Assess and Optimize Your Insurance

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Presentation Objectives

- Insurance comparison
- Cost of Risk – Same for all
- Elements of Risk Management
Comparisons

**Commercial Program**
- Non-Indian focused
- State regulated
- State law and courts
- Profit and taxes
- Inflexible
- Attorney focused
- Unlimited Liability
- Requires waiver of sovereignty
- Higher cost
- Investor controlled

**Specialty Program**
- Indian focused
- Operated under Tribal Sovereignty
- Tribal law and courts
- Profit and tax exempt
- Flexible
- Arbitration focused
- Limited or Unlimited Liability
- No waiver of sovereignty
- Lower cost – 10-25% savings
- Tribally controlled
Cost of Risk = Claims + Expenses

<table>
<thead>
<tr>
<th>Tribe's Claims</th>
<th>$100</th>
</tr>
</thead>
<tbody>
<tr>
<td>Insurance Company</td>
<td>Self Insured</td>
</tr>
<tr>
<td>Claims Funds</td>
<td>60%</td>
</tr>
<tr>
<td>Operations</td>
<td>30%</td>
</tr>
<tr>
<td>Taxes/Fees</td>
<td>7%</td>
</tr>
<tr>
<td>Commission</td>
<td>10%</td>
</tr>
<tr>
<td>Reinsurance</td>
<td>0%</td>
</tr>
<tr>
<td>Profit / Sustainability</td>
<td>10%</td>
</tr>
<tr>
<td>Tribe's Cost of Risk</td>
<td>$157</td>
</tr>
</tbody>
</table>
Four Key Elements

- Coverage
- Risk Financing
- Loss Prevention
- Claim Management
- Goals
- Metrics

AMERIND Risk

PROPERTY, LIABILITY, WORKERS’ COMPENSATION.
Coverage vs. Risk Financing

- **Coverage:** Possibly the most neglected part of the insurance transaction. Do not overlook this section, because it influences the cost of coverage.

- **Risk Financing:** Multiple methods for financing risk, insurance is only one method. Others include contractual transfer, self funding, deductibles, Waivers, etc.

- **Cost of Risk = Losses + Expenses**
Safety Program

- Property and people protected
- Reduced Expenses
- Improve acts of people
- Exercise of Sovereignty
Loss Control

- “You pay for your own losses!”
- Identify loss drivers by entity, shift, occupation, etc.
- Develop a plan for Loss Control/Claim Management
- Implement Supervisor/Employee training
- Assist in developing a Management/Accountability system
- Premium is nothing more than an installment plan for paying your own losses
Claims

- Develop claims integration process
- Coordinate and implement communication protocol
- Establish quarterly claim review meetings
- Establish online reporting and review
Thank you!

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