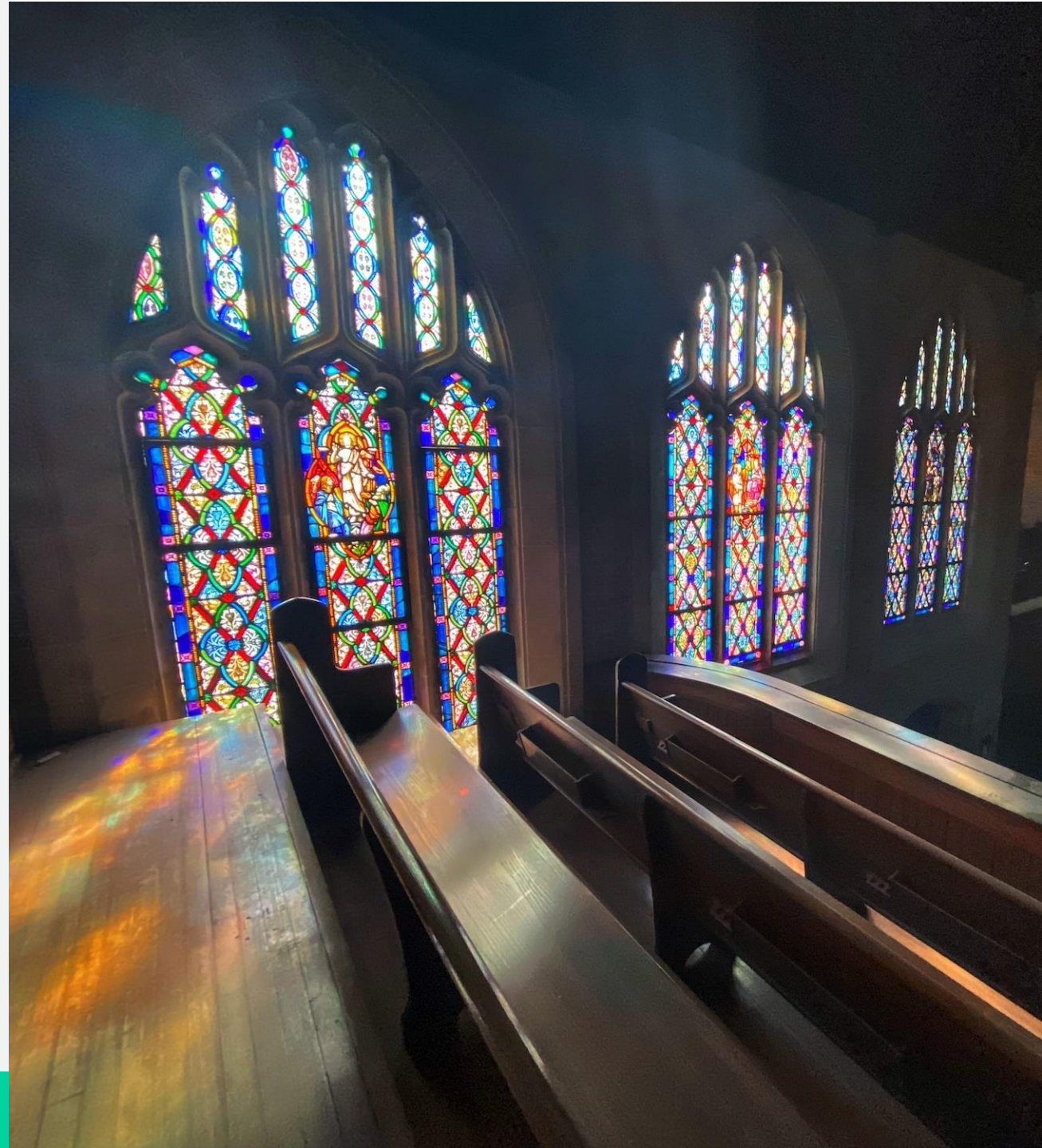
Recent Win – Head Start/CAA

- **Coverage:** Package, Auto, Umbrella & Accident
- **Premium:** \$250,000
- **Key to Success:** Account was non-renewed by previous carrier due to losses; we recognized corrective action and implemented a wind/hail deductible to **mitigate future losses**



Recent Win – Church

- **Coverage:** Package, Auto & Excess
- **Premium:** \$147,477
- **Key to Success:** **Competitive rates** and **expert underwriters** with decades of nonprofit experience!



Recent Win – Home Health for IDD Children

- **Coverage:** Package, Hired and Non-Owned Auto & Umbrella
- **Premium:** \$4,557
- **Key to Success:** Our **robust experience in this sector** helped us build a strong foundation of trust with this agent





WORKING WITH CPS

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Appointed Retail Agent Partners

CPS is a closed program, and we want to commit to executing for our agents that have committed to us.

- ✓ We do not work with wholesalers
- ✓ We have \$150K minimum premium requirements for all newly appointed agencies and will place current agents on PIPs (Performance Improvement Plans) if production falls off
- ✓ Agents with a portfolio of social service and religious organization business
- ✓ Partners committed to growing together
 - We want to earn the privilege of being your go-to insurance partner — and grow our businesses together
- ✓ Entrepreneurial drive
 - Our agent partners share our commitment to thinking differently and working creatively

Best Practices for Submissions

Send submissions to:

- Submissions: Email cps-submissions@nsminc.com

Be sure to include:

1. Acord applications
2. 5 years current loss history
3. Expiring premium by line and target pricing
4. Supplemental applications
 - Management liability and cyber can be wholesaled out through Chubb, Great American & CFC
 - We can do Workers' Comp as well!
5. Provide quote need by date (**allow us 30+ days in advance of effective date**)
6. New ventures require resume of director(s) and pro forma budget

Where do we need to be to win the business?



Q & A

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**Your success is
our success.**



Care Providers
Insurance Services



Build Success.®



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