

AMERIND Liaison Report
To
NWIHA Executive Committee
Quarterly Report for 09/22/2020

ARMC Highlights

The CEO's Executive Report is attached to this report. Derek's report is what was reported to the Board at the July Board meeting. At that time, the IHBG program had experienced some significant losses due to hail and wind storms in the Dakotas that negatively impacted the bottom line of the IHBG program. However, investments have shown a good return to compensate for the losses incurred by members. Since then, wild fires have impacted AMERIND members primarily in the states of Washington and California with an estimated exposure of somewhere between \$3.5 to \$4 million dollars in potential losses. Among those reporting losses was Colville, who reported the loss of 3 homes, and in California the Enterprise Rancheria reported the loss of 12 homes. Both member losses were associated with their IHBG program inventory.

During the July meeting the Board reviewed and approved the 2021 Operations and Capital Budgets and decided to conduct AMERIND's Annual Business Meeting virtually around the middle of November 2020. Announcements for member participation in that virtual meeting will be forthcoming when everything has been arranged. The Annual Meeting was originally scheduled for May in Seattle but was cancelled due to COVID-19. The AMERIND Annual Business Meeting for 2021 is still scheduled to be conducted the week of May 24th, 2021 at the Hilton Waikoloa Village on the Big Island of Hawaii.

The Board met for their regularly scheduled July planning meeting. The meeting was conducted virtually as was a Special Meeting conducted on August 11th. The reason for the Special meeting was to the reports and recommendations received from the Actuarial Firm regarding 2021 rate changes. The Actuary recommended a 12% increase to the basic rate. The Board discussed this at length with staff. Action was subsequently taken by the Board to make no increase in overall member contribution (base rate). Members who have changes in their property values or loss exposure may still see increases, which is the customary practice each year.

Additional items to note:

- (1) The AMERIND Board approved \$3 million dollars to be distributed to members in compliance as a dividend under the rate stabilization plan. (Please take note item #5 below).
- (2) AMERIND is requiring its members to take an on-line training course regarding cyber liability. The cost for the Cyber Liability coverage (\$50,000 coverage), which began in 2020 for each member, will remain a part of the basic coverage with no charge as long as members take the on-line training offered by AMERIND – which is at no charge to the members. So please call AMERIND staff to make arrangements for your staff to take this training. If a member does not participate in the free training, a cost of \$2,100 for the Cyber Liability coverage will be accessed.
- (3) Renewal applications went out in early September and quotes will be made to members as renewal applications are received back. Please ensure that your renewals are completed and returned as soon as possible, if you have not already done so.
- (4) Deductibles are being changed to individual buildings that losses are reported on rather than per occurrences.
- (5) All renewal payments must be received by 12/31/2020 to ensure member participation in the Rate Stabilization Plan dividend as referenced in item 1 above.

AMERIND staff returned to work in the Corporate office on May 18th with half of the employees in the office and the other half working from home. This remains the current protocol and to my knowledge the Board nor staff are traveling to conduct on AMERIND business – everything is being done either from the office or remotely.



Operational Highlights through July 31, 2020

- Core program – IHBG performing at **104%** with **loss** from operations of **\$0.315M**
- All other programs – performing at 72% with income from operations of \$5.429M
- Net Investment Income and Other Expense: \$2.113M
- Net position increased \$7.227M -less performance incentives

2020 Staffing

Jobs at AMERIND – **55%** Native American operated

	2018 FTE	As of 12/31 2019 FTE	YTD 2020 FTE	Budgeted 2020 FTE
Total Staffing	52	52	54	70

Board Oversight through 07/30/2020

- Approved employee 401(k) discretionary contribution, 2019 IHBG and Consolidated Audits, Annual IPS Compliance Report, COVID19 Prevention Initiative, PPP Loan Waiver, Cell Transfers and Business Plan Amendments, 2021 FOCUS participants, 2021 IHBG Rating Plan, 2020 Rate Stabilization Fund Dividend
- Approved amendment to AMERIND 401(k) Governmental Plan, Articles of Corporate Governance
- Denied appeal of Member claims from 2011 & 2015

Regional Fire Loss Ratio Incentive (As of 01/01/2020 - 6/30/2020)

Region	Loss Ratio	Fire Claims \$\$	# of Fires	Property Premium	Incentive %	Potential Incentive
1	0%	\$0	0	\$376,326	20%	\$20,000
2	0%	\$0	0	\$619,480	20%	\$20,000
3	40%	\$482,418	3	\$1,218,928	20%	\$20,000
4	27%	\$394,316	5	\$1,466,779	20%	\$20,000
5	31%	\$128,724	2	\$418,427	20%	\$20,000
6	57%	\$265,017	1	\$467,715	20%	\$20,000
7	159%	\$807,751	6	\$507,682	0%	\$0
8	8%	\$50,178	2	\$606,281	20%	\$20,000
9	68%	\$560,863	2	\$820,527	12%	\$12,000
Total:		\$2,689,268	21	\$6,502,145		\$152,000



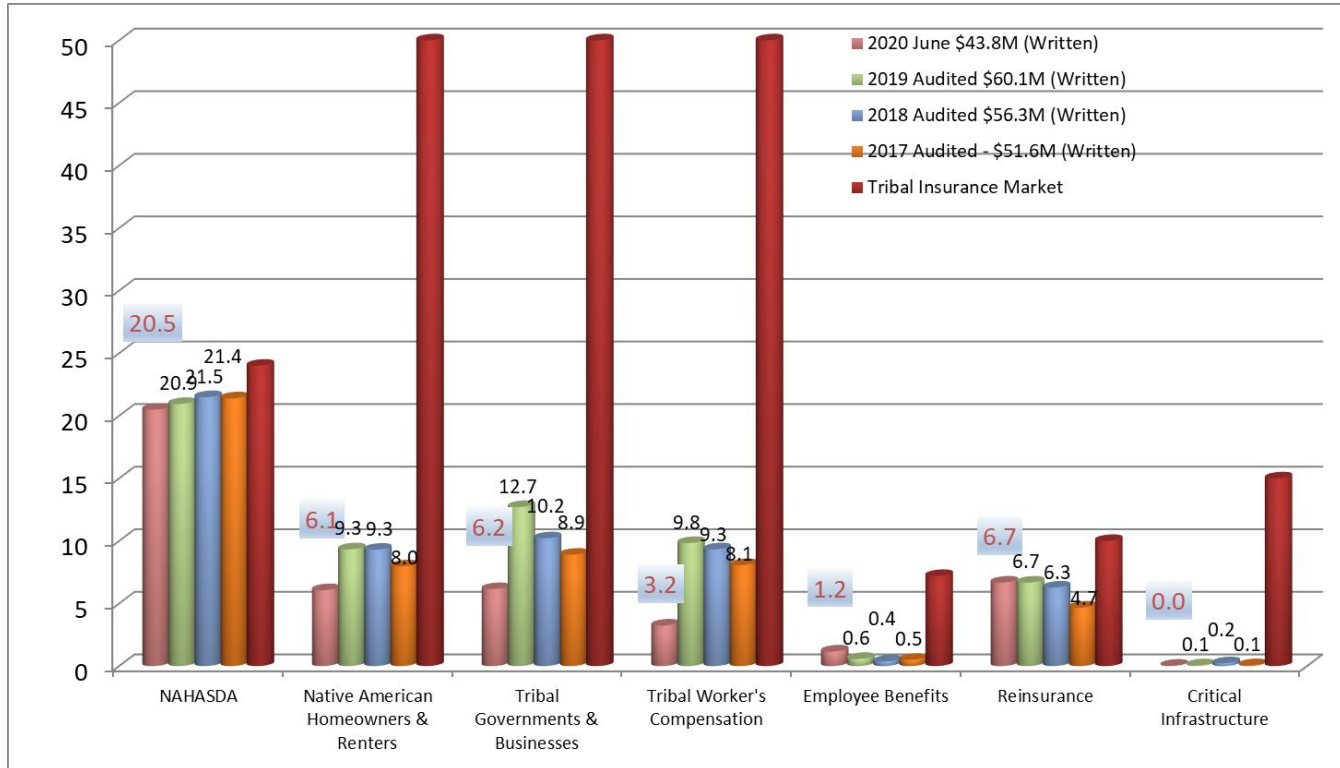
Insure Confidently

2020 Corporate Objectives – 2nd Quarter

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|--|----------------------------------|
| 1. 95% Combined Ratio (TGB, NAHR, TWC, ACI & AB) | Actual/Incentive
83.6% / 1.0% |
| 2. 5.4% Net Growth and Retention (TGB, NAHR, TWC, ACI & AB) | 10.6% / 1.00% |
| 3. Team Rocks (Teamwork, Tech Capacity, Process Improvement) | Yes / ≈0.75% |

2013 - 2020 Strategic Planning

Current Market Position



Diversification of Income Streams

