

NONPROFIT INSURANCE

Company celebrates milestone, continues national expansion

Nonprofits Insurance Alliance Group marches on

By Jennifer Pittman

news@santacruzsentinel.com
@scsnews on Twitter

SANTA CRUZ » The Nonprofits Insurance Alliance Group is celebrating its 25-year anniversary with a new logo and branding announcement and the signing of its 14,000th member organization.

It has been an unlikely journey for a nonprofit that has blossomed in the traditionally staid insurance industry from a tiny, downtown Santa Cruz storefront to become a national leader with \$400 million in assets.

"I had insurance experts a month before I launched say, 'You'll be dead in a year,'" said Pamela Davis, founding chief executive officer who first mapped out her business plan in a public policy thesis as a graduate student. "They were convinced we'd be an utter complete failure."

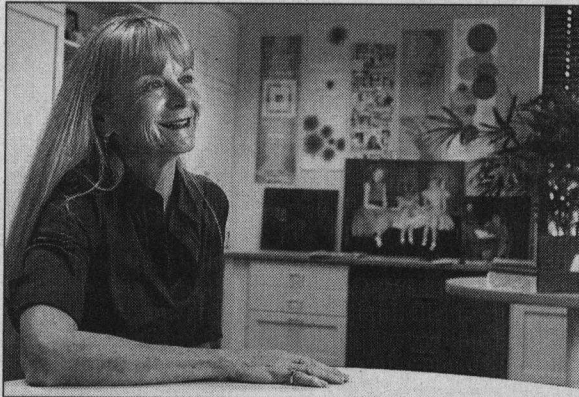
Instead, the company, which acts similar to a cooperative, now employs about 90 people and provides insurance coverage throughout California and to organizations in 31 states and the District of Columbia. About 335 nonprofit agencies in Santa Cruz and Monterey counties are client members.

"It was a huge gamble," Davis says.

Davis, a former health food restaurant owner from Cleveland, Ohio, attended UC Santa Cruz as a re-entry student, studied economics, worked in nonprofit organizations and earned a master's degree in public policy from UC Berkeley. The idea in her thesis was to shore up insurance services for nonprofits that were constantly scrambling to get coverage in a for-profit world.

"The commercial insurance industry said this is not an insurable business," Davis said. "I was saying, 'Let's put all these uninsurable businesses together and make it a success.'"

Davis launched with \$1.3 million in loans from nonprofit partners, hardly enough by today's standards, and opened up a 2,000-square foot storefront on Cedar Street in



SHMUEL THALER — SANTA CRUZ SENTINEL

When Pamela Davis saw the need to insure nonprofit organizations 25 years ago, she bucked conventional wisdom and founded Nonprofits Insurance Alliance of California, which now covers more than 8,500 nonprofits in California and has declared more than \$33.1 million in dividends to members since 2007.

Santa Cruz on Oct. 17, 1989, the day of the Loma Prieta earthquake. Rather than focusing on avoiding exposure, the mission was to provide nonprofit agencies the coverage, services and training they needed to do their good works. Oakland-based Food First, signed on two weeks later.

"For the first five years, it was hard everyday," Davis said.

Growing strong

She worked to secure a nonprofit status for NIAC so the company would be part of the sector it serves, "to be just like our members." If nonprofits were going to be putting in the premiums, they should get the benefits, she said.

In 2001, with a \$5 million loan each from the Bill and Melinda Gates Foundation and the David and Lucile Packard Foundation, the organization expanded into other states as the Alliance of Nonprofits for Insurance.

"It's the idea that they understand the nature of our businesses," said Bob Langseth, executive director of the Boys & Girls Club of Santa Cruz. "They really filled a niche that was very important and very much needed and that probably is still true."

Langseth noted that getting legal and human resources advice has been especially helpful.

"It's the add-ons that they've brought on over the years, the extra support," he said.

"Pamela has done a remarkable job," said R. Lawrence Bacon, a Carmel Valley-based investment advisor and longtime member of the board of directors of NIAC.

He currently serves as president of the all-volunteer board, which is primarily comprised of executives from other nonprofits and professionals.

"We're huge compared to where we started," Bacon said.

Davis, an academic turned entrepreneur, is one of very few women executives in the industry.

"Even in Silicon Valley, you don't see entrepreneurs grow in terms of management ability as she has over time," Bacon said. "She's been in the lead taking a lot of initiatives over the years and has grown with the company and has pushed the company."

Among a long list of accolades, Davis has been named among the top 100 Women in the Insurance Industry, one of the nation's top 50 "movers and shakers" in the nonprofit sector and one of the 15 Best Bosses for 2005 by Fortune Small Business and Winning Workplaces.

When she looks back at her 60-page master's thesis on the insurance industry, Davis said she "pretty much got it right. Nonprofits weren't really the terrible risk everybody thought they were."

The biggest growth area for the company is now outside of California. The company was authorized this year to provide property insurance within California and hopes to gain that ability in other states as well.

"There's a lot of room for growth," Davis said. "In some ways I feel like we've just laid the foundation. We're just going to focus on regular steady growth. We gain territory and we hold it."

NONPROFITS INSURANCE ALLIANCE GROUP

What: A group of nonprofit organizations that provides liability insurance for nonprofit organizations in California as Nonprofits Insurance Alliance of California, and in 31 states and the District of Columbia as the Alliance of Nonprofits for Insurance. The organization also provides education, training, services and tools to help nonprofit organizations.

Headquarters: 333 Front St., Suite 200, Santa Cruz.

Contact: 800-359-6422, insurancefor nonprofits.org.

History: Founded by Pamela Davis in 1988 and opened for business in Santa Cruz on Oct. 17, 1989.

Employees: 90.

Assets: \$400 million.

Dividends returned to nonprofits: \$33 million.

Nonprofits served: 14,080, including 335 in Santa Cruz and Monterey counties.