

**POLICYHOLDER DISCLOSURE
NOTICE OF TERRORISM INSURANCE COVERAGE**

Why am I receiving this notice?	<p>This disclosure is being provided to you for the purpose of providing you with background on your terrorism insurance, should you choose to purchase it.</p>
How does terrorism insurance work?	<p>The Terrorism Risk Insurance Program Reauthorization Act of 2015 (TRIPRA) is a program under which the U.S. government shares losses of certain terrorist events with the insurance industry.</p> <p>Coverage provided for losses resulting from certified acts of terrorism may be partially reimbursed by the United States government under a formula established by federal law. However, your policy may contain other exclusions which might affect coverage, such as an exclusion for nuclear events.</p> <p>Under the formula, the U.S. government generally pays 80% of covered terrorism losses exceeding the deductible paid by the insurance company providing the coverage.</p> <p>TRIPRA contains a \$100 billion cap that limits U.S government reimbursement as well as our liability for losses resulting from certified acts of terrorism. If the amount of such losses in any one calendar year exceeds \$100 billion, and we have met our insurer deductible, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion.</p> <p>In such cases insured losses are subject to pro rata allocation in accordance with procedures established by the Secretary of Treasury.</p>
What are my options for purchasing terrorism insurance?	<p>If you elect to obtain a renewal quotation from us, it will offer coverage for loss arising from certified acts of terrorism as defined in TRIPRA. It does not include a charge for any covered terrorism loss reimbursed by the U.S. government. Only that part of the total premium amount that is attributed to coverage for certified acts of terrorism pursuant to TRIPRA appears on your quotation.</p> <p><u>To obtain a quotation or to purchase this coverage, contact your broker.</u></p> <ul style="list-style-type: none">• You may <u>elect to purchase</u> coverage for losses arising from certified acts of terrorism. This coverage will apply only if we receive the terrorism premium on or before the inception date of your policy.• If you <u>decline coverage</u> for losses arising from certified acts of terrorism or we do not receive the terrorism premium by the inception date of your policy, such losses will be excluded from your policy by a terrorism exclusion endorsement.
What else do I need to know?	<p>If there is any conflict between this disclosure and the policy and endorsements we issue, the provisions of the policy and endorsements apply.</p> <p>The terrorism coverage described in this offer and disclosure notice is subject to all other terms, conditions, exclusions and limits of the policy we issue.</p>



**NONPROFITS
INSURANCE**
ALLIANCE OF CALIFORNIA

A Head for Insurance. A Heart for Nonprofits.

**Nonprofits OWN
NEW BUSINESS
QUOTATION
Q1-2023-79708**

Applicant: (79708)

Open Research Institute, Inc.
3525 Del Mar Heights Rd., #1873
San Diego, CA 92130

Producer: (01728)

CalNonprofits Insurance Services
P.O. Box 640
Capitola, CA 95010

Proposed Effective Date: 08/15/2023

General Liability	\$	1,330
Liquor Liability		Included
Terrorism Coverage (Certified Acts)*	\$	12

Annual Premium with Terrorism coverage: \$1,342

Annual Premium without Terrorism coverage: \$1,330

GENERAL CONDITIONS

- See the attached Index of Forms.
- For coverages not quoted, contact your Underwriter.
- We must write the General Liability in order to write any other line of business.
- The attached Terrorism Disclosure MUST be delivered to the nonprofit agency.
- We can only insure 501(c)(3) nonprofits.
- **Broker Commission is 15.0%.**

SPECIAL CONDITIONS

**THE COVERAGE OFFERED IN THIS QUOTATION MAY
DIFFER FROM THAT REQUESTED IN THE APPLICATION.
FAILURE TO PROVIDE THE REQUESTED COVERAGE
SHALL IMPOSE NO LIABILITY ON NIAC.**

* Terrorism premium may adjust slightly due to changing ISO rates.

Underwriter: Desiree Reich

Email: dreich@insurancefor nonprofits.org
Direct Phone: (831) 621-6014, Direct Fax: (831) 621-6126
(800) 359-6422, Ext. 6014

Underwriting Asst. : Rubi Ellis-Chavez

Email: rellis-chavez@insurancefor nonprofits.org
Direct Phone: (831) 900-9410, Direct Fax: (831) 459-0853
(800) 359-6422, Ext. 9410

**LIABILITY QUOTATION
SCHEDULE OF PROPOSED
COVERAGES AND LIMITS
Q1-2023-79708**

Control Number: 79708

Applicant: Open Research Institute, Inc.

		<u>Limits</u>			<u>Limits</u>
General Aggregate	\$	2,000,000	Liquor Liability		
Products-Completed Operations Aggregate	\$	2,000,000	Aggregate/Common Cause	\$1,000,000/\$1,000,000	
Personal and Advertising Injury	\$	1,000,000			
Each Occurrence	\$	1,000,000			
Damage to Premises Rented to You	\$	500,000			
Medical Expense	\$	20,000			

<u>Loc #</u>	<u>Address</u>	<u>Class Code(s)</u>	<u>Exposure</u>	<u>Premium</u>
1	3525 Del Mar Heights Rd., #1873 San Diego, CA 92130	47366	33,600 (p)	\$200
		97003 & Products	33,600 (p)	\$1,009

LIABILITY QUOTATION SCHEDULE OF PROPOSED COVERAGES AND LIMITS

Q1-2023-79708

Increased Aggregate		\$121
	General Liability subtotal:	<hr/> \$1,330
Liquor Liability		Incl.
	TOTAL LIABILITY PREMIUM:	<hr/> \$1,330

**INDEX OF FORMS THAT WILL BE ATTACHED TO
THE POLICY IF COVERAGE IS BOUND**

Q1-2023-79708

APPLICANT: Open Research Institute, Inc.

FORM NUMBER/EDITION DATE

DECLARATION PAGES AND SCHEDULES

Commercial General Liability Coverage Part Declarations	NIAC-GL-NPO
Commercial Liquor Liability Coverage Part Declarations	NIAC-LL-NPO
Commercial General Liability Class Code Schedule	SCHEDULE G 01 80
Commercial General Liability Location Schedule	SCHEDULE L 01 80

LIABILITY FORMS AND ENDORSEMENTS

Commercial General Liability Coverage Form	CG 00 01 04 13
Liquor Liability Coverage Form	CG 00 33 04 13
Additional Insured - Owners, Lessees or Contractors	CG 20 10 12 19
Additional Insured - Managers or Lessors of Premises	CG 20 11 12 19
Additional Insured - State or Political Subdivisions - Permits	CG 20 12 04 13
Additional Insured - Mortgagee, Assignee or Receiver	CG 20 18 04 13
Additional Insured - Charitable Institutions	CG 20 20 11 85
Additional Insured - Volunteers	CG 20 21 07 98
Additional Insured - Designated Person or Organization	CG 20 26 12 19
Additional Insured - Lessor of Leased Equipment - Automatic Status - Lease	CG 20 34 12 19
Additional Insured - Owners, Lessees or Contractors - Completed Operations	CG 20 37 12 19
Exclusion - Unmanned Aircraft	CG 21 09 06 15
Employment-Related Practices Exclusion	CG 21 47 12 07
Cap on Losses from Certified Acts of Terrorism	CG 21 70 01 15
Silica - Exclusion	CG 21 96 03 05
Testing or Consulting Errors and Omissions Exclusion	CG 22 33 04 13
Health or Cosmetic Services Exclusion	CG 22 44 04 13
Products/Completed Operations Hazard Redefined	CG 24 07 01 96
Common Policy Conditions	IL 00 17 11 98
Nuclear Energy Liability Exclusion Endorsement (Broad Form)	IL 00 21 09 08
California Changes - Cancellation and Nonrenewal	IL 02 70 07 20
Disclosure Of Premium for Certified Acts of Terrorism Coverage	IL 09 99 12 20
Member Criteria	NIAC-E003 GL 08 20
Fiscal Sponsor Limitation	NIAC-E069 GL 02 19
Professional Services - Exclusion	NIAC-E078 11 20
Fireworks Exclusion	NIAC-E11 GL 09 19
Lead Liability - Exclusion	NIAC-E120 09 19
Firearms Sublimit Endorsement	NIAC-E123 09 19
Blood Testing Exclusion	NIAC-E15 09 20
Communicable Disease - Exclusion	NIAC-E180 GL 01 21
Communicable Disease - Exclusion	NIAC-E180 LL 01 21
Discrimination Exclusion	NIAC-E195 GL 05 21
Asbestos Exclusion	NIAC-E22 09 19

If coverage is bound as quoted, the forms shown on the index will be attached to the policy.
Additional coverages and/or exclusions may be added at the time of issuance.

**INDEX OF FORMS THAT WILL BE ATTACHED TO
THE POLICY IF COVERAGE IS BOUND
Q1-2023-79708**

APPLICANT: Open Research Institute, Inc.

FORM NUMBER/EDITION DATE

LIABILITY FORMS AND ENDORSEMENTS

Additional Insured - Designated Person or Organization	NIAC-E25 12 15
Waiver of Transfer of Rights of Recovery Against Others	NIAC-E26 11 17
Property Damage to Personal Property in the Care, Custody or Control of the Insured	NIAC-E28 01 99
Cyber Incident - Exclusion	NIAC-E282 GL 12 21
Employee Personal Auto Reimbursement	NIAC-E29 12 09
Mold, Fungus Exclusion	NIAC-E33 GL 09 19
Construction and Conversion Exclusion	NIAC-E34 09 18
Anti-Stacking Condition	NIAC-E342 GL 08 22
Nuclear, Chemical and Biological Hazard Exclusion	NIAC-E42 GL 09 19
Trampoline Bounce House Exclusion	NIAC-E5 07 15
Liberalization - GL, SSP, EBL	NIAC-E56 01 17
Liberalization - LL	NIAC-E59 02 12
Volunteer Medical Payments	NIAC-E60 07 12
Additional Insured - Primary and Non-Contributory Endorsement for Public Entities	NIAC-E61 02 19
Fundraiser and Event Endorsement	NIAC-E70 03 19
Other Insurance - Coverage C	NIAC-E72 01 17
Mental Anguish Endorsement	NIAC-E74 03 14
Nonprofits' OWN Enhancement Endorsement	NIAC-NPO-001 05 20
Improper Sexual Conduct and Physical Abuse Exclusion	NIAC-X1 06 18

If coverage is bound as quoted, the forms shown on the index will be attached to the policy.
Additional coverages and/or exclusions may be added at the time of issuance.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – TESTING OR CONSULTING ERRORS AND OMISSIONS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

The following exclusion is added to Paragraph 2. **Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability** and Paragraph 2. **Exclusions of Section I – Coverage B – Personal And Advertising Injury Liability**:

This insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" arising out of:

1. An error, omission, defect or deficiency in:
 - a. Any test performed; or
 - b. An evaluation, a consultation or advice given; by or on behalf of any insured;

2. The reporting of or reliance upon any such test, evaluation, consultation or advice; or
3. An error, omission, defect or deficiency in experimental data or the insured's interpretation of that data.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage", or the offense which caused the "personal and advertising injury", involved that which is described in Paragraph 1., 2. or 3.

Questions and Answers Regarding Charitable Risk Pools and NIAC

What is NIAC's mission?

Our mission at Nonprofits Insurance Alliance of California (NIAC) is to serve 501(c)(3) tax-exempt nonprofit organizations by providing a stable source of reasonably-priced liability insurance tailored to the specialized needs of the nonprofit sector, and to assist these organizations to develop and implement successful loss control and risk management programs. NIAC is a member of the Nonprofits Insurance Alliance Group.

How is NIAC different?

NIAC is the first organization to qualify as a “charitable risk pool” under federal law. Such a designation confers on NIAC its own 501(c)(3) nonprofit tax-exempt status. We aren’t just a “program” of an insurance company that specializes in nonprofits -- insuring nonprofits is our entire mission. We are the insurer and we are governed by nonprofits themselves. We cater to 501(c)(3) nonprofits' unique insurance needs with insurance for the wide range of nonprofit activities including special events (including liquor liability), volunteers, non-owned hired auto, counselors, social workers, and many others.

NIAC is governed by a board of directors elected by its member nonprofits. Eight board members are representatives of NIAC's member nonprofits, and other board members are elected for their expertise in insurance, finance, law or business.

Who qualifies for NIAC insurance?

NIAC provides liability coverage only for 501(c)(3) nonprofit organizations operating exclusively in California.

How is insurance obtained?

NIAC is charitable risk pool governed by 501(c)(3) nonprofit organizations. Applications for insurance from NIAC must be made through an insurance broker.

What coverages does NIAC offer?

NIAC offers liability insurance for nonprofits across California.

What is NIAC's A.M. Best Rating?

NIAC is rated A (Excellent) VIII by A.M. Best. According to A.M. Best, “The rating recognizes the Group’s excellent capitalization and operating performance, strong management, and effective niche market strategy. It also considers the companies’ strategic roles and the benefits they derive as part of the Nonprofits Insurance Alliance Group.’

Are NIAC’s financials available for review?

Yes. NIAC’s current audited financials are available for review at www.insurancefornonprofits.org.

How is NIAC organized?

Operating under Section 5005.1 of the California Corporations Code, NIAC is a nonprofit public benefit corporation, exempt from federal tax under section 501(c)(3). NIAC began operations in 1989. NIAC is rated, A (Excellent) VIII by A.M. Best.

NIAC is a member-governed nonprofit public benefit corporation. NIAC is part of a group of affiliated companies including the Alliance of Nonprofits for Insurance, Risk Retention Group (ANI) serving nonprofits outside California, the National Alliance of Nonprofits for Insurance, a captive reinsurer, and Alliance Member Services, a management company. All of these related organizations are 501(c)(3) tax-exempt charities with independent, but related, boards of directors which share financial information, and which retain governance authority for their individual organizations in the Nonprofits Insurance Alliance Group.

NIAC serves a broad array of 501(c)(3) nonprofit organizations such as boys and girls programs, animal rescue operations, group homes, senior organizations, theater groups, food banks, community groups and others. Today, nonprofits are facing cutbacks in government funding, grants and contributions while the need for their services is increasing. We are proud to be associated with the organizations that make up this important sector and do our best to support their efforts by providing them with appropriate insurance coverages and risk management tools to protect their organizations and their clients.

What is a charitable risk pool?

NIAC is part of the “alternative” insurance marketplace. The alternative market includes options such as self-insurance, risk pools, risk retention groups, captive insurance companies and others. A fast-growing sector, it is estimated that more than fifty percent of total commercial property and casualty premiums are now part of the alternative insurance market. This sector has grown dramatically over the course of the past 28 years and the traditional insurance market sometimes causes unnecessary doubt about the viability of these organizations because we are a threat to the status quo. Below we have provided some answers to questions that we believe are appropriate to ask of any insurance

company, whether traditional or alternative. We also have included a question specific to charitable risk pools, of which NIAC is one. If you have additional questions please feel free to call Pamela Davis, president and CEO, at 831-621-6018 or email her at pdavis@insurancefornonprofits.org.

What commission is paid to brokers?

Part of NIAC's mission is to demystify the insurance purchase for nonprofit organizations and to help them better understand where their insurance dollars go. One part of the insurance transaction is the commission that NIAC pays to the insurance brokers. NIAC pays different commission rates to brokers based on the amount of premium they place with us. Why would we do this?

We do this because brokers who work with us more frequently are much more familiar with our special applications and the coverages we offer. Those brokers who work with us infrequently on a few small nonprofits, usually require significant additional time from our staff to answer questions and complete the application and renewal process. Some insurance carriers simply refuse to work with brokers unless they have a "book" of many hundreds of thousands or even \$1 million in premium from nonprofit business. We believe it is in the best interests of our member-nonprofits for NIAC to work with a broad spectrum of local brokers so that nonprofits have a wide variety of choice. However, to work with these brokers efficiently, we find that we need to offer the brokers who are less familiar with our company a lower commission.

Despite these varying commission rates, the premium you pay to us will be the same regardless of the commission we pay the broker. The price will not be more because we are paying the broker 15% or be less because we are paying the broker 10%. The difference in the fees is simply to account for the different administrative burden on NIAC.

Are NIAC Members assessable?

No. NIAC is a nonassessable entity. This means that nonprofits will never be asked to pay special fees above and beyond the premium for their insurance.

Does NIAC have protection for large claims?

Yes. Like commercial insurance companies, NIAC maintains a conservative surplus ratio and purchases "reinsurance" to cover large claims. NIAC purchases reinsurance from a group of highly rated reinsurers for claims in excess of \$700,000 (including defense and indemnity).

What special advantages does NIAC bring to the nonprofit sector?

NIAC has demonstrated that nonprofits are better than average liability risks but are often improperly evaluated and priced by the commercial insurance market. Because of NIAC extensive database about nonprofits' insurance risks, we can price nonprofits appropriately for their individual risk. We have shown that, by working together, nonprofits can gain

control of this important financial service, save money, stabilize product and pricing, and develop and implement valuable risk management tools to the benefit of the entire nonprofit sector. Sometimes commercial carriers will compete for nonprofit business and offer cheap rates during “soft markets,” but commercial insurers do not have the same commitment that NIAC does to provide stable prices.

So what do NIAC nonprofit insureds get by being insured by NIAC?

As a 501(c)(3) tax-exempt nonprofit itself, NIAC brings to nonprofits the confidence of knowing that they are insured by a company that is exclusively dedicated to the well-being of the nonprofit sector. NIAC provides “inspired service” to nonprofits and their brokers—including full and fair coverage of claims and excellent loss control services. We represent the best of nonprofits working together. A member of the Nonprofits Insurance Alliance Group, whose companies together insure more than 17,000 nonprofits, NIAC is part of, and accountable to the nonprofits it insures. Its founder, president and CEO, Pamela Davis, takes this accountability seriously. Call her direct line at 831-621-6018 with any questions. She and her staff are passionate about the nonprofit sector and the work of the companies in the Nonprofits Insurance Alliance Group and available to answer any questions you have.



A Head for Insurance. A Heart for Nonprofits.

Quick Premium Billing/Payment and Commission Reference Sheet

Two Billing Options are Available:

Direct Bill Payment Plan:

The payment plan consists of nine installments billed over nine consecutive months. Installments are as follows:

- 20% of the annual premium due from policy issuance date billed on the first Member Statement.
- 8 monthly installments each equal to 10% of the annual premium.
- A simple interest charge equivalent to 3.00% APR will be applied each month to any unpaid balance (excluding Property and Accident premiums).
 - **EXAMPLE:** \$5,000 in total premium would have a down payment of \$1,000 with 8 installments of \$500. Total annual interest of \$45 would be charged if minimum premium payments were made each month.

Commissions paid to agency in full after the 20% down payment is received.

*Please note: any changes in premium will adjust the monthly installment amount. Alternately, the full balance can be paid at any time.

Agency Bill Payment Plan:

- Net balance due within 30 days of policy issuance.
- Billing Invoices are emailed to broker contact assigned to the account.

Paying Premium Online

Brokers and nonprofit clients can make payments online on our secure broker or member website. For Agency billed accounts multiple invoices can be paid at once online. For Direct billed accounts your clients can easily make a payment by going to the "Make a Payment" page of the member secure website.

Commission EFT Transfer

We prefer to process commission payments through Electronic Funds Transfer. To set this up simply log-in to the NIAC broker secure area on our website then go to the Summary tab of the Broker Overview page and supply your banking information for this quick and easy way to receive future commission payments.

*Please note: only broker contacts with a designated role of "Administrator" will be able to access this function.

Also, please designate an Accounts Receivable contact to receive email confirmation of EFT payments. Details for current and past commission payments are also available for your review at any time on the NIAC broker secure website by going to the Direct Bill tab of the Broker Overview page.