

## Home Rule Healthcare and Insurance

*"A Risk Management' cure for Obamacare!"*

**By Rich Woldt – CEO**

**The Risk Management Learning Center**

*The "home-rule" path to cost effective and affordable healthcare and insurance, requires our freedom from an overreaching federal government, a reengineering of our health insurance industry, and a return to the basic risk management principles and practices we used to win two world wars and pull ourselves out of the Great Depression.*

**Thomas Jefferson said,** *"To compel a man to furnish funds for the propagation of ideas he disbelieves and abhors is sinful and tyrannical."*

**England's Prime Minister Margaret Thatcher warned,** *"The problem with European Socialism is eventually you run out of other people's money."*



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[\(Bio\)](#)

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## **Table of Contents**

Author's Note

Dedication

Acknowledgments

Forward

Introduction

**Authors' Note:** *The major differences between the Obamacare contract and Home-rule contracts are: Home-rule contracts afford coverage from conception until natural death, replace abortion coverage with adoption coverage, and offer abortion coverage by endorsements. Home-rule contracts offer coverage for pre-existing conditions via separately underwritten endorsements. After years of uninterrupted coverage under a nationally recognized, actuarially sound policy, pre-existing conditions are merged into the basic contract. Once covered under any Home-rule contract, pre-existing conditions are portable as long as coverage remains uninterrupted, or gaps in coverage are covered by an actuarially sound form of gap-insurance.*

*The problem with underwriting pre-existing conditions into the Obamacare contract was, while insureds with pre-existing conditions represented 5% of earned premiums, they resulted in 50% of the claims paid. That's no way to run a railroad.*

*To paraphrase Margret Thatcher, "One size fits all, government run healthcare works fine, until you run out of other people's money."*

*Most important, with home-rule contracts, the insureds not the government, make all healthcare decisions, as well as decisions to purchase the health insurance contracts they prefer.*

## **DEDICATION**

I dedicate the risk management “home-rule” cure for Obamacare, to my fellow University of Wisconsin risk management alumni and the world network of credit union’ risk managers with whom I’ve had the privilege to work over the past 50 plus years.

## ACKNOWLEDGMENTS



Without the patient help and understanding of the literally thousands of credit union volunteers, I'd still be picking cherries back on our farm in Door County, Wisconsin.

I owe a special debt of gratitude to the founder of the world credit union movement, Germany's Friedrich Wilhelm Raiffeisen, as well as, Canada's Alphonse Desjardin and Boston's Edward A Filene who brought the credit union movement to the US; a grassroots movement that first formed into local chapters, than state leagues, then into The Credit Union National Association (CUNA Inc.), and finally in 1970 into the World Council of Credit Unions (WOCCU).

After CUNA Inc. was organized in 1934, they adopted the motto, "The Debt Shall Die with the Debtor" and formed CUNA Mutual, a credit union owned life and health company to issue Loan Protection and Life Savings (LP/LS) at no cost to members.

I share this, because the world credit union movement, offers

us a road map to long term cost effective and affordable healthcare and insurance from the moment of conception until natural death.

Ironically, I also acknowledge those who've unknowingly awakened our country to the pains inflicted by Obamacare. Fore as Japan's Admiral Yamamoto, the man who planned the attack on Pearl Harbor said, when he saw what his air force had done, *"I fear we've awakened a sleeping giant and filled him with terrible resolve."*



I must acknowledge my boy scout leader, Chief Roy Oshkosh (Tschekeatch'Ake'Mau III). He taught us, *if we gave someone a loaf of bread we fed them for one meal, but if we taught them how to plant wheat, we could feed them for a life time. If we teach the insured how free market capitalism works, we make the immune to the socialist plague.*

I also salute our neighbor Curly Lambeau, who taught us not to trust the bears.





And I thank my cousin George for teaching me how to shoot from the hip, defend our fort, and never ever ignore a bear hiding in the bushes.

Growing older, he taught me how weld, roll a '49 Ford, and to never ever bring a knife to a gun fight.



I salute Ronald Reagan for the warning our freedom and independence are never more than one generation away from extinction, and Donald Trump for encouraging us to dream big, reclaim our heritage, and fight hard to restore our freedom and independence.

Finally, I thank God for His love, patience, and understanding. For, as He said (John 3:18-19), "Let us not love with words or speeches, but with actions and in truth. This is how we know that we belong to the truth and how we set our hearts at rest in his presence."

## Forward

I originally wrote much of this book as a series of “white papers” for US credit unions worried about the financial impact Obamacare was going to have on their members, sponsors, chapters, state and national affiliates. The target audience was credit union board members, Presidents and CEOs, Chief Financial Officers, state league directors of education and field service, as well as State’ and NCUA’ regulators.

My hope was, if the credit union movement could guide the world through two world wars and out of the Great Depression we’d have little trouble rescuing credit union members and their sponsors from the mismanagement and false promises inherent to, you got it, the Obama administration.

Most credit unions felt Obamacare, a law passed without being read, was a threat to most family budgets, and would in no small way, eventually shake the foundation of our national economy. Many considered the law one big academic mistake for America, cynically referring to it as another OBAMA.

The risks now obvious are only the tip of the iceberg. The mismanagement and the not-vetted navigators who uploaded our health history and financial records to unsecured servers, have created enormous fraud, scam, and identity theft risks, not to mention a growing exposure to bribery, blackmail, and the extortion of those who’ve violate the trust of those they were duly elected to serve.

The cure I propose for Obamacare isn’t rocket science. It simply takes us back to proven risk management principles and practices on which our country has been built. It takes us

back to a reengineered, free market, private sector health insurance industry that's served us for centuries, long before Obamacare became another big academic mistake for America.

### Introduction

England's Prime Minister Margaret Thatcher nailed it when she said, *"The problem with European Socialism is eventually you run out of other people's money."*

Every U.S. President since the Great Depression has tried and failed to merge our U.S. free market health insurance industry into a government run form of socialized medicine. They fail, not because of their good intentions, they fail, because the waste and inefficiency in federal one-size fits all healthcare can't compete in a free market, capitalist, private sector economy. Obamacare, like all the rest is destined to fail, because you can't force free thinking, independent, red-blooded Americans to blindly jump into one large national pool, no matter how many lies are told or government subsidies are offered. We all know, taxpayer pockets have never been, nor will they ever be deep enough to keep government managed healthcare pipedreams afloat.

Obamacare, like all the rest failed because there's little or no meaningful underwriting, while it ignores virtually all Risk Management (RM) principles and practices. Obamacare, for example, dumps everyone into one large national risk' pool, assuming everyone needs let alone wants to be insured. In the real world, older women seldom need or want maternity coverage, most Christians will refuse to pay for abortions, and faith-healers know they'll never need to see a doctor. Obamacare advocates assume, that by forcing everyone on



board, eventually the law of large numbers will kick in and their ends will justify their means. That's just not how it works in the real world, let alone our free democratic republic.

Trivial litigation is a leading cause of high cost healthcare and insurance. We need a healthcare law that looks out for the best interest of the insured, while discouraging frivolous law suits filed simply to intimidate good doctors and hospitals into settling out of court. The healthcare laws we pass should impose significant consequences for the ambulance chasing law firms known for filing frivolous, often bogus law suits, filed only to intimidate insurers into settling out of court. This is particularly a problem for work-comp carriers, because companies, especially national chains like McDonald's will settle just to keep their name out of the nightly news.

Relax! We're not going to throw the baby out with the bathwater; the Obamacare contract out with the law. Rather, for those who prefer Obamacare, we'll do our best to slow its skyrocketing deductibles, co-pays, and premiums, while we develop competitive, free market, cost effective and affordable alternative contracts to consider.

Thomas Jefferson nailed it, when he said: *"To compel a man to furnish funds for the propagation of ideas he disbelieves and abhors is sinful and tyrannical."* Yet that's precisely what the Obamacare law has done. It's the law, not the contract that forced us to purchase the only health insurance contract approved by our federal government, subsequently forcing us to fund abortions. It's the law, not the contract, that deprives us the freedom to choose our own doctors, and the right to rule over our own healthcare decisions. It's the law, not the contract that imposed the largest tax increase in US history, turning 1/6 of our economy over to the whims of

Washington. And, it's the law, not the contract, that underscores the pitfalls of "socialized" medicine.

The longer the Obamacare law is on our books, the deeper we'll drive ourselves in debt, mortgaging the future for generations yet to be born. The longer we allow the Obamacare law to threaten our freedom, limit our independence, and dampen our liberty, the faster we'll be pushed down the slipper slide toward Socialism.

Obamacare has proven to be a big mistake for America. It fails to adhere to even the most basic risk management principles, ignores sound underwriting practices, and violates virtually every law of actuarial science we've used to guide our insurance industries for centuries. Consequently, if it's not quickly cured, it'll continue to create enormous risk for every man, woman and child in America, erode the quality of our healthcare, and eventually bankrupt our economy.

Equally frustrating, it's destroyed our trust in those we sent to Washington, because seasoned politicians, on both sides of the aisle, turned what would be a simple academic challenge for our private sector insurance industry into a Washington style political nightmare.

Obamacare was doomed from the beginning. It was passed solely by the left side of the aisle, without being read, nor given the time needed to realize the enormous risks they were about to create, the damage they were doing to our healthcare system, or the disruption they were about to cause in our free market health insurance industry.

It only became law after the Supreme Court ruled it the largest tax increase in US history, thereby turning 1/6<sup>th</sup> of our

national economy over to the whims of the White House. It only survived efforts to repeal it, because a Democrat-controlled Senate imposed the “nuclear option” to block any opposition. They then launched a rash of wavers, delayed mandates, extensions, and executive orders to delay any negative impact until after the 2016’ elections. Fortunately, that didn’t work!

It’s time we wake up and fight back! We’ve been lied to, cooersed, and deceived by those in Washington who have neither the courage nore the will-power to restore our freedom of choice.

Are all hands on both sides of the isle clean? Absolutely not. Far too many on both side have lacked the courage to reign in spending, cap our national debt, or make the tough calls necessary to right our economy, ensure our independence, and reclaim our right to “home-rule.” Far too many have bent to the intimidation of union bosses rather than fight for what’s in the best interest of union memebers.

It’s time, no it’s past the time we forgo the political correctness that’s stiffeing our independence, while convincing far too many to accept a future of appathetic mediocraty.

The “home-rule” healthcare and insurance I propose takes us back to our future, reaffirms our commitment to the Home-rule doctrine, and pledges our allegiance to proven risk management methods, sound underwriting guidelines, actuarially sound contracts, cost efficient and effective group marketing, while spreading our healthcare risks and rewards through a network of national and international reinsuring agreements.

Where to begin? Students of Credit Union Risk Management; Review the history and evolution of the world credit union movement. That'll give you a course outline for "Home-rule Healthcare and Insurance – A Risk Management Cure for Obamacare.

Allow me to start you with a short review of what you learned at CUNA Management Schools, chapter risk management workshops, and risk management presentations I made at state, national, international, and out to sea credit union conferences.

Credit unions are non-profit, volunteer financial cooperatives chartered to serve a defined "field of membership." We have credit union chartered to serve our police and fire departments, unions, teachers, churches, postal works, and each branch of our military. Navy Federal is one of our largest. By the 1980's the number in the US credit unions had grown to over 23,000. From the beginning, they've provided risk management training through local chapters, state leagues, national associations and the World

Council of Credit Unions (WOCCU). Since the 80's US credit unions have been going through mergers and consolidations in order to create the critical mass of capital needed to compete in an ever expanding economy. In the US, after forming the Credit Union National Association (CUNA Inc.), credit union leagues chartered the CUMIS Insurance Society, to provide blanket fidelity bonds featuring no deductibles coverage and premiums based on asset size so even the smallest credit union could compete in a growing economy.

In the US, the Credit Union National Association (CUNA Inc.), chartered in 1934, launched CUNA Mutual (1935), a life and

health insurance company so credit union could offer Loan Protection (LP) and Life Savings (LS) insurance to every credit union member in the United States. In the beginning, the credit union paid all premiums. When a member died, Loan Protection insurance paid off all outstanding loans, giving rise to the slogan, "The Debt Shall Die with the Debtor." All Life Savings (LS) premiums were also paid by the credit union. When a member died, Life Savings insurance matched what the member had in their savings account. And in 1960, CUNA Mutual formed CUMIS, Inc. to provide the no deductible blanket bonds for all state and federal chartered credit unions in the US. In that credit union board, supervisory, and credit committee members are all volunteers, CUMIS fidelity bond premiums were paid for by the credit union.

I'm America' proud and confident our US credit union movement is better positioned, than any other organization, anywhere in the world, anytime in history to strengthen family' budgets, stabilize local economies, restore lost confidence in our democracy, as it mass markets cost effective and affordable healthcare and actuarially sound, nationally recognized health insurance contracts.

The cure I recommend for Obamacare follows a traditional three step Risk Management' method of management.

In step #1, we'll "identify" all of our "pure" and "speculative" health risks. In step #2 they'll be measured by their predictable frequency and potential severity should the risks occur. Risks are **measured so we can** focus on those that are most important. Finally, in step #3, we use five control tools (Avoid, Reduce, Spread, Assume, and Transfer) to reduce our losses and in turn cut the cost of our healthcare and

insurance. When responding to any large scale, life threatening event, law enforcement, fire fighters, first responders, and homeland security personnel all use the Incident Command System (ICS) to deploy in three operational cycles or “periods.” During Operational Period #1 (OP#1) they take control and order in assets they’ll need at the scene. During Operational Period #2 (OP#2), depending on the size, scope, and potential for “scope-creep,” they’ll order up a “unified” command and set up staging area for assets to be held until needed. OP#2 usually last up to three days (72 hours). If the incident hasn’t been fully resolved after the third day, they’ll move into Operational Period #3, which can last for weeks, even months and years. When it comes to our healthcare risks, we’ve had pandemics that have lasted for decades.

I’ve written this book to cover all three operational periods. During OP#1 and OP#2, we’ll identify and measure the risks that drive up the cost of our healthcare and insurance, so during OP#3, we’ll be able to drive them back down to an affordable level.

## **A Message from our Founding Fathers**

*“They’re experience has been our greatest teacher.”*

Ronald Reagan said, *“Government exists to protect us from each other. Where government has gone beyond its limits is in deciding to protect us from ourselves.”* He also warned, *“Freedom is never more than one generation away from extinctions.”*

If our founding fathers could talk, there’s little doubt they’d consider Obamacare a government overreach and a symptom of a more serious national crises than a simple gas pain or hick-up, punctuating a moment in our history. They’d consider Obamacare more than a wrong turn toward Socialism, or just another government run disaster. They’d consider it a setback for our democracy, a flaw in our nation’s character, and a threat to our freedom and independence for generations to come.

If they could talk, they’d alert us to a fork in the road we’re going to have to take, recommending we either bend right and repeal the law, take control over our healthcare, reengineer our health insurance, and free ourselves from the clutches of government rule. Or, be forced deeper and deeper in debt and increasing more subservient to a larger and more intrusive federal government.

They’d remind us that we came to America in search of religious freedom, the right to chart our own destiny, not to mention freedom from taxation without trustworthy representation.

They'd be more than disappointed to learn we're now forcing Christians to fund abortions, we're no longer allowed to buy or sell the health insurance we prefer, and we're sending elected officials to Washington, who are willing to pass legislation they haven't read. Then, once passed and reelected, impose the largest tax increase in US history.

They'd remind us our search for quality healthcare and "cost effective/affordable" health insurance started long before the first pilgrim shot himself in the foot, first blacksmith burned his hand on a forge, or first cook poisoned settlers at Plymouth Rock. They'd remind us our search started well before the American Revolution, during the time when the British government controlled our healthcare, doled out what care they chose to provide, imposed taxes we couldn't afford to pay, and to add insult to injury (pun intended), invaded our privacy, dominated our lives, violated our trust, and inflicted fines, penalties, and punishment on anyone who dared to resist, or refused to be lured by the false promises of socialism. Lured back to a life of mediocrity, government handouts, and service to the King.

Our founding fathers would caution us that socialism sneaks up on all societies willing to live off government welfare, subsidies, bailouts, and bribes. They'd warn us that history does repeat itself. They'd tell us, if we have any doubts, we need only consider the dire state of our union, our weakening national economy, and the pain, let alone the shame, Obamacare has brought to the shores of America.

They'd tell us to look back, learn from our mistakes, and remember the price we've paid for our freedom and independence. While they'd encourage us to get along, they'd



caution us not to bury our heads in the sand just to keep the peace. We'd be asked to pray harder, forgive more often, and always trust in our God!

General Washington would once again remind us, "It's impossible to rightly govern a nation without God and the Bible close at hand." He'd call us to arms and caution us not to shoot-to-kill those with whom we disagree, for once the reality of Obamacare hits home, we'll be once again fighting for our freedom and independence. He'd remind us to adhere to the values on which our country has been built, to always seek and hold the highest moral and ethical ground, keep our eyes wide open, ears to the ground, and never again allow ourselves to be deceived by political rhetoric or the false promises of socialism.

Veterans from our past would tell us to always be brave in battle, for battles are not won by those who abandon their comrades, lie to save face, lay down our arms to keep the peace, or retreat from battles before they're won.

If our founding fathers could talk, they'd boast, not apologize for being fearfully independent, brave in battle and willing to fight and die to preserve our constitution while defending our right to life, liberty, and the pursuit of happiness.

Obamacare is, without a doubt, a symptom of a more serious national crisis. We fought the American revolution to free ourselves from the British monarchy, and two world wars to free ourselves from Nazi aggression, Communist domination, the overreach of Fascists, and the advocates of Socialism, Stalinism, Leninism, and Marxism.

While it takes only the common sense passed down through generations to recognize the false promises of socialized medicine, it takes American' knowhow, ingenuity, and independence to deliver cost effective healthcare and affordable health insurance for every US citizen from the moment they're conceived until their natural death.

It's time we step up to the plate, reclaim our freedom, and return our country to quality home-rule healthcare and affordable health insurance.

## A message for Congress

*"We're facing a challenge you can't ignore"*

Don't be discouraged. The search for affordable healthcare has always been and will always be the goal of every congress and a pipe dream of every elected official. Unfortunately, the farther we venture from home and the more we relinquish our right to rule over our lives, the more expensive healthcare and insurance becomes until, as Margaret Thatcher said, we run out of other people's money.

While skyrocketing premiums, increasing co-pays and escalating deductibles are stressing family budgets, ill-conceived executive orders, taxpayer subsidies, and corporate bailouts are only prolonging our agony, slowing our recovery, and driving us deeper and deeper in debt. As long as congress, both sides of the isle, refuse to get along, we're never going to find a cure for Obamacare. While it took only democrats to pass the Obamacare law, it'll take both sides of the isle to fix their mistake.

Government run healthcare has always been a huge mistake, Obamacare has proven to be a huge academic mistake. If you're looking for an omen of where Obamacare has taken our country, you need only consider where our failed veteran's administration has taken the care given veterans over the past thirty years. While my personal experience with Wisconsin's VA hospitals has been acceptable, I've also learned how difficult it is to get the quality care you might need in a timely fashion. Unfortunately, those who've turned a blind eye to the ills of Obamacare are the same elected officials who've turned a deaf ear to our veterans across the country.

From a risk management standpoint, our VA system has a distinct advantage. Veterans are a homogenous group, all exposed to common perils, representing predictable loss experience both in frequency and severity. With Obamacare, we're pooling all health risks into a limited number of pools, thereby blurring the concentration of risks to a point that makes it impossible to cost effectively identify, measure or control any of the risks pooled with any degree of actuarial certainty. Consequently, we're destined to be pouring good money after bad for generations to come.

I titled my cure for Obamacare "Home-Rule Healthcare and Insurance (HRHC-I)," because it preserves the "Home-rule" principle on which our country has been built, returns our US healthcare system and health insurance industry to the private sector, and adopts the same "Unified" Incident Command System (ICS) we've used in both public and private sectors to recover from pandemics, terrorist attacks, and both man-made and natural disasters.

The Home-rule Healthcare and Insurance (HRHC-I) I propose honors Maslow's Hierarchy of Needs, while promoting the same grassroots, "people helping people," philosophy the US credit union movement used to pull our country out of the Great Depression and through two world wars.

Home-rule healthcare and insurance drives down the cost of care because underwriters focus on the more frequent and most severe health risks occurring within one quadrant of the country at a time. That focus leads to a quicker and more cost effective respond to life threatening events, further reducing claims, eliminating scope creep, and lowering losses. Thanks the internet, claim, marketing, and administration expenses

will be more manageable as they're shared through a network of doctors, hospitals, and licensed insurance agents across the country and around the world.

Marketing through the credit union network, as well as through other financial institutions makes identifying, measuring and controlling health risks more accurate and easy, while mass marketing through state regulated financials drives down the cost of marketing, while providing insureds with pay role deduction options, as well as creative ways to finance premiums when needed.

A word of caution! The problems inherent to socialized medicine can only be solved if we get the federal government out of the way, and turn our health insurance industry back to the private sector. If you think we have problems now, just wait until it's time to renew contracts, adjust claims, audit for fraud, or enforce co-pays and deductibles.

HRHC-I provides cost effective healthcare and affordable health insurance for every US citizen from conception until after death. From conception, because premiums are retro-billed to the off-spring's father, going back to the moment of conception. And, after death, because by using endorsements similar to loan protection/life savings insurance, equity lost through reverse mortgages can be returned to the insured's estate.

Our country was built on our faith in God and the trust we place in our elected officials. Unfortunately, there's a growing denial of God in our government, and a significant loss of trust in those who've been willing to vote for bills they haven't read nor taken the time to understand. Consequently, unintended risks have been created that if not properly

managed will eventually bankrupt our economy and corrupt our already vulnerable culture.

None of us have all the right answers, nor are we immune from making mistakes or being misguided by false hope and promises. We're all human and we all make mistakes. Maybe that's why we've all been traumatized to some degree. Maybe that's why we all feel guilty for allowing Obamacare to go as far as it has. Maybe that's why we all fear we'll never again get the quality care we've had in the past from trusted family doctors. We're all reeling from the reality that our government is fast growing out of control. It's time we stop the train wreck, rescue our healthcare system, and rebuild our private sector health insurance industry.

In closing, I leave you with a few reminders. It was Ronald Reagan who said our *freedom is never more than one generation away from extinction.*" He also said, "The difference between democrats and republicans is, when we're buried in a tunnel of debt, republicans dig toward daylight, while democrats dig longer tunnels. Obamacare has dug us far too deep in debt. It's can't be sustained without endless government bailouts, and adding trillions to our national debt. If we're going to avoid an on-going fiscal crisis, healthcare in our republic must be returned to the private sector.

Take no offence, but most moves toward government run healthcare i.e. "socialized medicine" usually turns out to be a move toward socialism. Most of us are old enough to remember, we were moving toward socialism leading up to WWII. We just haven't learned.

To jog your memory, Norman Mattoon Thomas (1884-1968)

was a leading American socialist, pacifist, and six-time presidential candidate for the Socialist Party of America. In 1944 he said, *“The American people will never knowingly adopt Socialism. But, under the name of “Liberalism,” they will adopt every fragment of the socialist program; Until one day America will be a Socialist nation, without knowing how it happened.”* He went on to say: *“I no longer need to run as a Presidential Candidate for the Socialist Party. The Democrat Pary has adopted our platform.”*

Unfortunately, there’s an affinity between President Barack Obama and Chicago’s community organizer Saul David Alinsky. Google, “the Obama Alinsky affinity” and judge for yourselves.

It’s because of the Obama/Alinsky affinity that I urge both sides of the isle to periodically benchmark their efforts to lock down cost effective and affordable healthcare and insurance. If you haven’t already read Alinsky’s book, I suggest you do, then benchmark where we’ve been taken during Barrack’s tenure in the White House.

### **Rules for Radicals: By Saul David Alinsky**

- 1) Healthcare – Control healthcare and you control the people.
- 2) Poverty – Increase the Poverty level as high as possible, poor people are easier to control and will not fight back if you are providing everything for them to live.
- 3) Debt – Increase the debt to an unsustainable level. That way you are able to increase taxes, and this will produce more poverty.

- 4) Gun Control – Remove the ability to defend themselves from the Government. That way you are able to create a police state.
- 5) Welfare – Take control of every aspect of their lives (Food, Housing, and Income)
- 6) Education – Take control of what people read and listen to – take control of what children learn in school.
- 7) Religion – Remove the belief in the God from the Government and schools
- 8) Class Warfare – Divide the people into the wealthy and the poor. This will cause more discontent and it will be easier to take (Tax) the wealthy with the support of the poor.

**Thomas Jefferson said,** *“My reading of history convinces me that most bad government results from too much government.”* It’s time to downsize our federal government and return our healthcare system and health insurance industry to the free market private sector.

#### **A message for the world credit union movement**

*“We’re all in this together!”*

“Obamacare,” for Risk Managers reading this outside the U.S., is the latest attempt in the U.S. to impose government run healthcare on U.S. citizens. Once again, it’s degrading our healthcare system, violating our constitution, and demoralizing many of our man, women, and children born in the USA. The WWII quip claiming Socialism emasculated the men, intimidated the women, and turned the young and naïve into apathetic goose-stepping androids has come to

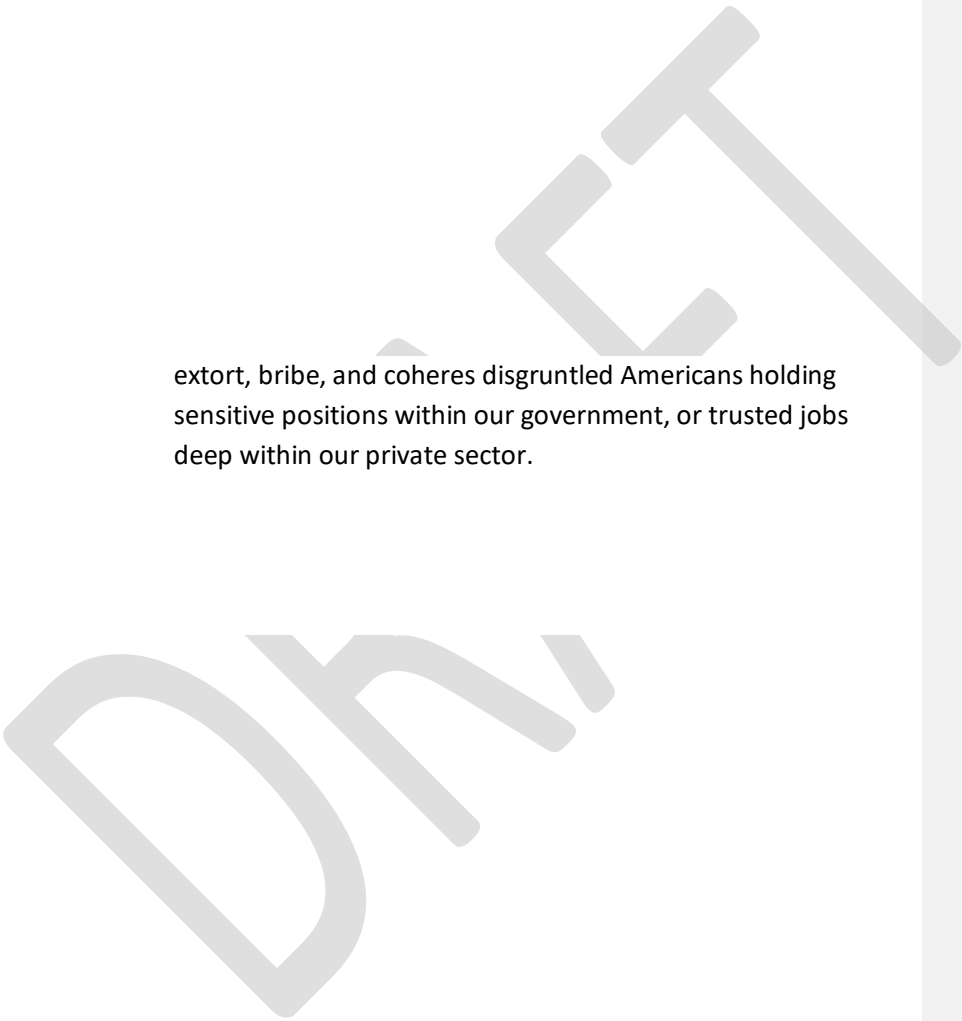


roost in some of our poorer segments of our society.

Every US President since the Great Depression has tried and failed to merge our free market healthcare and health insurance industries into government run healthcare. This time it took our Supreme Court to rule Obamacare the largest tax in U.S. history, for it to become a law. Obamacare is destined to fail, because it ignores virtually every Risk Management (RM) principle and practice. It fails to identify, let alone manage the enormous fraud and dishonesty risks it created. Thousands of underwriters, actuaries, and marketing professionals have been laid off while thousands of IRS agents have been hired to enforce the law. Obamacare, in no small way is leading to the destruction of our U.S. healthcare system and the implosion of our U.S. health insurance industry.

FYI, Obamacare was quickly passed without being read, turning 1/6<sup>th</sup> of the U.S. economy over to the whims of the Obama administration. It was dubbed a “train wreck” from the beginning, and it’s now touted on bumper sticker in the U.S. as, *“One Big Ass Mistake for America!”* Sooner than later, God willing, it will be repealed.

There’s little doubt terrorists from around the world are phishing and pharming on unprotected government’ websites and the unprotected servers used by far too many in a position of trust. We now know, hacker have been busy redirecting web traffic to sites they can control, and phishing social media sites in an effort to obtain unprotected user names, passwords, social security numbers, and a host of other personal and confidential information. There is no doubt, international terrorists are now well positioned to



extort, bribe, and coerces disgruntled Americans holding sensitive positions within our government, or trusted jobs deep within our private sector.

## Credit Union History and Traditions

*"If we remember from where we've come, we'll have no problem getting to where we're going"*

**(Authors note)** *I originally wrote this in 1971 when WOCCU was first being organized. I updated it in 2002, after I launched my Risk Management Learning Center. Students of CU history should go to WOCCU, CUNA Inc. and CUNA Mutual Group web sites for the latest historical developments. They should talk with credit union volunteers, to include board, supervisory, and credit committee members. Ask when and how the credit union was organized, who's in their "field of membership" and sponsor group, as well as, who sat on their original board of directors. Why? Because the strength of the movement comes from the grassroots. The solutions we seek in our search for cost effective and affordable healthcare are also going to come from the grassroots of America.*

*Talk with local credit union chapter, state league, and national trade association leaders. Why? Credit unions represent the world's most successful financial cooperative movement. The credit union movement offers us both a business model and road map we can follow as we search for "home-ruled," cost effective and affordable healthcare and insurance.*

*Talk to credit union risk managers. Ask them what they're doing to reduce the risk of future terrorist attacks, specifically those that will be using chemical and biological weapons. Such attacks will have a devastating effect on our nation's physical and emotional health. It is estimated, that if terrorists either plant or cause the world to believe they've planted Mad-Cow disease in two of our major stock yards, it'll shut down our food supply. It's estimated, it'll take a trench ten feet deep and wide from the west coast to the Mississippi to safely bury the dead animals. Talk to credit union risk*

*managers about the latest pandemic guidelines issued by the Federal Financial Institutions Examination Council. Study the guidelines. Ask, who in their community will take command and control during a major healthcare crisis.*

*During the 1980's the number of credit unions in the US grew to over twenty three thousand. Due to mergers, consolidations, and the growth of community chartered credit unions, the total number now is less than eight thousand. The mergers and consolidations were needed to keep up with technology and to expand services in order to remain competitive. This is important, as the cure for government run healthcare will require a similar merger and consolidation of risk management tools, as well as the leveraging of new information technologies and marketing strategies.*

The U.S. credit union movement pulled us through two world wars and the Great Depression. Largely because it was a people helping people, grassroots movement, focused on our needs according to Maslow's Hierarchy of Needs. Our search for cost effective and affordable healthcare will also focus first on meeting our physiological needs, then our need to belong, and finally on our need to achieve our ultimate goal, that being life, liberty, and the pursuit of happiness. Following is an abbreviated evolution of the US credit union movement.

Germany's Friedrich Wilhelm Raiffeisen, considered the founder of the world credit union movement, launched his first lending society in 1849 and his first truly "cooperative credit society" in Heddesdorf, Germany in 1869. Raiffeisen saw an immobile class structure in which exploitative capitalists dominated the poor. Bankers had one approach to managing consumer lending risks: Their position at the time was; "If you want credit, you had better come up with an equal amount of collateral." Raiffeisen speculated that if he formed a financial cooperative, run by volunteers from the

cooperative's field of membership, loans could be approved based first on a member's character, then upon their capacity or ability to repay, and only as a last resort, on collateral. It worked! The movement adopted the "3-C" slogan; Character first, Capacity second, and Collateral last.

Credit union cooperatives spread from Germany to England, France and Italy and then to Canada; thanks to a Canadian journalist, Alphonse Desjardins, who was promoting a form of credit associations in Quebec called caisses populaires (people's

banks). The first credit union in North America was organized at Levis, Quebec on December 1, 1900. As luck would have it, in 1908, Desjardins was invited to speak to a group of Boston businessmen about the feasibility of credit unions in the US. Edward A. Filene was in his audience.

### **The Evolution of the US Credit Union Movement**

Edward A. Filene is considered the founder of the US credit union movement. A successful merchant in Boston (Filene Stores), he was willing to put up his own money when needed to help his employees stabilize their financial future and create for them economic opportunities. Filene, enlisted the help of a young lawyer, Roy F. Bergengren, and together they set out to organize credit unions, form chapters, promote State leagues and finally, in August of 1934, Filene assembled U.S. credit union leagues in Estes Park, Colorado to form the "Credit Union National Extension Bureau which later became the Credit Union National Association (CUNA Inc.).

### **CUNA Mutual - "The Debt Shall Die with the Debtor"**

Small fledgling credit unions of the 1930s all faced the risk they'd loan too much to one person and go insolvent if that person died before the loan was repaid. Therefore, in 1935

State Credit Union Leagues, represented by CUNA, Inc. returned to Estes Park and formed CUNA Mutual Insurance Society to provide credit union members with Loan Protection and Life Savings insurance. This allowed the movement to adopt the motto, "The Debt Shall Die with the Debtor." Roy F. Bergengren became the first Managing Director of the CUNA Mutual Insurance Society (1935-1945).

So started the evolution of what today is the CUNA Mutual Group (CMG) is the "Transfer" tool. Risks credit unions can't avoid, reduce, spread, or assume get transferred through insurance or bond products created by CUNA Mutual Group . I recommend you obtain a copy of "The Debt Shall Die with the Debtor - The Story of CUNA Mutual Insurance Society.

## **CUMIS - The Credit Union's Bonding Company**

In the early 1960s, CUNA Mutual, supported by CUNA Inc. and State Leagues, formed a property and casualty company (CUMIS) to provide the movement with fidelity bond products. Over the years, CUMIS bonds have evolved to fit the special needs of credit unions around the world. By 1968, the society was serving credit unions in thirty-five countries.

## **Risk Management to the Rescue**

To underscore the importance of Risk Management methods, CUNA Mutual and CUMIS jointly funded a Credit Union Risk Management Department starting in the 1960s. The program was offered as a service of CUNA Inc. and US Credit Union Leagues. Credit union leaders adopted Risk Management standards focused on building a strong movement from the "grass roots." Executives such as J. Orrin Shipe, Herb G. Wegner and Ralph Swabota from CUNA Inc., and CUNA Mutual Presidents Charles F. Eikel, Jr. (1964 - 1973) and Robert L. Curry (1973 - 1988) all advocated Credit Union Risk Management methods to control losses and grow a strong grassroots movement. Risk Management programs were driven from the beginning by a young college professor of Risk Management at the University of Wisconsin, Madison, Wisconsin, Doctor Richard M. Heins. Dick Heins became President and Chief Executive Officer of the CUNA Mutual Insurance Society in 1988. That same risk management program, born in the 1960s is still working with credit unions on a daily basis throughout the US. I encourage you to visit [CUNA Mutual's](#) web site and [CUNA and Affiliates](#) web site for the latest and most current risk management handouts.

## **CUNA International - The World Council of Credit Unions**

In 1970 the [World Council of Credit Unions](#) (WOCCU) replaced CUNA International as the governing body of the world credit

union movement. WOCCU has carried risk management methods, principles, and standards to the world movement. Thanks to WOCCU, credit unions from Wisconsin to Sydney to Dublin to Kingston to Montreal to Asia and to Eastern Europe have joined forces to combat losses and strengthen our global community.

### **The Filene Research Institute - 1989**

Thanks again to the vision of Doctor Richard M. Heins, the Filene Research Institute was launched in September 1989. The purpose of the Institute is to perform theoretical investigations and research on consumer behavior, financial service needs, and organizational behavior, as well as, study the relationships credit unions have to others in the financial services industry. David Chatfield, at this writing was President/CEO of the California Credit Union League, was the first Executive Director of the Institute, which is now being directed by the highly respected Robert "Bob" Hoel.

### **A Multitude of Credit Union Associations**

There is a multitude of professional credit union associations focused on the best interest of the movement. You'll find a link to most at our Risk Management Learning Center web sites. If you want to be "street-smart" and really know what's going on in the real world, I strongly recommend you join and take an active role in your local credit union chapter, state league, national and international credit union associations. Fore: *"It is by coming together that we grow, joining together that we make progress, and working together that we succeed.*

**Government's Role in securing Affordable Healthcare and Insurance:** Thomas Jefferson said, *"My reading of history convinces me that most bad government results from too*



*much government.”*

### **Federal Laws - State Regulations**

Both sides of the aisle agree, we need laws that'll enforce our safety, promote a healthy lifestyle, and secure our freedom. Both agree laws passed without being read are an affront to our integrity, a violation of our trust, and a blot on our national honor. Both prefer laws be few, written short and sweet, in laymen language.

Both sides also agree, regulations should set a performance bar and hold accountable those who fail to live up to the reasonable expectations of their constituents.

Where there's disagreement, there needs to be time to debate, room to negotiate, and a willingness to compromise. Equally important, both sides need to learn from their past and focus on our shared future.

Every time we attach a President's name to a healthcare bill, civility flies out the window, and party extremists fly in to poison the proceedings and fog reality with irrelevant filibuster. Neither side wins, while we all lose. Doing business the way it's been done to date, has to stop!

During Operational Period #3, I'll put forth a simplified federal bill that'll require every US citizen to purchase at least one "nationally recognized" health insurance contract, customized to fit their budget and their needs. A nationally recognized contract is one that covers all health risks (uncertainty of loss), and all health perils (personal injury accidents and life threatening illnesses). I'll also propose federal regulations

that'll guarantee coverage from conception until death, cover pre-existing conditions, return 80% of earned premiums in benefits back to the insured, and reinsure losses to safeguard insurance companies from going broke.

*(Authors note) I offer the following purely as talking points for those debating the role government should play in our lives. In my opinion, the role of government in our lives should be limited to auditing the honesty and capital adequacy of companies licensed to operate in the private sector. I pulled much of the following from white papers I've written on the governing of U.S financial cooperatives, i.e. credit unions in the United States. I offer it purely as background material for those who might be interested.*

**Duel Charter/Licensing:** Credit unions in the U.S. have a choice of either being chartered by the Federal government and regulated by the National Credit Union Administration, or chartered by the State in which their home office is domiciled and be regulated by the State banking department.

The role of government, when regulating financials (banks, credit unions, etc.) and insurance companies (life/health/property/casualty, etc.) should be limited to licensing and regulating as it relates to capital adequacy as well as the administration of nationally recognized risk management policies and procedures.

For the most part, all health insurance companies should be state regulated, however, the federal government should become involved once pre-existing and catastrophic risks are spread through regional and then national reinsurance contracts. In my opinion, all licensed U.S. health insurance companies should share in the "high risk/catastrophic-preexisting risk pools. For example, they might underwrite risks proportionate to their gross premium income or the tax

credit their insured's claim on their #1099s. Or, they might share risks through a "reinsurance" agreement, that effectively transfers the risk between what's assumed by the insured's deductible and what's considered excess or catastrophic, needing to be underwritten by the government.

In that our federal government gives taxpayer funded research grants to drug companies, hospitals, and universities, etc. It only seems logical that at some point healthcare for victims of catastrophic injuries or illnesses should be able to receive cost effective healthcare, subsidized by drug companies, hospitals, and universities who've taken advantage of government grants. For example, cancer patients who've blown through their co-pays and deductibles, should be able to receive the balance of their care subsidized by companies who've received government research gifts and grants.

Home-rule Healthcare and Insurance is a win-win-win-win-win, and keep on winning proposition for taxpayers, insureds, insurance companies, drug companies, and healthcare providers. Taxes go down, while taxpayers get a bigger bang for their buck. insureds are guaranteed full coverage, while they're free to select the level of co-pays and deductibles that best fit their family budgets. Eighty percent of earned premiums are guaranteed to come back to the insureds in the form of healthcare services, while the remaining 20% of earned premiums is earmarked to cover insurance company' profits, operating expenses, and reinsurance premiums. Equally important, drug companies, hospitals, doctors, medical schools, and licensed, tightly regulated care facilities continue to receive tax funded grants focused on improving the quality of affordable healthcare across the country.

*Note: The only reason, I'm in favor of a law that mandates everyone purchase a nationally recognized health insurance policy is we have far too many dead-beats in the US willing to*

*scam our welfare system and live off the government. You only have to watch a few episodes of Judge Judy to know it has nothing to do with their race, creed, color, religion or star under which they were born. It has everything to do with It bothers most Americans to watch far too many come before Judge Judy covered with expensive tattoos, body piercings, fancy hair-dos and tales of how they're scamming the government food-stamp and rent subsidy programs.*

*Basic government funding should be limited to one annual tax credit per tax payer that's reported on their #1099, along with the name of their health insurance company and their health insurance contract number. This could then be audited by the IRS to identify US citizens who either choose not to carry or didn't have access to affordable health insurance.*

The Federal government should fund and oversee a bonded, National Health Insurance Risk Management Advisory Board (NHI-RMAB) that's required to meet monthly over the internet and annually in person. The NHI-RMAB should be empowered to fulfill two primary missions. First, to identify, measure, and recommend risk transfer tools that should be created in the private sector, focused on the U.S. health risks created during the year. Second, to identify any U.S. citizen who's either chosen not to purchase insurance, failed to find access to health insurance, or simply can't afford it.

During Operational Period #3, I'll lay out a Strategic Action Plan (SAP) that'll position credit unions, their local chapters and state leagues, as well as churches, school districts, clubs, and organizations of any size or affiliation to ensure even the poorest of the poor in their community are covered by at least one nationally recognized health insurance contract. I'll also divide the country into four quadrants so when underwriting Home-rule contracts, insuring companies can focus on the frequency and severity of the "identified" health risks unique to each quadrant.

It's time for our US credit union movement to "take the bull by the horns" and lockdown "affordable" healthcare and insurance for every red-blooded American whose willing and able to work. In 1935, when the grassroots of America feared going into debt to grow our economy, we assembled the state credit union leagues and formed the "Credit Union National Association Mutual Life and Health Insurance Company (CUNA Mutual), adopted the motto "The Debt Shall Die with the Debtor," drafted Loan Protection and Life Savings contracts, and blanketed every Tom, Dick, and Harriet in America with LP/LS insurance. We assured every credit union member that if they were willing to work, if they were willing to step up to the plate and hold themselves accountable for their own go into debt and risk going to work, if and when they died, their debts would be paid and their savings would be doubled to help provide for their family after they were gone. In effect we made sure every credit union member had access to cost effective and affordable life insurance.

In 1960, when the grassroots of America feared being injured on the job, we formed the "Credit Union Mutual Insurance Society (CUMIS), and drafted "Worker's Compensation" contracts to make sure all work related injuries and healthcare concerns were being properly managed and all healthcare expenses would be paid if workers were ever injured or killed on the job. In effect we made sure every credit union member had access to cost effective and affordable health insurance while on the job.

In effect, since 1935, CUNA Mutual Group has been consistently identifying, measuring, and controlling the healthcare risks of every credit union member in America. I

think it would be wise for CUNA Mutual Group to now create the all-risk “nationally recognized” contracts I recommend during Operational Period #2. There are roughly 23,000 credit union’ fields of membership scattered across the country (now merged into roughly 5,000 community charters). Each credit union brings a common set of health risks into the national pool, yet each has their own unique health risks created by the climate and regional economy where they’re located.

**Consequently, I recommend** dividing US credit unions into four quadrants so risks can be pooled, managed, and underwritten in each quadrant and subsequently reinsured quadrant to quadrant then into a national pool and finally into an international pool via the World Council of Credit Unions (WOCCU). The Polish credit union movement would be an ideal test market for reinsuring health risks. What the Polish credit union movement did to pull their economy through WWII is nothing less than remarkable. Through WOCCU, US health risks could be reinsured around the world.

So, what are you waiting for? It time we assemble the presidents from all US credit union leagues/associations and affiliates at 5910 Mineral Point Road in Madison, Wisconsin; adopt the motto “All health risks and legitimate healthcare claims will be covered,” and blanket market health insurance to every man, women, and child in America from conception until natural death.

How do you make every contract cost effective and affordable? Read my book! You’ll find answers during Operational Period #2, along with a Strategic Action Plan (SAP) and a road map during Operational Period #3.

## **A benchmarking of Obamacare in 2013**

Yogi Berra said, *"You've got to be very careful if you don't know where you're going, because you might not get there."*

While some might laugh at "Yogi-isms," we can't laugh at those who allowed the Obamacare law to be passed without being read, nor those who allowed it to be rolled out October 1, 2013 totally unaware it wasn't ready for prime time. Consequently, risks went unmanaged, targets were missed, and those relying on promises made were left "hanging out to dry."

On December 19, 2009, the Congressional Budget Office (CBO) estimated the IRS would need "between \$5 billion and \$10 billion over 10 years to enforce Obamacare." Since 2009, the estimated number of IRS agents that'll be needed to enforce Obamacare has risen from 6,700 to 16,000. Obamacare has fast become the largest tax increase in US history.

The cost of the Obamacare website (\$678,000) is dwarfed by the financial havack raised in the US health insurance industry. Millions if not billions have been spent by insurance companies who've bought into the Obamacare academic nightmare, while insurers drop out of the marketplace, laying off underwriters, actuaries, and marketing personnel, faithbased hospitals, clinics, and doctors are downsizing. Ironically, taxpayers now are paying for both sides of lawsuits launched by churches, unions, and those defending assaults against rights guaranteed by our constitution.

As taxpayers went to bed worried they'd wake up uninsured,

President Obama ordered his staff to sign him up online, climbed onboard Air Force 1, and headed out of town.

**A benchmarking of our progress toward cost effective and affordable healthcare and insurance.** *“With 1/6<sup>th</sup> of our economy at stake, planned parenthood aborting babies, while we’re going broke, we don’t have a moment to waste.*

Benchmarking is the comparing of where we are in relationship to where we expected to be when we started. We’ve improved our ability to identify, measure, and focus our risk management efforts. We’ve also been able to redirect 80% of earned premiums back to the insured where they can best be used to reduce future health risks.

Now let’s transfer the excess health risks insurance companies can’t afford to carry through a series of “reinsurance” agreements. We use reinsuring agreements to cap the insurance companies losses for each “book of business,” by transferring excess risk, that’s the risk a company can’t afford to take, to another insurance pool underwritten by another insurance company. Crop reinsurance is a good example. Crops insurance companies that insure crops grown in Wisconsin, will reinsure their excess risks through reinsurance contracts underwritten by companies insuring crops grown on the west coast, and vis versa.

Pooling health risks geographically also helps reduce losses and administration expenses. Why? Underwriters north of the 42<sup>nd</sup> parallel have more experience underwriting frostbite risks brought into the pool by nude ice fisherman, than underwriters south of the 42<sup>nd</sup>. Similarly, underwriters west of the Mississippi have unique underwriting expertise not shared by their cohorts east of the Mississippi, and vis versa.



It stands to reason, if we first reinsure through regional reinsuring contracts, and then through national pool, both underwriting and claim settlement costs, not to mention other administration expenses should be significantly reduced, as oppose to going direct to a national pool. It's also easier to measure both loss frequency and severity in a region, as opposed to nationwide, which in turn helps actuaries set lower premiums, co-pays, and deductibles, and risk managers focus their efforts to reduce future losses.

At some point, especially when underwriting pre-existing conditions, the end will not justify the means, no matter how high premiums, co-pays, and deductible are set. At some point, risks that blow through the family budget, and policy limits will have to be transferred to a government backed pool of insurance.

Now, considering we taxpayers have provided billions of dollars in grants, loans, and subsidies to drug companies, hospitals, and those doing the research and development of healthcare "for profit" products, shouldn't we have the right to demand a return on our investment? It stands to reason, if we're going to take a

significant chunk out of the cost of our healthcare, it's time we negotiate a better price for the drugs we've paid to create.

But wait! Dumping the bill back on the taxpayers is not the end of the story. It's only a catalyst for the next phase of our operation (pun intended).

Remember, the home-rule healthcare and insurance I recommend is driven from the grassroots up, supported by roughly 23,000 credit unions, all representing a "common bond" or "field of membership." And remember I said, credit unions are positioned better than any other organization,

anywhere in the world, anytime in history to grow the economy, create employment opportunities, stabilized family budgets, and identify the healthcare risks that are unique to their field of membership. Equally important, remember our mission to lockdown and deliver cost effective and affordable health insurance to every man, women, and child in America is never ending. So let's move into operational period #2.

## Operational Period #2

*"Back to basics"*

During operational period #2: *We "grow" forward measuring the risks we know drive up the cost of our healthcare and insurance, and we answer the most frequently asked questions about risks we create living in a free, democratic, constitutional republic.*

### **Back to School – Back to Basics**

#### **Ready on the left? Ready on the right?**

**An academic review of our Risk Management principles and practices:** *"They offer a guide to cost effective and affordable quality healthcare and insurance."*

#### **Answer the following questions:**

What's a health risk? How many types of health risks are there? What are the three steps used to manage your health risks? How do we identify and measure health risks? Can you name five health risk control tools? Who's responsible for managing the health risks you create, or choose to take? What are the five health risk controls and which control should always come last?

**Answers:** Health risks represent the uncertainty you'll suffer from an injury or illness. There are only two types of health risks, "Pure" and "Speculative." Pure health risks result only in a loss, while Speculative health risks hold out the possibility for both gain and loss. There are three steps used to manage all health risks (Identify, Measure, and Control). Health risks are measured by their frequency or severity. Once all risks have been identified and measured, there are five tools used to control each risk (Avoid, Reduce, Spread, Assume, and Transfer). FYI, everyone is responsible for managing the risks they take or create.

Health risk controls are used in order: First, you can "**avoid**" many health risks such as not jumping out of an airplane no matter how sure you are your parachute will open. Second, you can do what you can to "**reduce**" the risk or uncertainty of loss. For example, you can stop smoking to reduce the likelihood you'll suffer from throat or lung cancer. Third, once you've tried to avoid and reduce your health risk, you can "**spread**" it out. For example, company executives will often fly on separate airplanes so if one plane crashes, the company won't lose their entire management team. The fourth health risk control tool is to "**assume**" as much of the risk as you can afford to pay. For example, you can take a larger "deductible" or larger co-pay, or if you're involved in an injury-accident, or come down with a major illness, you may be able to afford paying for the first few nights in the hospital. But, and here comes the big butt! Only after you've done all you can to avoid, reduce, spread and assume your health risks, should you transfer the rest of your risks into a pool of insurance. The only way we'll ever be able to slow the rising cost of our healthcare and insurance, is to stop putting the horse before the cart. Stop just dumping all our health risks into one large

national pool of risks and hope the law of large numbers will eventually come up with a cure.

But wait! Health insurance is not our only transfer tool. It's not our only answer. It's not our only solution to the rising cost of healthcare and insurance. We need to do a better job writing and underwriting health insurance contracts, merging group and individual contracts with workers compensation contracts, and do a better job challenging bogus medical liability claims, not to mention fraudulent welfare and insurance claims.

Ronald Reagan nailed it when he said, when we've been driven into a tunnel of debt, the left will continue to dig a longer tunnel. It's time we challenge those refusing to abandon Obamacare to at least stop digging, or better yet, help us all dig toward daylight.

**A briefing for Credit Union Risk Managers:** *"Get ready to float like a butterfly and sting like a bee!"*

Following is a test and pre-deployment briefing for graduates from CUNA Management Schools, credit union CEO's, CFO's and Presidents, credit union board members, credit union league chairmen (and women), league Presidents and league Directors of Education and Field Services, as well as the board of directors, underwriters, actuaries, claim adjusters, reinsurers, and the subrogation departments at CUNA Mutual Group, CUNA Inc., WOCCU, the Filene Research Institute, and all credit union trade associations and affiliated organizations.

**Front and Center!** Answer the following: Can you articulate the difference between a credit union or financial cooperative, and a chartered stock-held financial institution?

How will you use deductibles and co-pays to drive down the cost of insurance? Can you explain how we can use reinsurance to transfer risks and cap catastrophic losses? Can you explain how to underwrite pre-existing conditions by endorsement to hold down premiums for most insureds? Do you still consider premiums, co-pays, and deductibles an expense? Or, do you consider premiums an investment in our future? Do you understand and can you articulate the merits of the 80% rule as it relates to benefits paid back to the insured? Can you articulate the difference between earned and unearned premiums? Are you prepared to create new member' services such as: Health Savings Accounts, Reverse Mortgages, Payroll Deduction and Premium Auto Pay programs? Are you ready to blanket market all nationally recognized healthcare and health insurance products requested and/or preferred by anyone in your field of membership?

## Listen up!

*Get ready to float like a butterfly and sting like a bee!*

The difference between a credit union and a bank is, a credit unions is a not-for-profit financial cooperatives, owned and operated by its members. Members of the Board of Directors, Credit Committee, and Supervisory/Audit Committee are all volunteers, elected from the credit union's field of membership. The field of membership are all those who share a "common bond." To join a credit union you open a "share savings account." In most credit unions, every \$5 in your share account gives you one share ownership in the credit union. Your shares earn dividends, usually declared once a year. The Credit Committee approves consumer loans based first on the applicants character, than capacity to repay i.e. do they have a job, and finally, if needed, on collateral. The credit union motto is, not-for-profit, not-for-charity, but-for-service. Credit unions believe, once you're a member, you're always a member.

Deductibles and co-pays are important, because when you don't have any "skin in the game," the odds are you're not going to do anything significant to reduce your risks or subsequent losses. Both deductibles and co-pays force the insured to pick up some of the cost for their care.

Reinsurance is how insurance companies transfer risks they can't afford to assume, over to another insurance company. Reinsuring agreements are used by all insurance companies, but most often by companies selling crop insurance. For example, a company carrying all the crop insurance on cherries grown in Door County, may reinsure their book of business with a company insuring all the grapes grown in

California. The odds of a major crop loss in both states are reasonable low. In the fidelity bond and property casualty business, companies will reinsure overseas safeguarding against natural disasters such as a hurricane or tsunami.

Attitudes are everything. We'd all be well advised to consider premiums, co-pays, and deductibles our investment in good risk management, rather than an expense we'd prefer not to pay.

The 80% rule is what insurance companies are required to pay back in benefits to the insured. It's usually 80% of earned premiums. So what are "earned premiums?" If you pay monthly premiums or 1/12 of your premiums each month, you're insurance company considers they've earned 1/12<sup>th</sup> of your annual premium on January 31<sup>st</sup>. Consequently, 80% of your January premium should be paid back to the insured as some sort of benefit. It could be membership at the "Y", a paid claim, a visit to their doctor, etc.

Credit unions helped pull the US through two world wars and the Great Depression. How did they do it? They formed local chapters, state leagues, and national association and hired teachers to teach money management skills in some of the poorest communities in our country. They formed a mutual life and health insurance company and created products such as Loan Protection (LP) and Life Savings (LS) insurance so debts died with the debtor and share savings accounts were matched by a like amount of insurance when the insured went to the big hunting grounds in the sky. Credit unions launched schools, CUNA Management Schools for example, and created money management tools such as payroll deduction, Christmas savings accounts to get ready for Santa,

and automatic bill paying services for members struggling with balancing their budgets. .

It is my hope that the US credit union movement will put their collective arms around our mission to lock down truly long-term, high quality, cost effective, and affordable healthcare and insurance. *“Remember! Don’t take any prisoners. Thanks to Obamacare, we can’t afford to feed them.”*

### **“Answers to the most frequently asked questions.”**

**#1) What is Risk Management, and what role does it play in our search for cost effective and affordable healthcare and insurance?** *Risk Management (RM) is a three step “method of management” taught at the University of Wisconsin since the roaring 20’s. The success of our mission, to lockdown cost effective and affordable healthcare and insurance, will depend on our ability to more quickly identify, measure and control all the life threatening health risks we face from the moment we’re conceived until the day we die*

*None of us have all the right answers, but we all have a duty to help manage the risks we create by the lifestyle we choose to live. So, let’s begin our mission with a test of what you’ve learned from experience, and what’s been taught in Risk Management #101 and Management of Insurance Enterprises” courses offered at every major university across the country and around the world.*

Answer the following questions: What is a risk? How many types of risk are there? What are the three steps used to



manage risks? How are risks identified and measured? Name five risk control tools? In what order are the five risk controls used? Who's responsible for managing the risks you create or choose to take?

How did you do? Here are a few basic answers: Risks are the uncertainty of loss." There are two types of risks, "pure" risks and "speculative" risks." Pure risks result only in loss, while Speculative risks hold out the possibility for both gain and loss. Managing risks involve three steps (Identify, Measure, and Control). Risks are measured by their frequency and severity. Once all risks have been identified and measured, five tools are used to control each risk (Avoid, Reduce, Spread, Assume, and Transfer). We are all responsible for managing the risks we create.

Risk controls are used in the following order: First, ask yourself if you can or want to "Avoid" the risk. For example, don't go ice fishing on a warm spring day. Next, you need to "Reduce" the risk as much as possible. For example, build a floatation device inside your shanty. Third, "Spread" the risk. For example, put your ice fishing shanties on different lakes so a fire in one won't burn down the others, or if one sinks the others may survive. Fourth, "Assume" that part of the risk you can afford to lose. Examples include, accepting a \$50 deductible on your shanty's fire policy, and paying a deductible when you land in the hospital . Finally, and I emphasis finally, "Transfer" the remaining risk into an actuarially sound pool of insurance, through a hold harmless agreement, or a binding legal contract. For example, credit unions that handle large amounts of currency purchase a fidelity bond to cover robbery losses, Workers Compensation

insurance to indemnify employees shot during a robbery, and hire armored car services to effectively transfer the risks associated with a robbery to a properly trained and well equipped armored car carrier.

So what's wrong with Obamacare, or for that matter all forms of socialized healthcare? It holds taxpayers primarily responsible for the risk taking behavior of all US citizens. To make it worse, it now appears, our taxpayers liability isn't stopping at the border. Those

undocumented residents in sanctuary cities are afforded the same Obamacare benefits as our documented taxpayers.

There are many reasons why Obamacare is and will always be an abysmal failure or what many consider "a train wreck waiting to happen." It's fundamentally impossible to make any pool of insurance cost effective, when no one in the pool is required to do anything to avoid, reduce or spread the health risks they choose to take. They can only be forced to assume more of the risk through higher deductibles, escalating co-pays, and skyrocketing premiums. Under Obamacare, if we choose not to be insured, we face the wrath of the IRS, not to mention their fine, penalties, and endless roles of red tape and piles of paper work.

Obamacare advocates assume the threat of being forced to pay skyrocketing premiums and accept escalating deductibles, along with being denied medical attention when hospitals are forced out of their exchange, not to mention the threat of being denied medical attention based on our age or financial status, will be enough incentive for us to roll over and accept government run healthcare and insurance.

It's time for "Home Rule Healthcare and Insurance." A private sector healthcare program you'll be happy to sell your kids the next time they come to dinner.

*(Author's note: If you didn't get it, that's a pimp on the commercials AARP ran over Thanksgiving 2013. Parents were asked to talk to their kids about health insurance while at diner on Thanksgiving Day. AARP and the company underwriting Obamacare will someday wake up to what they're doing. We can only hope it's sooner than later.*

As long as Congress is controlled by those willing to pass legislation they haven't read, we'll never regain the trust we need in those elected to serve.

**#2) How does Obamacare impact our needs according to Maslow's Hierarchy of Needs?** *Skyrocketing premiums, escalating co-pays, and increasing deductibles all divert funds needed to put food on the table and a roof over our heads. Its limiting access to family doctors frustrates our need to belong, and its government dictates telling us what healthcare we must accept, and insurance we must buy, gives us an eerie sense we've lost control over both our healthcare and insurance.*

Abraham Maslow, a Psychology Professor at the University of Wisconsin in the 1940's, wrote about the hierarchy of needs we have when facing a life threatening disaster or life altering injury or illness.

Maslow's theory on "Hierarchy of Needs" says: "When disaster strikes, or when we're confronted with a life threatening injury or illness, victims first focus on their "physiological" needs, then their need to belong, and finally

their need to get back to normal. move forward. for medical attention, a safe shelter, food, water, and stable employment on which to rebuild our lives.



Only after our physiological needs are met (our need for medical attention, safe shelter, food, water and stable employment), are we willing to focus on our need to belong (our need to seek out our family and family doctors, our trusted neighbors, our clergy and those with whom we share our faith).

Only after our belongingness needs have been met, are we ready to “self-actualize” or worry about our self-esteem (Get back to work, climb the proverbial corporate ladder, socialize, and move on with our lives).

In no small way, Obamacare fails to meet our physiological needs when it takes away insurance policies we prefer, and it fails to meet our belongingness needs when it took away insurance contracts we’ve relied on for years and doctors we’ve relied on for a lifetime. In no small way, Obamacare has destroyed our confidence when it destroyed our trust in our Federal government. Remember, at no less than 36 campaign rallies in 2012 we heard, “If you like your doctor and hospital, you can keep your doctor and hospital.”

In no small way, Obamacare has ignored the relationships built over years that, in and of themselves, could mean the difference between giving up or fighting through to recovery.

If we judge Obamacare according to Maslow's Hierarchy of Needs, it's an abysmal failure that's causing more harm than good, while providing more obstacles than help for those in need of quality healthcare.

**#3) Where did the Obamacare law go wrong?** *From the moment it was passed, without being read, it has threatened our freedom, restricted our liberty, and traumatized most red-blooded Americans. The three underlying symptoms of trauma are guilt for what's been done, fear not knowing what to expect, and a sense we've lost control over your future. As long as we condone elected officials who put political ideology ahead of what's in the best*

*interest of our country, we'll never lockdown quality, cost effective and affordable healthcare and insurance.*

The short answer is, whenever you force feed anything to anyone in a free society, eventually they get sick and die. It's that simple. However, the fundamental risk management flaw in Obamacare is, it transfers 100% of health risks into a single pool, relying on premiums collected and taxpayer subsidies to cover all administrative costs, marketing expenses, and claim settlements.

To add injury to illness (pun intended), Obamacare empowers panels of questionably qualified political operatives to decide who has access to healthcare, what reimbursement should be paid to doctors and hospitals, as

well as what companies, specialty clinics, and hospitals are allowed into their federal exchange.

To add further insult to injury, while Obamacare might authorize your General practitioner, there are no guarantees it'll allow you to choose University Hospitals or medical facilities that specialize in healthcare research and development (R&D).

In addition, the IRS is empowered to oversee Obamacare and will dictate who qualifies for tax subsidies and who is exempt from the law. Adding to the taxpayers burden, unions and corporate supporters of the Obama administration have already received compliance extensions and guaranteed subsidies.

Economists agree, as Obamacare negatively impacts the profit margins of hospitals and doctors, the quality of our healthcare will suffer as hospitals are pressured to do abortions, ignore welfare fraud, and accept ever changing government reimbursements. Additional administration costs will force many private practices to either fold or be merged into larger less personable medical bureaucracies.

The Federal and State exchanges are a bogus effort to spread the risk. They'll only force more of the lower middle class to either file false tax returns or accept larger deductibles and co-pays in order to pay what are bound to become increasingly higher premiums.

Indemnification, that's being put back to where you were prior to the loss, will require ever increasing subsidies from taxpayers. It's estimated that 44% of taxpayer revenue in Canada goes to subsidize their healthcare system.

Let's never forget, the only reason our Supreme Court authorized Obamacare to move forward was, one Justice considered it a tax. Unfortunately, it's proving to be the largest tax increase in U.S. history..

**#4) If we passed the Obamacare law, why can't we just repeal it?** *We can, but we need to make sure we safeguard those already insured.*

The answers are, we can, we must, and we will. We must however, meet all the risk management challenges, which include: Repealing the law, while safeguarding the insurable interest of those already insured, creating actuarially sound pools of insurance, regional underwriting, as well as, utilizing cost effective group marketing, and internet based claim settlement strategies.

It's time, actually it's past the time we should have repealed the Obamacare law, returned our healthcare system to the private sector, and reengineered our private sector health insurance industry.

It's time we recommit to internationally recognized Risk Management (RM) principles, and launch a truly affordable healthcare system, inspired by God, built by the grassroots, and anchored to our longstanding home-rule traditions. To paraphrase Abe at Gettysburg, "If our mission is under God, we shall have a new birth of freedom – a government of the people, by the people, and for the people."

**#5) Does the "Law of Large Numbers" help reduce the cost of our health insurance, while improving the quality of our healthcare?** *Absolutely! We need to group mass-market, in order to spread risks through reinsuring agreements, until the*

*“Law of Large Numbers” kicks in. We also need to merge and consolidate healthcare records in order to more efficiently and thereby more effectively manage assets at brick and mortar public and private healthcare facilities.*

The more bodies in a “pool” of insurable risks, the easier it is to predict the number of claims that might be made and the total losses that might occur.

Risks are measured according to their “frequency,” or how often they’ll occur, and their “severity,” or how severe each loss might be. For example, while a cold may not kill you, catch one every time you go outside and eventually the cost of your cough drops will add up to the loan payment for your house. Similarly, your sunburn might not kill you, but if it turns into a melanoma, it could be your kiss of death.

Using the law of large numbers, actuaries are better able to calculate just how much premium income is needed to pay claims (indemnify the insured), cover administration expenses, make a profit, and have something left over to reinvest in risk management strategies that’ll reduce the frequency and severity of future losses.

The problem with Obamacare is it dumps all the sunburn victims from Florida in with the frostbite victim in Wisconsin, offers little or no incentive to reduce future losses, so by default, the only options it has left are to raise premiums, deductibles, and co-pays that in turn require larger and larger government subsidies. That’s the Obamacare plague in a nutshell.

**#6) Can we afford to insure pre-existing conditions? We can’t afford not to! Ignoring they exist only frustrates our**



*moral conscious, runs counter to our national character, and erodes our national honor.*

One strategy I'll recommend during operational period #3, covers them under Obamacare during a two to three year transition period out of Obamacare and into one or more of the "nationally recognized" contracts I'll be recommending. During the transition period, pre-existing conditions can also be covered by endorsement the loss ratio of which will be spread via regional reinsuring agreements capping losses at 80% of earned premium.

After which losses are underwritten by the federal government. Clear as mud? For me too. But, I'm confident we have actuaries who can make it work over a five year transition period. The first step is to get every US citizen insured.

To do that, during operational period III, I'll recommend repealing the law and replacing it with a law that require all citizens to purchase at least one of the nationally recognized contracts. That's not unlike how we require all licensed vehicle owners to carry liability insurance. Simply, the law requires us to insure the losses we can't afford to pay ourselves.

**#7) How do we safeguard insurance companies from going broke underwriting pre-existing conditions.** *Our strategy includes underwriting pre-existing conditions in separate pools offered as an endorsement. Separating risks into pools, allows actuaries to more accurately predict loss frequency and severity, and subsequently compute premiums needed to indemnify insured. Reaching out to a network of reinsuring companies, first regionally east to west, then north to south,*

*and finally into a national pool underwritten by taxpayers, allows us to cost effectively spread risks, which in turn helps reduce premium, co-pays, and deductibles. . .*

An insurance company consortium would act as both a reinsurer of contracts that reached their 80% cap, and a coordinated “central” for spreading catastrophic losses, conducting R&D, and exploring a global network of companies offering reinsurance.

I have little or no sympathy for those who wait until they’re sick to purchase health insurance. It’s akin to waiting until you have an accident to purchase collision coverage. Historically, we guard

against that mentality, with laws requiring all licensed vehicles to carry at least a minimum limit of liability insurance. We also, safeguard against that mentality by offering uninsured and under-insured collision coverage.

With luck, and I mean pure luck, the law of large numbers should kick in within the first two years and the need to offer cover for pre-existing conditions should if not go away, at least be reduced to an insurable level. At that point, losses from pre-existing conditions should be absorbed. At that time, not unlike how two-year suicide exclusions are used when underwriting life insurance contracts, actuaries should be able to phase in some cover for pre-existing conditions buried in the initial premiums.

**#8) What’s an underwriter, and where did they get their name? FYI, they’ll deserve more than a shot and a beer before we lockdown cost effective and affordable healthcare and insurance.**

**Do you know where underwriters got their name?** The title “underwriter” was coined in a London bar early one morning back in the 15<sup>th</sup> century, when ten not too sober sailors decided they’d set sail early the next day for the “New World.” Each owned a ship and cargo worth roughly \$1,000. Each was equally skilled at sailing, and each promised not to drink until they were all back on dry land. All, however, realized at least one might be lost at sea. At the end of the bar was a gambler, speculating that one out of the ten would sink and the rest of the ships and cargo would all make it safely to the New World.

The gambler bid them all to bring the ship owner to the bar early the next day with ship’ titles in hand and an inventory of their cargo. He agreed that if they all sailed sober and with adequate crew he’d insure their cargo for only \$105 each. Early the next morning, all ship owners showed up and after inspecting each ship and crew, the gambler wrote his name under the ship owner’s name on the title, collected his \$1,050 premium and bid them all safe journey.

By signing his name under the name of the ship owner, he became known as London’s first insurance “Underwriter.” One of the ten ships sunk so after paying off the owner \$1,000 for his lost ship and cargo, the businessman was able to settle his \$49 bar bill and leave the bar with a buck profit in his pocket.

The underwriter went on to organize hundreds of other ship owners into “pools” based on types of cargo and style of ship. Eventually, by applying “the law of large numbers” to each pool, he was able to insure not only their cargo and ships but once he convinced the captains and crews to give up drinking

he was not only able to offer better coverage at increasingly lower premiums.

It didn't take long, and he was able to offer all ship owners and crew both individual and group "Life" and "Health" insurance at an increasingly lower premium with limited deductibles and no co-pays.

By separating crew into insurance pools based on age, occupation, and their willingness to accept responsibility for their health habits and lifestyle choices, he was better able to predict how frequent and how severe his potential losses might be. The more members there were in each pool, the easier it was to predict his ratio of losses to profit. The easier it was to predict his profit and losses, the more he was able to reinvest to promote healthier life styles and longer lives, which again lead to lower deductibles and premiums for all. Eventually, every ship, captain and crew setting sail for the New World had more than affordable property, casualty and health insurance.

The glaring problems with Obamacare and for that matter all government run healthcare programs include, not only is it poorly underwritten, there are no incentives to chart a safer course through life, stay healthy, or accept responsibility for ourselves. No matter how we prop-up this train wreck, eventually it'll drain taxpayers dry, add trillions to our national debt, and leave us all no choice but to raise the debt ceiling, and drive generations yet to be born deeper and deeper in debt.

Obamacare, by forcing doctors and hospitals to accept lowered reimbursements is bound to discourage doctors from joining the profession, which in turn will decrease the number

of doctors per patient, increase the waiting time for care, and in the end increase the risk we'll not receive the care we need before we die. Obamacare gives new meaning to, "Give me liberty or give me death."

**#9) Why is it better to have our health insurance industry regulated by our state, a true democracy, rather than our federal government, a constitutional republic?**

Village, Town, and State governments are as close to true democracies as we can get in 2017. Every legal citizen of voting age has one vote i.e. one voice in the election of our town and village boards, as well as our governors and state representatives.

We therefore have the most control over our state government, because it's a true democracy.

Our federal government is a "representative" constitutional republic. Meaning each state elects representatives, who in turn go to Washington to speak for the residents of their state. They and we are all bound by a constitution that, when there is a disagreement, it's enforced by our Supreme Court.

All this is fine, but when it comes to having control over the laws that govern our lives, not to mention the rules and regulations that restrict our freedom and limit our liberty, we're often forced to accept the views of those living their lives on the political extreme. Such is the case with Obamacare. Once the Supreme Court ruled it a tax, it only took a stroke of the Presidents pen to dictate what insurance we had to buy, what doctors we had to choose, and adding insult to injury, indirectly, Christians were forced to ignore church teaching and fund abortions on demand.

Yes, at the federal level, we pledge our allegiance to the flag

and to the republic for which it stands. But, our founding fathers agreed to unite our states only so we could better defend our freedom, preserve our liberty, and pursue our happiness, speaking with one voice when it came conducting commerce overseas. While our founding fathers disagreed regarding the role of our republic, none sought to build a pure democracy.

Alexander Hamilton said: *"We are now forming a republican government. Real liberty is neither found in despotism or the extremes of democracy, but in moderate governments."*

James Madison said: *"It is, that in a democracy, the people meet and exercise the government in person: in a republic, they assemble and administer it by their representatives and agents. A democracy, consequently, must be confined to a small spot. A republic may be extended over a large region."*

From a risk management standpoint, risks are easier to identify and measure, contracts are more accurately underwritten, and health insurance pools will become more actuarially sound, once the Obamacare law is repealed, and the governing of our health insurance industry is returned to the states.

The simple fact is, the sooner we return our healthcare and health insurance industries to the states, the sooner we'll find truly cost effective and affordable healthcare and insurance.

### **#10) How do we benefit from the Incident Command System (ICS) and the National Incident Management System (NIMS) going forward?**

While our mission, to lock down cost effective and affordable health insurance, is clear. We could easily be blown out of the water if we can't adjust to "scope creep" during a large scale crises such as a pandemic, chemical or biological warfare, or natural disaster.

Both the Incident Command System (ICS) and the National Incident Management System (NIMS) were designed to take control over and reduce the trauma caused by life threatening events.

We can act as brave as we want when under duress, but no one is immune to the trauma created, when we're confronted by a sudden and unexpected injury or illness. Most of us feel we should have done something to avoid our situation. We worry about what's coming next. And, even when we're well trained, properly equipped, and combat ready, we sense we've lost control over what lies ahead.

Considering the ICS and the NIMS are required teaching in the public sector (law enforcement, fire fighters, emergency governments, and homeland security personnel). It stands to reason, we'd be well advised to use the same systems when asked to deploy a "unified" command in the private sector.

Ask any veteran, what two things they most like to hear, and they'll tell you it's "We have your back" and "Welcome home!" Both the ICS and NIMS send a clear message that we have the backs of law enforcement, fire fighters, first responders, and homeland security professionals.

The Incident Management System was introduced in the 1940s as an "Incident Command System" to fight forest fires on the West coast. As responding agencies specialized and communities signed mutual aid agreements the Incident Command System evolved into the "National Incident Management System or NIMS." It's now required training for all law enforcement, fire departments, emergency governments and Homeland Security personnel. Soon it will be required training for schools and hospital administrators and well as those in the food, transportation, medical, utilities, and other industries. The private sector through business and trade associations will be encouraged to have at least a basic Adapting Incident Command to Financial



Cooperatives:

The Incident Command System (ICS) has basically seven key accountabilities overseen by the Incident Commander (IC). Use the following diagram as a template. Remember, the ICS is designed to expand and contract (concertina effect) as needed so while each will vary depending on the type of incident and scope, all unified commands will include the following seven accountabilities (Safety, Information/Communications, Liaison, Operations, Planning, Logistics, and Finance).



### Incident Command System – It’s a Public and Private Sector’ Partnerships

One of life’s fundamental principles is; “We are all ultimately responsible for our own safety, security, and well-being.” Period! If we choose to ride out a hurricane or tornado when we’ve been given fair warning, we’re going to have to accept the consequences. Another fact-of-life is the first person at the scene will be whoever might be near and that will usually be a friend, family member or neighbor. *This means to be rescued you might want to be on good terms with those close by and do what you can to prepare them to come to your aid*

*until the professional “public” responders have arrived.*

Challenges grow as the scope of the incident becomes a community wide event. The scope can be immediate such as when a tornado touches down or a terrorist attacks, or it can be caused by “Scope Creep” such as when a hurricane intensifies and just keeps on going or a wild fire burns out of control. It can also be when a minor health issue turns into a pandemic.

Preparing for, responding to, and recovering from large scale natural disasters and terrorist attacks requires a coordinated response from both the public and private sectors. Public to private partnerships need to be formed so as public resources are depleted a private sector response moves in to reinforce recovery efforts.

From a public sector standpoint, responsibility for citizen safety starts at the local level and moves out based on requests for aide and assistance. In the US and around the world aide must first be requested and is usually governed by a pre-approved “mutual aid” agreement. *That is why in the US and in most countries it’s the local fire chief who takes command during a disaster and why, at the end of the crisis, it’s the local government who’ll be held responsible for picking up the tab. In most countries it’s called “Home Rule.” That is, in a Democracy, elected local governments rule and therefore are held accountable for the costs of recovery. This underscores why the Chief of Finance in the Incident Command System must keep accurate records of all responding assets.*

We learned much and will continue to learn from Katrina. For example, she proved that coordination of responding

resources, flexibility in execution, and the ability to adjust when under fire were the three most important factors leading to mission success or failure. She also proved hurricanes trigger an increase in Pure Risks (burglaries, robberies, looting, vandalism, forgery, embezzlement, gang reprisals, kidnapping, etc.) and Speculative Risks (extortion, fraud, scams, and embezzlement in disaster relief programs). At the end of the day, she validated the credit unions approach to Disaster Recovery, Business Continuity, and Contingency Planning. And, she gave us a wake-up call telling us to refocus on event planning, incident management, and forming public to private partnerships.

### **It was the best of times – it was the worst of times!**

Anyone in their right mind would not consider going through a hurricane as “the best of times.” Yet, any experience that brings out the best in us can’t be all bad. In addition to Maslow’s theory on the “Hierarchy of Needs” (*Refer to my white papers*) he said, “Satisfaction is the alleviation of anxiety.” Therefore the threat of a disaster offers us an opportunity before to plan with a satisfaction in a plan well written, respond during with the satisfaction in a plan well executed, and after with a satisfaction in a job well done.

*For examples of his theory, I recommend you read the Best Practices – Disaster Recovery Lessons Learned published by Credit Union Magazine and Florence Roger’s white paper (Florence was the CEO of the Federal Employees CU during the Oklahoma City bombing. She continues to be one of my most treasured RM mentors, a lady of great wisdom and experience).*

Learning is one thing, remembering, sharing, and

implementing best practices will be the real challenge. Surveys indicate the half-life of education (the time it takes to forget ½ of what we learned) is something less than six months especially when it comes to lessons that traumatized or shattered our confidence. Consequently, we need to adopt a Risk Management “Strategic Action Plan” that accurately documents what we’ve learned, reduces it to a language we all understand, and systematically shares appropriate response protocols community, region, country, and world-wide. The credit union movement is ideally positioned to execute such a plan through its Chapter meetings, League training programs, National and International associations and financial cooperative regulators. Credit unions have and will continue to live up to their fiduciary and philosophical duties under any circumstance no matter what the crisis.

Yet it’s not just organizational structure that positions credit unions for success, it’s our philosophy. Call it sharing, networking, or just people helping people. Credit unions have demonstrated throughout history that they can respond without hesitation to the physiological, belongingness, and self-actualization needs of hurricane, tsunami, earthquake, and wildfire victims. At the heart of our soul is our “Not for profit, Not for charity, But for service” traditions. Thanks to the Internet, we’re now even better equipped to share best practices, respond more quickly, and act more decisively than in the past.

Lessons and “best practices” learned from Hurricanes Katrina, Rita, Wilma, Ivan and other large scale, community wide disasters:

Two primary lessons are taught during every community wide

disaster. First, it is imperative to have a well-tested “disaster recovery” plan to ensure your survival, and second, it’s imperative to have public to private “business continuity” partnerships in place to support the recovery process. Katrina tested and in most cases reaffirmed the credit union’ evolution from disaster recovery planning in the 70s, to business continuity planning in the 80s, contingency planning in the 90s and event planning/Incident Command training since Y2K. The credit unions that had tested branch banking, joint service center, and mutual-aid agreements in place prior to Katrina, responded more efficient and effectively and recovered more quickly than those who relied on traditional disaster recovery protocols.

And second, if we’re going to effectively identify, measure, and control healthcare risks in the “United” States, and if we’re going to once and for all underwrite affordable health insurance contracts, it’s going to take a grassroots, public-to-private partnership, driven by individuals, supported by their credit unions, local chapters, state leagues, affiliates, and national associations.

**#11) How does competition factor into the cost of insurance and the quality of our healthcare?** *In a free market, capitalist economy, competition brings the fight to the frontlines and holds the focus on our target, all while it raises the performance standards in our hospitals and quality of education in our schools.*

If you doubt the benefits of competition in a free market economy, you only need to consider the role competition plays in our college and national football leagues. It’s the rivalry and fan support that pumps billions into local

economies, while driving the quality of “player’ care” and the performance standards of team doctors to new heights. It’s the competition that pushes the team toward the Super Bowl.

It’s the feeling that we belong to something greater than ourselves that drives veterans forward under enemy fire. Just consider the healing that’s occurred since our Landing-zone (LZ) Lambeau – “Welcome Home” celebration. All we have to do, no, what we’re going to do is bring that same competitive focus to our search for cost effective and affordable healthcare and insurance. Lookout drug companies, we have your inflated costs of care in our cross- hairs.

**#12) Why are our Veteran Administration (VA) hospitals and clinics so important to our national health and well-being?**

*The answer has everything to do with Maslow’s Hierarchy of Needs.*



*(I wrote the following to our US Congressman Mike Gallagher after privatization of our VA hospitals, became a hot topic of discussion at my VFW Post 8337, American Legion Post 527, and AMVET Post 51 monthly meetings)*

### **A letter to Congressman Mike Gallagher**

Sir: As a marine, I'm sure you know where we're coming from, when it comes to the privatization of our VA hospitals and clinics. Ask any veteran, what are the most important words they need to hear, and they'll tell you, "Welcome home" and "We've got your back." Yesterday, at our quarterly Veteran Service Council meeting and again last night at our VFW monthly meeting, healing the VA hospitals was the hottest topic on our agenda. Specifically, should we privatize the hospitals and turn the administration over to the private sector.

To say the topic drew fire is an understatement. While none of us knew exactly why, we all were more than mission ready to shoot the idea out of the sky. While we all know deep down that it'll take the private sector to clean up the mess left behind by the Obama administration, we also know without our VA hospitals and clinics, under the command and control of seasoned combat vets, we're never going to heal the wounds of war, nor cure the nagging guilt, nor erase the memory of what had to be done fighting wars needed to secure our borders and defend our freedom.

Understand, I couldn't tell if the fire was coming from the Army, Navy, Coast Guard, Air Force, or Marines. They were all in the room. All I know is, if Washington thinks turning our VA hospitals over to the private sector, i.e. anyone who's never served in combat is a good idea, they're blowing the heart, soul, and trust of our veterans out of the water before they

have a chance to heal.

**Ref: Maslow's Hierarchy of Needs:** While any hospital can meet our physiological needs, it'll take a VA hospital or clinic, under the command and control of seasoned veterans to deliver our need to belong and the council on which we must depend. Please visit a website I run in memory of five fellow vets who were KIA while serving with me in Vietnam. Go to [www.DoorCountyVeterans.com](http://www.DoorCountyVeterans.com) and consider the impact LZ Lambeau had on our healing.

Ride with me next year in the Pearly Gates Ride in Green Bay the Saturday after the 4<sup>th</sup> of July and you'll see how important belonging to our VA system is to our healing.

**Ref: The Incident Command System (ICS):** *You're a combat marine. You know the importance of going into combat under a "unified" command. It's no different for those of us who have to heal from the wounds of war or those who have to stand mission ready to respond to a biological or chemical terrorist attack. We need a VA hospital and clinic system pre-positioned across the country that's mission ready to respond not only to the physical wounds, but the psychological wounds left after the in-coming ends and the night sweats begin.*

**#13) Why do credit unions provide the ideal business model we need to follow, if we're going to deliver cost effective and affordable healthcare and insurance?** *"A short course in credit union' marketing, financial planning, money management and insurance."*

Think about it. Credit unions are financial cooperatives focused on bringing stability to family budgets, while creating economic opportunities for their members, sponsors, and



everyone living or working within their field of membership.

Credit unions are best positioned to identify, measure, and control both the common and unique health risks within their field of membership. They're also well positioned to underwrite, group market, settle claims, and collect premiums via payroll deductions, direct deposits, not to mention offer gap loans, and reverse mortgages that can be paid by term and whole-life contracts at time of death.

I used the evolution of the US credit union movement as a business model, when I wrote the strategic action plan for Home-rule Healthcare and Insurance. Why? Credit unions used group marketing when they delivered the CUMIS Blanket Bond in the 60's. Dating back to the 30's, credit unions have been blanket marketing Loan Protection (LP) and Life Savings (LS) insurance so debts die with the debtor, while share-savings accounts were matched by insurance, giving families a nest-egg they could use to move on. .

Another example. Credit unions designed healthcare savings accounts, gap-loans during periods of unemployment, reverse mortgages, as well as term and whole-life contracts to ensure debts incurred during life died with the debtor.

Credit unions helped pull the US economy out of the Great Depression, through two World Wars, and fend off the false promises of communism, socialism, fascism, and all the other isms that have threatened our freedom and independence. There's no doubt, credit unions will have little trouble guiding their members and sponsors along a path toward cost effective and affordable healthcare and insurance..

Unlike the architects of Obamacare, credit unions are in an ideally position to quickly identify the healthcare risks hidden within their field of membership, not to mention predict both the frequency and severity of losses they're bound to incur.

The advocates of Obamacare refuse to admit we're heading for the preverbal economic cliff. Conservative economists on both sides of the isle, estimate our 30 year total projected deficit spending will exceed \$127 trillion. Considering total "private sector" US assets are estimated to be \$106 trillion, insurance actuaries predict we're facing a fifteen to thirty percent annual increase in Obamacare premiums until sometime after 2020 (**Note: I wrote this in 2012**).

Talk to any head of the household, and you'll learn Obamacare has shaken the financial foundation of families, communities, and subsequently our entire US economy. Most Americans now consider it "One Big Academic Mistake for America," or what both sides of the isle are cynically calling an "OBAMA."

But, let's put the economic risks we've created aside. Credit union risks created range from fraud and dishonesty, internet scams, identity theft linked to not-vetted navigators uploading personal and confidential data to unsecured websites; to policies being canceled for failure to pay, access to doctors being denied, and terrorists phishing the internet to recruit and fund their war chests. Add government dictating what can be sold and what must be bought, to the invasion of the IRS into our lives, and Obamacare quickly becomes more than a risk management nightmare.

Government run healthcare has been tried many time before, all around the world. It eventually leads the rationing of poor quality healthcare at an unaffordable cost for most insureds. The only sure way to avoid the risks created by Obamacare is to repeal the law and move the contract into a competitive free market economy.

The strategy I propose will work, because, like the US credit union movement, it's built from the grassroots up, not from top down, it honors our "Home-Rule principles, adheres to

Maslow's Hierarchy of Needs, and embodies our people helping people, not-for-profit, not-for-charity, but-for-service credit union philosophy. It works because it relies heavily on the character of the individual, reinforces their work ethic, and only as a last resort depends on others to help finance premiums, co-pays, and deductibles.

Equally important, the home-rule healthcare I propose holds the individual responsible for managing their own health risks, promotes sound underwriting practices, cost effective claim adjusting, which in turn creates actuarially sound pools of insurance that can be spread around the world via well negotiated reinsurance contract.

Credit unions are either state or federally chartered and organized around a "common bond" to provide economic stability within their field of membership. Faith based, postal, police, fire, military, union, and school district credit unions were some of the first organized.

From the 1930's through the 80's the number of US credit union grew to well over 22,000. Since then, they've been merged and consolidated in order to keep up with changing technologies, member services, and the benefits that come with the economy of size and scale.

A credit union's primary purpose is to provide economic stability for all within their field of membership. Consequently, credit unions are well positioned to underwrite and blanket market "field of membership" appropriate health insurance to everyone within the common bond, while at the same time providing payroll deduction, auto pay, or similar programs that'll help reduce administration costs and policy premiums.

The mission, should the US credit union movement choose to accept it, is to mobilize the grassroots, and work through its

local chapters, state leagues, and national associations to once and for all deliver cost effective and affordable healthcare and insurance for every man, women, born and unborn child in America.

We'll succeed **if we reaffirm the** "people helping people," not-for-profit, not-for-charity, but for service philosophy that pulled us out of the Great Depression. We'll succeed if we use the same "blanket bond" strategy we used to provide fidelity bonds to every credit union during the 60's, and the same blanket Loan Protection (LP) and Life Savings (LS) insurance strategies that paid off outstanding loans so debts died with the debtor.

**#14) Should we repeal and replace the Obamacare law, and keep the Obamacare contract? Absolutely!** *Regrettably, the Obamacare law has infringed on our freedom and threatened our independence. That's not acceptable in a democratic republic and shouldn't be tolerated in a free market economy. Insureds will abandon the contract, once the Obamacare contract is exposed to professionally underwritten, actuarially sound, more cost effective and affordable competition in the free market place.*

In a free and democratic republic, laws and their requisite rules and regulations should secure our freedom, while holding us responsible for our actions and accountable for our failures. Ronald Reagan nailed it when he said, "Government exists to protect us from each other. Where government has gone beyond its limits is in deciding to protect us from ourselves." The law needs to be repealed and replaced, in order to free us from being forced to purchase only the Obamacare contract, thereby being forced to indirectly fund

abortions. However, the contract should be kept for those who are still convinced it best fits their needs.

Insureds will voluntarily abandon the Obamacare contract, once its underwriting flaws are exposed.

It was the Obamacare law, not the contract, that forced our free market health insurance industry under the control of the federal government, forced Christians to indirectly fund abortions, and empowered the IRS to punish US citizens who are unwilling to purchase only the insurance dictated by the federal government.

It is because of the law, not the contract, we're no longer free to keep our doctors, or seek treatment when and where we prefer. And, it was because of the law, we were forced to turn our personal and confidential information over to not-vetted strangers, 1/6<sup>th</sup> of our national economy over to the whims of Washington, and accept the largest tax increase in US history.

Ronald Reagan was talking about the Obamacare law, not the contract, when he said: "Government exists to protect us from each other. Where government has gone beyond its limits is in deciding to protect us from ourselves." I suspect, Thomas Jefferson was talking about Obamacare, when he said "My reading of history convinces me that most bad government results from too much government.

**#15) If the Obamacare contract is so flawed from an underwriting, risk management, and actuarial science standpoint, why keep it?** *Far too many still hope the promises made by the Obama administration can be kept. While they can't and won't be, we can't in good conscience abandon those already insured.*

**#16) What role does the credit union's "common bond" or "field of membership" play in our search for affordable healthcare and insurance, rebuilding our infrastructure, and pulling our poor out of poverty?** *The credit union's "common bond" or "field of membership" keeps our mission focus on the physiological, i.e. financial and economic needs of the insured, while at the same time rebuilding the local and regional economy on which our national infrastructure depends.*

A credit union is organized around a "common bonds" that's shared by all those living and working within their "field of membership." When I joined the credit union movement in 1971, credit unions were, what many considered, the world's best kept secret. By the mid 1980's we had organized over 23,000 small credit unions all across the country, each focused on creating economic opportunities from the grassroots up. The credit union motto was, and still is, "Not for profit, Not for charity, but for service. Consumer credit of provided first based on the character of the individual, than their capacity to repay, i.e. were they employed, and finally what collateral they might offer to secure their loan.

There are credit unions organized to serve our postal workers, schools, teachers, churches, unions, branches of our military, agricultural co-ops, company employees, and those living or working in a designated community. Credit unions have been organized to serve large families, those licensed to pursue a specific career such as doctors, dentists, steel workers, and electricians. We even tried to organize prostitutes working in Nevada. We organized the Door County Community Credit Union to serve anyone living or working in Door County, Wisconsin. Our original board of

directors, supervisory committee, and credit committee was elected from law enforcement, our tourist industry, works at Bay Shipyard, members of the Door County Co-op, and those working in our real estate and insurance industry.

As the number of credit unions grew, many of the smaller credit unions formed services centers so they could hire paid professionals to expand credit union services, such as offering commercial and real estate loans. FYI, there are banks in the Caribbean who've organized credit unions to serve the special needs of those living in poverty and those living in high crime neighborhood.

I remember organizing a credit union in Boston's inner city, in a neighborhood known for frequent burglaries, drug buys, and bank robberies. Vandals immediately stole the credit union's sign and vandalized their property, that is until their parents sat them down and explained the difference between a credit union, i.e. a financial cooperative owned and operated by its members, and a bank. Not only did the vandalism stop, one gang brought back the sign and offered to paint out the graffiti. CUMIS, their fidelity bonding company, and my employer at the time got their money back. The credit union is now one of the largest and most successful credit unions on the east coast.

The point I make, is in America , we might need laws to hold ourselves accountable, but we don't need laws that dictate what it means to be responsible. We might need laws to hold parents accountable for their child's wellbeing, but we don't need laws that dictate what it means to be responsible.

With the advent of the internet, new technologies and the need for increased member services, many credit unions

needed to be merged and consolidated into larger, better capitalized financial institutions. For example, we merged our Door County Community Credit Union into the Pioneer Credit Union and now into the Capital Credit union to better serve its members. FYI, CUNA Credit Union was organized in the 1930's to serve credit union' officials who were not allowed to receive loans from their own credit union. Remember the credit union motto? "Not for profit, not for charity, but for service. Credit unions have gone that extra step to avoid any conflict of interest.

FYI, the original CUNA Credit Union has been merged many times, now being part of the Summit Credit Union, with headquarters in Madison Wisconsin, which is the home office and headquarters of the world credit union movement (The Credit Union National Association (CUNA Inc.). CUNA Mutual and Affiliates, and the World Council of Credit Unions (WOCCU).

If our mission is to create the long term meaningful employment that'll stabilize family budgets, advance the quality and skills of our healthcare providers, and deliver cost effective, and affordable healthcare at the grassroots level, we'd be well advised to promote a shop America and buy local business strategy throughout the US credit union movement. .

If our mission is to reduce premiums, co-pays and deductibles over the long haul, we'd be well advise to use the US credit union movement as a vehicle to blanket market, settle claims, and spread risks across the country and around the world.

**#17) How does Obamacare helps fund the terrorist' war chests?** The Obama administration used not-vetted, not



licensed, not-bonded, inexperienced volunteers to upload the insureds' personal and confidential information onto public unsecured servers.

There's considerable evidence Al-Qaeda and ISIS are actively phishing, pharming, and recruiting off less than secure websites. Pharming is when hackers redirect websites to sites under their control, while Phishing refers to the "social engineering" hackers do to obtain the names, passwords, social security numbers, birthdates, zip codes, etc., of their future victims.

Encrypted phishing and pharming scams play a major role in most identity thefts, criminal fund raising scams, internet marketing schemes, and extortions. Both tactics are used to extort, bribe, and coheres employees who hold sensitive jobs within our infrastructure, top secret positions within our government, or trusted responsibilities within our private sector. Both tactics are used to lure the ignorant, the naïve, and the emotionally confused on both side of the isle into inadvertently supporting their goals

It's not that we haven't been warned. It's because we've chose to ignore the chatter in terrorist' chat-rooms during the 2012 election. When asked, "should the US expect another 9-11 terrorist attack.? Al-Qaeda operatives, referring to Barack Obama said, "Why take out a tiger when we have a Sheppard so willing to lead his flock to slaughter."

FYI, during recall campaigns, it's a safe bet Al-Qaeda operatives were downloading signed petitions from our public records, linking names, zip codes, and signatures to social media accounts, and then phishing recruits from families of the disgruntled on both sides of the isle. From a

risk management standpoint, are you willing to ignore the probability that, during the Wisconsin' recall elections, Al-Qaeda was not uploading signed petitions posted by the folks at "Verify the Vote. It's frightening to think how many college graduates seeking employment in companies holding government contracts are now targets of Jihadist advocates. Statistically, those most duped by political

### **#18) What's Workers Compensation (WC) insurance?**

Let me explain WC insurance this way. Prior to WC, when employees were injured on the job, they often hid the injury fearing they'd be fired, or laid off. Employers often refused to pick up any doctor or hospital bills fearing they'd be setting a precedent that would force them to pay for other employee injuries in the future. Enter WC insurance. The premiums paid by the employer are based on so many cents per \$100 of payroll paid to the employee. It's a win-win for both employee and the employer. The employee gets compensated for their injury or illness cause by their employment, and the employer get protected from setting a precedent. Note: From an underwriting standpoint, employees are categorized according to how dangerous their job might be. For example, clerical employees are classified 8810, while janitors are classified 9015. The premium for an 8810 employee is less per \$100 in payroll than it is for an employee who's classified 9015.

So how might WC insurance help underwriters lower the premiums paid for other health insurance contracts? Considering how much of our lives are spent at work, it stands to reason, when the WC carrier is on the hook, other health insurance carriers experience lower losses. Lower loss,

lower administration costs, and lower claim settlement expenses, all help lower premiums on all health insurance policies involved. Considering we're just entering an age when most if not all policy administration is being done electronically, it's safe to assume, we're going to experience lower and lower and lower costs and expenses when it comes to tracking fraud and dishonesty, or for that matter, managing risks yet to be created.

### **#19) Why plan for the worst case scenario?**

Did you ever wonder why they bring a ladder truck to a car fire? They bring ladder trucks to car fires, because every thing they need to fight any type of fire, is on the truck. You never know what you're going to find, or what might happen if you don't. It's called, being prepared for the worstcase senario. Years ago, a car fire meant you'd be dealling with a gas fire, one battery, and with luck, a one car accident. Today, cars run on a variety of fuels, and there maybe more than one battery to ignite a fire.

Years ago, you could just disconnect the battery and put the fire out. Today, disconnecting the battery may or may not solve your problem. And what do you do, if after you arrive, there's a mass-car pileup? All in all, it's best to allways plan for the worst case scenario.

For example: In New York, it's rumored terrorists have planted anthrax in Time Square as well as in high rise buildings throughout the financial district. In Arizona, employees working at two of our larger stock yards are suffering from lost muscle control, intensified memory loss,

and muscle spasms. we'll target Variant Creutzfeldt-Jakob disease, the human-affecting form of mad cow disease (The loss of muscle control, intensifying memory problems and muscle spasms) indicating terrorists have successfully infected one of our southwestern stockyards with mad cow disease. In West Virginia, we'll target Coal Workers' Pneumoconiosis (CWP), also known as black lung disease or black lung, caused by long exposure to coal dust. And in Wisconsin, we'll keep a straight face, and a close eye on the members of the nude ice fishing club, who are suffering from Pneumococcal disease caused by Streptococcus pneumoniae (pneumococcus). It's a Pneumococcal bacteria that's resistant to antibiotics and we fear the craze to go ice fishing in the nude is going to spread across the lake into Michigan.

The point I'm trying to make is, we need to focus more on avoiding and reducing critical health risks than blindly paying claims, pointing fingers, and raising premiums. This alone will unite both side of the isle, and help us move away from socialized medicine and back to the freedoms we've given up to fear. The path I propose to cost effective and affordable healthcare is the path preferred on both sides of the isle. If you doubt it, talk to Joe Biden about his commitment to find a cure for cancer. While cancer affects everyone in the US, different cancers are more prevalent in the south than in the north, and Vis versa.

**20) How do we manage our health risks, when they're all concentrated in one area (Concentration Risks)?** *In South Korea, we face the risk of instant peace as well as instant war.*

In 2005, I was hired to assess the risks threatening Korean Credit Cooperatives in South Korea, as well as the

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concentration of risks insured by Cuna Mutual Group on the peninsula. Cuna Mutual and the Korean Cooperatives worried about the impact instant peace would have on the South Korean economy. The economic disparage between South and North Korea was estimated to be 13 to 1. Meaning the South Korean economy was thirteen times more stable than the economy in North Korea. FYI: The economic disparage between West and East Germany was 5 to 1 when the wall came down. The economy of East Germany collapsed with the wall resulting in increased frauds, identity thefts, plastic and internet crimes, etc. Labor unions in Poland were especially hard hit and consequently concerned.



Korea is a beautiful country with mountains covering 75% of the land mass leaving 25% of the land mass for 100% of the population. At the time I did the risk assessment, Seoul was home to roughly 25% of their population. Seoul is roughly 120 miles from North Korea. Studies indicate the KPA (Korean Peoples' Army) could destroy or at least disable Seoul in a matter of hours. Considering a simultaneous attack on our west coast will overwhelm the majority of our combat assets west of the Mississippi, we'd be well advised to expedite our efforts to secure quality healthcare and insurance for our

entire population, especially those living in our inner cities, no matter socioeconomic status might be.

FYI: The Department of Homeland security is promoting a national standard in the US that requires companies to have contingency plans that allow them to stand alone (provide their own security and support for their employee groups) for at least 72 hours. That would allow national and municipal resources to be deployed to protect our national infrastructure. I recommended a similar standard be set for community credit cooperatives in Korea.

Unfortunately, instant war or peace is not the only risk we face. There is little doubt, ISIS has embedded terrorists not only deep within our infrastructure, but they now have domestic terrorists are well positioned to take out our population concentrated on the east coast while they poison much of our unprotected food chain centered in our southwest.

The action taken during and immediate action after any major life threatening incident such as massive flood, an out of control forest fire or terrorist attack will limit the damages and reduce our losses. FYI: more vital records are lost due to mold than fire and more lives are lost due to our failure to provide appropriate first aide and quality healthcare to the affected population.

**#21) What's the difference between a credit union and a bank, or a "Mutual" Insurance Company and a stock owned company?** Credit unions and "Mutual" Insurance Companies are owned and controlled by their members and policy owners, while stock companies are owned and controlled by their stockholders. The more we take ownership of and

control over our healthcare decisions and policy options, the more likely it'll be we'll drive down the costs of our healthcare while driving up the quality of care we have access to when needed.

**#22) What's the difference between a health insurance contract and a fidelity bond?** An insurance contract is a two party contract. We purchase a health insurance policy from an insurance company, so when we suffer from an injury or illness the insurance company will "indemnify" us, or put us back a similar condition we were before the loss. A bond is a three party contract. For example, a credit union will purchase a fidelity bond so when an employee embezzles funds out of a members account, the bonding company will indemnify the member.

I bring this up, because in my opinion, we the taxpayers should purchase a bond from us the government, to indemnify we the taxpayers if the insured fails to purchase at least one nationally recognized health insurance policy. If we take this approach, all we need do is create cost effective and affordable insuring options. Clear as mud? You'll better understand after you read through operational period #3.

**#23) Why can't we just raise premiums to cover pre-existing conditions?** We can, but that's not fair to insureds who are young and health, or those who never get sick and if they do, chose not to seek medical attention. Obamacare premiums went through the roof, because insureds with pre-existing conditions represented 5% of earned premiums, yet they filed 50% of the claims paid. That's no way to run a railroad.

**#24) Is Obamacare the illness or just a symptom of a much deeper national concern?**

Our Founding Fathers warned us. *“Obamacare is only the tip of the iceberg.”* It’s the start of our slide away from a free democratic republic toward socialism. England’s Prime Minister Margaret Thatcher warned us. *“The problem with European Socialism is eventually you run out of other people’s money.”*

Every U.S. President since the Great Depression has tried and failed to merge our U.S. free market health insurance industry into a government run form of socialized medicine. They fail, not because of their good intentions, they fail, because the waste and inefficiency in federal one-size fits all healthcare can’t compete in a free market, capitalist, private sector economy. Obamacare, like all the rest is destined to fail, because you can’t force free thinking, independent, red-blooded Americans to blindly jump into one large national pool, no matter how many lies are told or government subsidies are offered. We all know, taxpayer pockets have never been, nor will they ever be deep enough to keep government managed healthcare pipedreams afloat.

Obamacare, like all the rest failed because there’s little or no meaningful underwriting, while it ignores virtually all Risk Management (RM) principles and practices. Obamacare, for example, dumps everyone into one large national risk’ pool, assuming everyone needs let alone wants to be insured. In the real world, older women seldom need or want maternity coverage, most Christians will refuse to pay for abortions, and faith-healers know they’ll never need to see a doctor.

Obamacare advocates assume, that by forcing everyone on board, eventually the law of large numbers will kick in and their ends will justify their means. That’s just not how it works in the real world, let alone our free democratic republic.



Trivial litigation is a leading cause of high cost healthcare and insurance. We need a healthcare law that looks out for the best interest of the insured, while discouraging frivolous law suits filed simply to intimidate good doctors and hospitals into settling out of court. The healthcare laws we pass should impose significant consequences for the ambulance chasing law firms known for filing frivolous, often bogus law suits, filed only to intimidate insurers into settling out of court. This is particularly a problem for work-comp carriers, because companies, especially national chains like McDonald's will settle just to keep their name out of the nightly news.

Relax! We're not going to throw the baby out with the bathwater nor the Obamacare contract out with the law. Rather, for those who prefer Obamacare, we'll do our best to slow its skyrocketing deductibles, co-pays, and premiums, while we develop competitive, free market, cost effective and affordable alternative contracts to consider.

Thomas Jefferson nailed it, when he said: *"To compel a man to furnish funds for the propagation of ideas he disbelieves and abhors is sinful and tyrannical."* Yet that's precisely what the Obamacare law has done. It's the law, not the contract that forced us to purchase the only health insurance contract approved by our federal government, subsequently forcing us to fund abortions. It's the law, not the contract that deprives us the freedom to choose our own doctors, and the right to rule over our own healthcare decisions. It's the law, not the contract that imposed the largest tax increase in US history, turning 1/6 of our economy over to the whims of Washington. And, it's the law, not the contract that underscores the pitfalls of "socialized" medicine.

The longer the Obamacare law is on our books, the deeper we'll drive ourselves in debt, mortgaging the future for generations yet to be born. The longer we allow the Obamacare law to threaten our freedom, limit our independence, and dampen our liberty, the faster we'll be pushed down the slipper slide toward Socialism.

Obamacare has proven to be a big mistake for America. It fails to adhere to even the most basic risk management principles, ignores sound underwriting practices, and violates virtually every law of actuarial science we've used to guide our insurance industries for centuries. Consequently, if it's not quickly cured, it'll continue to create enormous risk for every man, woman and child in America, erode the quality of our healthcare, and eventually bankrupt our economy.

Equally frustrating, it's destroyed our trust in those we sent to Washington, because seasoned politicians, on both sides of the aisle, turned what would be a simple academic challenge for our private sector insurance industry into a Washington style political nightmare.

Obamacare was doomed from the beginning. It was passed solely by the left side of the aisle, without being read, nor given the time needed to realize the enormous risks they were about to create, the damage they were doing to our healthcare system, or the disruption they were about to cause in our free market health insurance industry.

It only became law after the Supreme Court ruled it the largest tax increase in US history, thereby turning 1/6<sup>th</sup> of our national economy over to the whims of the White House. It only survived efforts to repeal it, because a Democrat' controlled Senate imposed the "nuclear option" to block any

opposition. They then launched a rash of wavers, delayed mandates, extensions, and executive orders to delay any negative impact until after the 2016' elections. Fortunately, that didn't work!

It's time we wake up and fight back! We've been lied to, coaxed, and deceived by those in Washington who have neither the courage nor the will-power to restore our freedom of choice nor the God given right of self-determination.

Are all hands on both sides of the isle clean? Absolutely not. Far too many on both side have lacked the courage to reign in spending, cap national debt, or make the tough calls necessary to right our economy, ensure our independence, and reclaim our right to "home-rule." Far too many have bent to the intimidation of union bosses rather than fight for what's in the best interest of union members.

It's time, no it's past the time we forgo the political correctness that's stifling our independence, while convincing far too many to accept a future of apathetic mediocrity.

The "home-rule" healthcare and insurance I propose takes us back to our future, reaffirms our commitment to the Home-rule doctrine, and pledges our allegiance to proven risk management methods, sound underwriting guidelines, actuarially sound contracts, cost efficient and effective group marketing, while spreading our healthcare risks and rewards through a network of national and international reinsuring agreements.

Where to begin? Students of Credit Union Risk Management!

Review the history and evolution of the world credit union movement. That'll give you a course outline for "Home-rule Healthcare and Insurance – A Risk Management Cure for Obamacare. Allow me to start you with a short review of what you learned at CUNA Management Schools, chapter risk management workshops, and risk management presentations I made at state, national, international, and out to sea credit union conferences.

Credit unions are non-profit, volunteer financial cooperatives chartered to serve a defined "field of membership." We have credit union chartered to serve our police and fire departments, unions, teachers, churches, postal works, and each branch of our military. Navy Federal is one of our largest. By the 1980's the number in the US credit unions had grown to over 23,000. From the beginning, they've provided risk management training through local chapters, state leagues, national associations and the World Council of Credit Unions (WOCCU). Since the 80's US credit unions have been going through mergers and consolidations in order to create the critical mass of capital needed to compete in an ever expanding economy. In the US, after forming the Credit Union National Association (CUNA Inc.), credit union leagues chartered the CUMIS Insurance Society, to provide blanket fidelity bonds featuring no deductibles coverage and premiums based on asset size so even the smallest credit union could compete in a growing economy.

In the US, the Credit Union National Association (CUNA Inc.), chartered in 1934, launched CUNA Mutual (1935), a life and health insurance company so credit union could offer Loan Protection (LP) and Life Savings (LS) insurance to every credit union member in the United States. In the beginning, the

credit union paid all premiums. When a member died, Loan Protection insurance paid off all outstanding loans, giving rise to the slogan, “The Debt Shall Die with the Debtor.” All Life Savings (LS) premiums were also paid by the credit union. When a member died, Life Savings insurance matched what the member had in their savings account. And in 1960, CUNA Mutual formed CUMIS, Inc. to provide the no deductible blanket bonds for all state and federal chartered credit unions in the US. In that credit union board, supervisory, and credit committee members are all volunteers, CUMIS fidelity bond premiums were paid for by the credit union.

I’m America’ proud and confident our US credit union movement is better positioned, than any other organization, anywhere in the world, anytime in history to strengthen family’ budgets, stabilize local economies, restore lost confidence in our democracy, as it mass markets cost effective and affordable healthcare and actuarially sound, nationally recognized health insurance contracts.

The Risk Management (RM) cure is a “method of management” that involves three distinct steps (Identify, Measure and Control). In step #1, we’ll “identify” all of our health risks. In step #2 we “measure” the predicted frequency and potential severity of our loss, should the risks occur. We measure risks so we can focus on those that are most important. Finally, in step #3, we use five control tools (Avoid, Reduce, Spread, Assume, and Transfer) to reduce our losses and in turn cut the cost of our healthcare and insurance.

**Author’s Note:** *Remember! Insurance is the fifth risk management control used to transfer the health risks we can’t avoid, reduce, spread, or assume. The reason socialized*

*medicine fails is Socialists use it as a one stop cure all, tax funded solution to their healthcare needs. That's why, England's Prime Minister Margaret Thatcher warned: "The problem with European Socialism is eventually you run out of other people's money."*

When responding to any large scale, life threatening event, law enforcement, fire fighters, first responders, and homeland security personnel all use the Incident Command System (ICS) to deploy in three operational cycles or "periods." During Operational Period #1 (OP#1) they take control and order in assets they'll need at the scene. During Operational Period #2 (OP#2), depending on the size, scope, and potential for "scope-creep," they'll order up a "unified" command and set up staging area for assets to be held until needed. OP#2 usually last up to three days (72 hours). If the incident hasn't been fully resolved after the third day, they'll move into Operational Period #3, which can last for weeks, even months and years. When it comes to our healthcare risks, we've had pandemics that have lasted for decades.

**#25) Before we move into Operational Period #3, can you offer a general overview of our mission?**

I named the replacement for Obamacare "Home-Rule Healthcare and Insurance," because every healthcare decision and every decision to purchase health insurance, is made by the head of the household. If we're going to once and for all find cost affective and affordable healthcare and insurance, we're going to have to:

- Repeal and replace the law. The new law should focus on a requirement that all citizens be insured, all insurance representatives by licensed and bonded, all

insuring companies be adequately capitalized, and all contracts be actuarially sound and financially profitable

- Launch a “Home Rule Healthcare and Insurance,” initiative that’s controlled by the grass roots, driven by the US credit union movement, and regulated by state, and governed by our constitution
- Deploy healthcare’ missions immune to political sabotage, supported by pre-approved mission’ statements, and launched to serve the healthcare needs of those most vulnerable to financial ruin.
- Return to our future with a reengineering of our health insurance industry, a renewed commitment to our veterans, and a positive attitude
- Launch a unified command focused on rooting out fraud, dishonesty, and frivolous law suits from our U.S. healthcare system and health insurance industry.
- Teach the Incident Command System (ICS) and launch three operational periods following Maslow’s Hierarchy of Needs. The first operational period should focus on physiological and belongingness needs, the second on recovery, and the third on long-range reconstruction of our U.S. healthcare and insurance industries.



### OPERATIONAL PERIOD TIMELINE

- Operational Period #1 (first three months):  
Focus on repealing the law, managing the trauma created by Obamacare and indemnifying, i.e. putting U.S. citizens/victims of Obamacare back in the same or similar position they were prior to the law. This period allows time for insurance companies to rehire personnel, file and reissue policies, and honor claims filed during the Obamacare gap. Note: Government subsidized reinsurance should be used when reinstated policy loss ratios exceed 85% of revenue earned.
- Operational Period #2 (First six months):  
Focused on salvaging Obamacare assets, to include taxpayer investments in the government website. And, reengineering the website to be a brokerage site navigating the uninsured to licensed agents in the private sector.



- During Operational Period #2, We'd create a consortium of U.S. chartered banks, credit unions, and health insurance companies to focus on "spreading" and "transferring" healthcare risks into an international reinsurance pool.
- Each State should be represented by two "experienced" risk managers, two health insurance underwriters, and two experienced actuaries, required to meet annually to benchmark the U.S. healthcare and insurance industry' goals and objectives.

*(Their primary goal is to provide affordable healthcare to every U.S. citizen from conception until death. Written benchmark reports should be submitted to Congress annually; accompanied by Strategic Action Plans (SAP), written to influence U.S. healthcare and health insurance mission statements for the coming year.)*

- Operational Period #3 (First 24 months): *The goal is to create actuarially sound pools featuring reasonable deductibles and caps geared to losses paid from the pools. While the pool may need government subsidies in*

*the beginning, over time consortium goals should be to make reinsurance pools actuarially sound and supported exclusively by the private sector.*

**#26) What does it mean to SPAR?** With few exceptions, credit union board of directors, supervisory and credit committees, chapter and league meetings, as well as most national and international credit union functions all start with a short prayer. Most ask God to bless those in attendance, the business about to be conducted, and the members at home who've fallen on hard times. SPAR stands for Stop and Pray. Assure yourself you understand both sides of each argument, and Rest assured you don't have all the right answers. Nobody does!

You're now be ready for the final operational period. Get ready for a cultural shift. As shift from viewing the cost of your healthcare and insurance as an expense to viewing both as an investment in your future.

**Authors' Note:** *The major differences between the Obamacare contract and Home-rule contracts are: Home-rule contracts afford coverage from conception until natural death, replace abortion coverage with adoption coverage, and offer abortion coverage by endorsements. Home-rule contracts offer coverage for pre-existing conditions via separately underwritten endorsements. After two to three years of uninterrupted coverage (under a nationally recognized, actuarially sound policy), pre-existing conditions*

*are phased into the basic contract. Once covered under any Home-rule contract, pre-existing conditions are portable as long as coverage remains uninterrupted.*

*Clear as mud? Have faith? If you don't choose to have faith in God, put a little faith in your fellow Americans. You'll be happy you did! All we really need do is get the government out of the way and stop dumping all risks into one large, unmanageable pool. While insureds with pre-existing conditions represented 5% of earned premiums, they resulted in 50% of the claims paid. That's no way to run a railroad, no matter who's in the White House.*

*FYI, the "Home-rule" cure for Obamacare I propose reinsures excess losses back to the government, which in affect safeguards insurance companies from going bankrupt. When they go broke, we all lose. Instead of our taxes subsidizing the cost of insurance on the frontend, they're used to bailout the insured, after all other risk management efforts they've tried have failed.*

*Most important, the Home-rule cure for Obamacare puts the insureds, not the government, in control of all healthcare decisions, as well as decisions to purchase the health insurance contracts of their choice. That's how we do things in Wisconsin. That's how we do things in America.*

### **A pre-deployment briefing**

*During Operational Period #1, we went back to our roots, heard from our founding fathers, sent a message to Congress and alerted the world to the fidelity risks created by*

*Obamacare. We benchmarked the law to Alinsky's Rules for Radicals, and went over why credit unions are positioned better than any other organization, anywhere in the world, anytime in history to rescue the world from the pitfalls of socialized medicine. Remembering, it was the credit union movement that pulled our country through two world wars and the Great Depression, it'll have no problem strengthening family budgets, while driving down the cost of both our healthcare and insurance.*

*During Operational Period #2, we went back to school, learned answers to frequently asked questions, learned why we must repeal the law, while preserving the contract, and how we'll cover pre-existing conditions without stifling our economy. Last but not least, we rolled out a blanket marketing strategy that'll ensure every man, woman and child (born and yet to be born) in America has access to cost effective and affordable healthcare and insurance.*

**Author's Note:** *Before you move into operational period #3, read my biography. I know I've come down hard on the far left and particularly on those advocating a socialist solution to our long term healthcare needs. But, consider the influence Saul David Alinsky's "8 Rules for Radicals" had on the Obama' administration, they richly deserved nothing less than a public flogging. There was a time when I was a staunch democrat who campaigned and voted for the likes of JFK, LBJ and even Russ Feingold. JFK, because he lead us to a landing on the moon. LBJ, because he staunchly supported our frontlines in Viet Nam. And, Russ Feingold, because I once shared his father's and brother's far left views on the war in Viet Nam. Until, that is, they both became registered pacifists and turned their backs on our troops on the frontlines, not to*

*mention Russ eventually leading more taxpayers onto Wisconsin welfare rolls than any other politician in Wisconsin's history.*

*To be honest, I stopped voting for Russ, when I realized ten of us from Door County shipped off to Vietnam, while he headed over Bascom Hill to get, not one but two liberal arts degrees, and his law degree to avoid the draft. Of our ten who shipped-out to Vietnam, five were killed in action (KIA), Larry committed suicide the year he returned home, and Bubba, I called him my medic, bit the business end of his deer rifle in 2010, five nights after I became Chaplain and he became our third year trustee of VFW Post #8337. There's no doubt in my mind, our VA system in Wisconsin let him down. .*

*To help me keep my head on straight, I launched a website ([www.DoorCountyVeterans.com](http://www.DoorCountyVeterans.com)) in honor of our five Vietnam vets killed in action (KIA) from Door County. FYI, we're building a veteran's memorial in Ellison Bay near Bubba's home. In 2010 we rode 1244 mostly Harleys into Landing Zone Lambeau (Lambeau Field), in honor of the 1244 Vietnam KIAs from Wisconsin. Five bikers from local clubs lead law enforcement, fire fighters and first responders past our schools, out of the county and into LZ Lambeau (Packer Stadium).*

*I share this, because the risks to our health and wellbeing created by Obamacare dwarf the risks created by the lies told about Benghazi, the releasing captured enemy combatants back to the battlefield, secretly paying millions in ransom for the release of one deserter, than paying \$150 billion to Iran while they burned our flag and chanted "death to America." We're now face to face with a nuclear war coming out of*

*North Korea, a breath away from a chemical attack in Syria, and a heartbeat away from a biological attack that could cripple our food-chain for decades.*

*For generations, those enamored by European Socialism, have tried to cram government run healthcare down the throats of our long ago liberated and fiercely independent capitalist. You'd think by now, they'd have gotten the message, but it appears they haven't, on either side of the isle. So, no matter what the republicans come up with to cure Obamacare, the odds are it'll be no less cost effective or affordable than if they'd just repeal the law and mission our private sector health insurance industry to "FIX IT!"*

*I have no authority to move our country in any direction, I can only propose what I consider to be an "academically" sound risk management path toward hopefully more cost effective and affordable healthcare and insurance. The risks (worst case scenarios I've identified), include terrorist' attacks involving a nuclear attack sparked by North Korean, a simultaneous chemical attack in New York City, a biological attack at one of our larger southwestern stock yards, internet driven dirty-bombs and anthrax scares throughout the Midwest, and a pandemic alert confirmed by the Center for Disease Control (CDC) .*

Always train to the "worst-case scenario." It's far better to be over prepared than over whelmed by the scope and/or duration of the healthcare crisis. Schedule Risk Management workshops prior to deployment, and use worst-case scenarios case studies that force all students to "think on their feet" like an Islamic prize fighter. Teach them to, "float like a butterfly and sting like a bee." Following are examples of worst-case

scenarios you might consider.

**Worst case scenarios (OP2-Q&A#19):** In New York, it's rumored terrorists have planted anthrax in Time Square as well as in high rise buildings throughout the financial district. In Arizona, employees working at two of our larger stock yards are suffering from lost muscle control, intensified memory loss, and muscle spasms. The Center for Disease Control (CDC) suspects Variant Creutzfeldt-Jakob disease, the human-affecting form of mad cow disease, indicating terrorists have successfully infected one of our largest southwestern stockyards with mad cow disease. In West Virginia, coal miners are suffering from Coal Worker's Pneumoconiosis (CWP), also known as black lung disease or black lung, caused by long exposure to coal dust. And in Wisconsin, it reported that members of the nude ice fishing club are all suffering from Pneumococcal disease caused by *Streptococcus pneumoniae* (pneumococcus). It's a Pneumococcal bacteria that's resistant to antibiotics and it's feared the craze to go ice fishing in the nude is going to spread across the lake into Michigan. Ironically, the CDC just sent out their national strategy for "Pandemic Influenza, so school districts across the country are on high alert, and there's fear the pandemic has reached their schools. You're asked to take command. What are you going to do?

Whether you're the president of your credit union, your local chapter, state league, the Credit Union National Association (CUNA Inc.), the World Council of Credit Unions (WOCCU), or CUNA Mutual Group and Affiliates (CMG and Affiliates), you're going to want to at least monitor, if not play an active support role in any unified command operating within your theater of operation.

Commented

**Take command, and do it decisively!** That alone will reduce the trauma, and reestablish the sense we're back in control. ,



Your first action step is to make it clear, you're in command (OP2-Q&A#10). Do it decisively. If you don't, don't expect anyone to have confidence in your leadership, nor trust you're going to be able to "cap" their emotions and help them find "closure" to what, in their mind, is a traumatic event. .

Next, assign your Director of Personnel to be your "Safety Officer, your Public Relations Director to be your "Information Officer" and your next in command to be your "Liaison Officer." .

From this point on, who you assign to be your Chief of Operations, Planning, Logistics, and Finance is totally up to you. For your Chief of Operations, I'd recommend your Director of Personnel and Employee Benefits, supported by those most familiar with employee pensions, not to mention all existing insurance benefits to include worker's compensation and bonding coverage. They're most familiar with what's critically important to the health and well-being of everyone in your field of membership. For your Chief of



Planning, I'd recommend the Chairman of your Credit Committee and Supervisory/Audit committee. For your Chief of Logistics, I'd recommend someone from your Real Estate and Legal Departments. They're most familiar with what's legal and required in the states in which your credit union operates. .

Your Chief of Finance will play possibly the most important role going forward. Why? Your mission is to come up with credit union specific ways to lower the cost of healthcare and insurance, while increasing the quality of care that's available to your field of membership. Your Strategic Action Plan (SAP) should include risk management and money management training, with workshops focused on developing more cost effective ways to deliver quality care,

### **Always call your shots from the front-lines!**

The administrative problems with Obamacare, for that matter, the problems common to all forms of socialized medicine include: They're all run from a distance, by those who have little or no understanding of what the insured's unique health risks are at the local level. They all assume health risks can be managed with a "one-size-fits-all" contract. They assume insureds can wait for

care, even though they may be running out of time. And, they all lead from behind, allowing them time to bury their mistakes. There is no doubt, Obamacare is one big academic mistake for America. It's already the largest tax increase in our history.

Your “Rules of Engagement” follow standard risk management policies and procedures. When you identify a health risk in your theater of operation, rate it according to how frequently it occurs and how severe the losses are each time it does. Be street smart, think on your feet. Consider what might first be done to avoid the risk, then what should be done to reduce the probability it will occur again. Next, determine how much each insured can afford to pay for copays and deductibles on an annual basis. Finally, determine, based on the insured’s level of discretionary income, how much they can afford to pay annually for health insurance. You’ll then be in a position to hand them over to a licensed, bonded, health insurance agent offering nationally recognized health insurance, in your theater of operation.

### Your Marching Orders – (OP2-Q&A#20)

#### Identify Credit Union Charters (Fields of Membership)



Your “marching orders” start with identifying the credit union charters that have been merged into the current credit union

charter. Don't be surprised, especially if you now have a community charter, when you find police departments and fire departments, churches and schools, companies, corporations, union shops and government employee' credit unions were first consolidated into credit union service centers and then merged into the current community charter.

For example, we consolidate many of the credit unions in the Fox River Valley into two service centers. One in Green Bay and one in Appleton to manage smaller credit unions in each area. We merged our Door County Community Credit Union, chartered in Egg Harbor on November 12, 1974 (Apendix#1) first into the Pioneer Credit union in Green Bay, and then into our Capital Credit Union. Many of the credit union branch offices you'll find across the country, where once a separate credit union serving a specific "field of membership."

Why do we identify each credit union charter? The risks faced by police officers and firefighters are far more life threatening than those faced by school teachers or the members of a typical church field of membership. While required worker compensation policies help cover the added risks, it might be wise to add a catastrophic health endorsement to the basic health contract to cover unique health risks specific to a credit union's field of membership. For example, a coal miners' credit union might want to add a catastrophic endorsement specific to lung cancer.

### **Focus on Risk Concentration**

You're marching orders also include, being on the lookout for health risks concentrated all in a relatively small geographical area. We call this managing our "concentration" risks. For example, in 2005, I was hired to assess the risks threatening

Korean Credit Cooperatives in South Korea, as well as the concentration of risks insured by Cuna Mutual Group on the peninsula. Cuna Mutual and the Korean Cooperatives worried about the impact instant peace would have on the South Korean economy. The economic disparity between South and North Korea was estimated to be 13 to 1. Meaning the South Korean economy was thirteen times more stable than the economy in North Korea. FYI: The economic disparity between West and East Germany was 5 to 1 when the wall came down. The economy of East Germany collapsed with the wall resulting in increased frauds, identity thefts, plastic and internet crimes, etc. Labor unions in Poland were especially hard hit and consequently concerned.



Korea is a beautiful country with mountains covering 75% of the land mass leaving 25% of the land mass for 100% of the population. At the time I did the risk assessment, Seoul was home to roughly 25% of their population. Seoul is roughly 120 miles from North Korea. Studies indicate the KPA (Korean Peoples' Army) could destroy or at least disable Seoul in a matter of hours. Considering a simultaneous attack on our west coast will overwhelm the majority of our combat assets west of the Mississippi, we'd be well advised to expedite our

efforts to secure quality healthcare and insurance for our entire population, especially those living in our inner cities, no matter what their socioeconomic status might be.

FYI: The Department of Homeland security is promoting a national standard in the US that requires companies to have contingency plans that allow them to stand alone (provide their own security and support for their employee groups) for at least 72 hours. That would allow national and municipal resources to be deployed to protect our national infrastructure. I recommended a similar standard be set for community credit cooperatives in Korea.

Unfortunately, instant war or peace is not the only risk we face in South Korea. There is little doubt, ISIS has embedded terrorists not only deep within our infrastructure, but they now have domestic terrorists well positioned to take out our population concentrated on the east coast while they poison much of our unprotected food chain centered in our southwest.

The action taken during and immediately after any major life threatening incident such as massive flood, an out of control forest fire or terrorist attack helps stop immediate damages and slows losses resulting from Scope-creep. We facing major life altering risks in South Korea, not unlike those that'll challenge China, or for that matter all of South East Asia, whether we're faced with instant war or instant peace in South Korea. FYI: more vital records are lost due to mold than fire and more lives are lost due to the failure to provide immediate first aide, followed by quality healthcare. In some ways, the health risks triggered by instant peace are more serious than those resulting for instant war. After the Korean'

War, and it was a war, we rebuilt Seoul into one of the most beautiful, modern cities in the world. If the DMZ comes down, there's a good chance they're going to be confronted with a pandemic, the likes of nothing we've ever experienced. That will cripple the economy throughout Asia. For everyone's sake, it's my hope President Trump can negotiate a gradual transition from the warlord North Korea of the past 100 years to a unified Korean peninsula that's grounded in peace. No matter which way it goes, it'll be a major risk management challenge for our US as well as our world credit union movement.

We're running out of time. If we don't free ourselves from the Obamacare Law, and find a cure for the mess created by Obamacare, we're going to be marching headfirst into something much worse than a war with North Korea. I strongly urge credit unions in the US and South Korea to form a unified command, chapter to chapter, league to league, CUNA and Affiliates to WOCCU focused on identifying, measuring, and controlling the healthcare risks created by instant peace and instant war.

There's a new sheriff in town and the world is about to change. I recommend all Chiefs of Operations use the US Center for Disease Control at: <https://www.cdc.gov/> as the common liaison between all commands.

**Be "street-smart!"**

***Listen to the front lines and learn from the grassroots!***

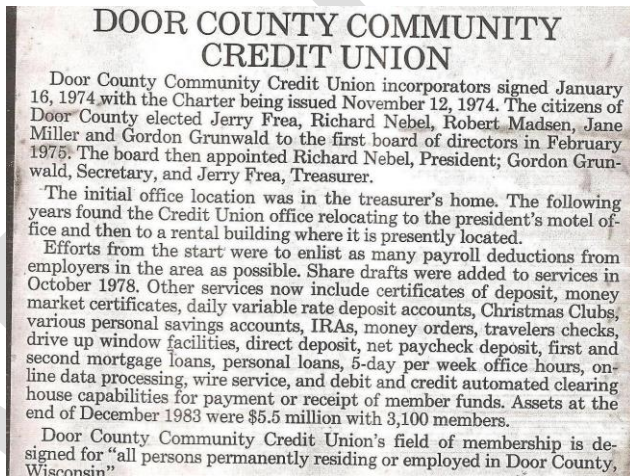
When I was hired by the Credit Union National Association (CUNA Inc.) back in 1971, credit unions were the best kept secret in the United States. That was a quote from Herb

Wagner, CUNA's new Managing Director, brought up from South America to pump life into the US credit union movement. Within months, he'd hired Chad Everett to hit the airways singing "Join Your Credit Union, It's Where You Belong!" He struck a deal with CUNA Mutual (The credit union movement's Life and Health Insurance Company) and CUMIS (The credit union movement's bonding company) to hire a team of risk managers, one from NCUA (the National Credit Union Administration), one from the Michigan Credit Union League, one from a coal miners credit union in West Virginia, and one from the University of Wisconsin School of Business, preferably one with a BBA majoring in Risk Management and Insurance. Their mission would be to work with the directors of field service from each league organizing credit unions within their state and then with the directors of education teaching risk management skills at chapter, league, and CUNA workshops, schools, and conferences.

I got the call from Richard "Doc" Heins, my major professor while at the University of Wisconsin, Madison campus. The Madison campus is significant, because Madison, Wisconsin is the home and headquarters of the US credit union movement, as well as, the World Council of Credit Unions (WOCCU).

Between 1971 and the mid '80s, the US movement had grown to over 23,000 credit unions representing virtually every school, church, factory, branch of service, government agency, and profession in the country. We even tried to charter a credit union to represent the prostitutes walking the streets in Los Vegas. We could have done it, but none of them wanted to work during the day.

By the 1980's it became obvious that volunteers neither had the time or formal training to run their respective fast growing financial cooperative, so they began to merge and consolidate, first into area centers and then into larger, better capitalized community chartered credit unions. For example, in Wisconsin we formed the Green Bay and Appleton Credit Union Centers to serve the Fox River Valley. Our Door County Community Credit Union was first merged into the Pioneer Credit Union and then the Pioneer into the Capital Credit Union.



The point I want to make is, every credit union in the United States is made up of many groups and organizations representing their distinct "field of membership." Each representing a core group with similar "physiological" needs, the need to belong, and, you-got-it, the need to have access to cost effective and affordable healthcare and insurance.

**March 5, 2017**

Dateline: Friday, May 4, 2017: President Donald J. Trump,



Speaker of the House Paul Ryan, FOX News anchor Sean Hannity and former Speaker of the House Newt Gingrich celebrate the House' vote to repeal Obamacare, while Senate Minority Leader Chuck Schumer, House Minority Leader Nancy Pelosi and a handful of loyal Obamacare' advocates vowed to go down with the ship.

That pretty much summed up the sad state of affairs we were in as we rolled out of operational period #2 and into period #3, early in May 2017. NBC News had predicted Aetna, after losing over \$200 million in Virginia, would follow other health insurers bailing out of the federal exchanges, in effect leaving Iowa without any individual plans and the rest of the country up the proverbial creek, without a paddle. It was the right against the left, the independent American' capitalists against the liberal European socialists. The main-street media against the balanced news.

The questions of the hour? *"Why had so many fallen for Barrack's false hope and promises? And, "Why pray-tell, were so many still willing to ride Obamacare down to the bottom of the bay.*

Unfortunately, it only got worse! Dateline July 30, 2017: After seven years of political promises, and another seven months ignoring the collapse of Obamacare, lifelong, politically entrenched Republicans, the likes of John McCain, tuned their backs on constituents who put them in office and ran for cover. Once again, Washington insiders trumped the will of the people. Once again, we proved it's not a struggle between political parties, but a struggle between those who prefer the freedom and independence found only in in free market capitalist economy and those willing to succumb to the false hope and promises of a welfare state.

Allow me to refresh your memory. Remember? *"I can promise*

*you, you can keep your doctors. Period! You can keep your insurance. Period!” And “I can make a firm pledge, under my plan, no family making less than \$250,000 a year will see any form of tax increase. Not your income tax, not your payroll tax, not your capital gains taxes, not any of your taxes.” And, “I will cut taxes - cut taxes - for 95 percent of all working families, because, in an economy like this, the last thing we should do is raise taxes on the middle class.”*

None turned out to be true, while hundreds of insurance underwriters and actuaries were asked to clean out their decks, to make room for the IRS agents needed to enforce his law. Back in 2009 the Congressional Budget Office (CBO) estimated the IRS would need “between \$5 billion and \$10 billion over 10 years to enforce Obamacare. Since then, the estimated number of IRS agents needed rose from 6,700 to 16,000. Obamacare fast became the largest tax increase in US history, while quietly turning 1/6<sup>th</sup> of our nation’s economy over to the whims of Washington.

In 2008, prior to Obamacare, an average family health care plan cost \$12,680 a year, while it now costs an average \$18,146. In 2016 alone premiums went up an average 25% nationwide, up over 115% in Arizona. They’ll continue to climb as insurance companies bail out of the federal exchange. Obamacare deductibles have increased by 15% from \$6,480 in 2016 to \$7,474 in 2017. And, thanks to Obamacare, 1/3 of the counties across the country now have only one healthcare insurer from which to choose. Some estimate, if the Obamacare law isn’t repealed and the contract underwritten by an actuarially sound contract, premiums, co-pays and deductibles will triple over the next two years.

If Chuck Schumer and Nancy Pelosi know all this. Why pray-tell are they still willing to take their Democrat Party down

with the ship? Could it be, we're not dealing with the same Democrat Party that landed a man on the moon and safely brought him home?

Unfortunately, our problem isn't limited to the law Congress passed, that's now imploding our health insurance industry. It's also the fact we haven't a clue what false promises Barrack used behind closed doors, in the Oval Office, to convince our once well capitalized, actuarially sound, and professionally risk-managed health insurance industry, to underwrite his sinking ship, let alone sign onto his soon to be debunked federal exchange. It's obvious now, whatever hope and promises he made, he made them to cover up his mistakes and delay our pain until after his reelection.

Considering the promises Bill made Monica and Hilary made to the earthquake victims in Haiti, God only knows what promises Barrack made to our health insurance industry. Is my analogy too harsh? Go back and check out Monica's dress and the books at the Clinton' Foundation. The stain on the dress isn't the only stain Bill left in the Oval Office. And, it's estimated that less than 10% of the cash the Clintons raised through their foundation made to the victims in Haiti.

Regrettably, we all let down our guard just long enough to wound our national pride and lessen our world prestige. But take heart! There's a new sheriff in town, and a light at the end of the tunnel. We free spirited, red-blooded, fiercely independent Americans will rescue ourselves from the sinking ship. We're more than mission ready to repeal the law, reclaim our freedom, reengineer our health insurance industry, replace the IRS with actuaries and underwriters, and once and for all, locate, lockdown, and link every man, women and child (born and yet to be born) in the USA, to truly cost effective and affordable quality healthcare and

insurance. Oh yes! We'll also return 1/6<sup>th</sup> of our nation's economy to the hard working, dedicated, patriotic, taxpaying citizens of the United States of America.

As we learned during operational period #1, if our founding fathers could talk, there's little doubt they'd consider Obamacare a government overreach and a symptom of a more serious national crises than a simple gas pain or hick-up, punctuating a moment in our history. They'd consider Obamacare more than a wrong turn toward Socialism, or just another government run disaster. They'd consider it a setback for our democracy, a flaw in our nation's character, and a threat to our freedom and independence for generations to come.

If they could talk, they'd alert us to a fork in the road we're going to have to take, recommending we either bend right and repeal the law, take control over our healthcare, reengineer our health insurance, and free ourselves from the clutches of government rule. Or, be forced deeper and deeper in debt and increasing more subservient to a larger and more intrusive federal government.

They'd remind us that we came to America in search of religious freedom, the right to chart our own destiny, not to mention freedom from taxation without trustworthy representation.

They'd be more than disappointed to learn we're now forcing Christians to fund abortions, we're no longer allowed to buy or sell the health insurance we prefer, and we're sending elected officials to Washington, who are willing to pass legislation they haven't read. Then, once passed and reelected, impose the largest tax increase in US history.

They'd remind us our search for quality healthcare and "cost effective/affordable" health insurance started long before the first pilgrim shot himself in the foot, first blacksmith burned his hand on a forge, or first cook poisoned settlers at Plymouth Rock. They'd remind us our search started well before the American Revolution, during the time when the British government controlled our healthcare, doled out what care they chose to provide, imposed taxes we couldn't afford to pay, and to add insult to injury (pun intended), invaded our privacy, dominated our lives, violated our trust, and inflicted fines, penalties, and punishment on anyone who dared to resist, or refused to be lured by the false promises of socialism. Lured back to a life of mediocrity, government handouts, and service to the King.

Our founding fathers would caution us that socialism sneaks up on all societies willing to live off government welfare, subsidies, bailouts, and bribes. They'd warn us that history does repeat itself. They'd tell us, if we have any doubts, we need only consider the dire state of our union, our weakening national economy, and the pain, let alone the shame, Obamacare has brought to the shores of America.

They'd tell us to look back, learn from our mistakes, and remember the price we've paid for our freedom and independence. While they'd encourage us to get along, they'd caution us not to bury our heads in the sand just to keep the peace. We'd be asked to pray harder, forgive more often, and always trust in our God!

General Washington would once again remind us, "It's impossible to rightly govern a nation without God and the Bible close at hand." He'd call us to arms and caution us not

to shoot-to-kill those with whom we disagree, for once the reality of Obamacare hits home, we'll be once again fighting for our freedom and independence. He'd remind us to adhere to the values on which our country has been built, to always seek and hold the highest moral and ethical ground, keep our eyes wide open, ears to the ground, and never again allow ourselves to be deceived by political rhetoric or the false promises of socialism.

Veterans from our past would tell us to always be brave in battle, for battles are not won by those who abandon their comrades, lie to save face, lay down our arms to keep the peace, or retreat from battles before they're won.

If our founding fathers could talk, they'd boast, not apologize for being fearfully independent, brave in battle and willing to fight and die to preserve our constitution while defending our right to life, liberty, and the pursuit of happiness.

Obamacare is, without a doubt, a symptom of a more serious national crisis. We fought the American revolution to free ourselves from the British monarchy, and two world wars to free ourselves from Nazis' aggression, Communists' domination, the overreach of Fascists, and the advocates of Socialism, Stalinism, Leninism, and Marxism.

While it takes only the common sense passed down through generations to recognize the false promises of socialized medicine, it takes American know-how, ingenuity, and independence to deliver cost-effective healthcare and affordable health insurance for every US citizen from the moment they're conceived until their natural death.

It's time we step up to the plate, reclaim our freedom, and

return our country to quality home-rule healthcare and affordable health insurance.

### **In search of common ground!**

*Let's SPAR (OP2-Q&A#24): Please God, help republicans listen to democrats and democrats listen to republicans. Help them put aside their differences and search for the common ground on which we all can agree. God bless us, and God Bless America!*

Both sides of the isle agree, we need laws that'll enforce our safety, encourage good health, and ensure our freedom. Both agree, a law passed without being read is an affront to our integrity, a violation of our trust, and a blot on our national honor. Both sides prefer fewer laws and more freedom. Laws that are written short and sweet and in laymen language.

Both sides agree, regulations are needed to set a performance bar and hold accountable those who fail to live up to the expectations of their constituents.

Both sides agree, when they disagree, time is needed to debate, room is needed to negotiate, and a willingness is needed to compromise. Equally important, both sides agree, they need to learn from their mistakes, admit when they've been wrong; set aside their differences and focus on their common ground, common good, common interests, and shared vision of our future.

Unfortunately, both sides of the isle have their political egos as an Achilles' Heel. Every time they attach a President's name to a healthcare bill, civility flies out the window and party extremists fly in to poison the proceedings, fogging debates with irrelevant protests and self-serving filibuster.

Party bureaucrats dig in and burry us in their banter. Neither side wins, we all lose, loud voices get louder, the facts get buried, the truth gets lost, and our country just slips deeper and deeper in debt. To paraphrase Ronald Reagan (First a well-respected democrat and then a well-respected republican): *“When far left democrats get caught digging us into a tunnel of debt, they dig us in deeper, while republicans dig toward daylight”. And, when far right republicans push us to the edge of an economic cliff, they jump over waving the American flag.”*

In the future, we’d be well advised to keep the reigning President’s name off the next healthcare bill. I recommend we call our next national healthcare bill something like the “Home-rule” healthcare bill or the “American” healthcare bill, to avoid the ego’ blowback. It’ll be a great first step toward fostering common ground.

Consider this analogy. We have our share of automobile aficionados where I grew in Fish Creek, Wisconsin on the Door County peninsula. Those of us living on what’s mostly an island in northeastern Wisconsin, call them “car-buffs.” Car buffs south of the bridge will only drive Fords. They drive Ford’ trucks, tractors, or horseless buggies, or they stay home. North of the bridge, most car buffs drive only Chevrolets. They wouldn’t be caught dead in a Ford. When they die, whether heading for heaven or hell, if they can’t go in a Chevy, they just won’t go.

The point I make is, brand loyalty, whether it’s product or political, is tough to break and usually impossible to defend. We have Obamacare buffs who’ll stick with Obamacare no matter how high the premiums or humiliating the coverage.



We have Obamacare' Christians willing to sell their soul to keep their coverage, knowing full well condoning abortions is a violation of their faith.

So, how do we break the irrational bond we all have to our side of the isle? Is there a way to sell a Ford to a Chevy aficionado and Home-rule healthcare to those enamored by Obamacare? You bet! I learned it from a used car salesman. They have a saying in used car sales, "*Features tell and benefits sell.*" Car salesmen can talk all they want about a car's features (It has four tires, a steering wheel, and brakes), but until they talk about benefits (The tires are dependable, the car is safe, and the driver looks good the wheel), a sale will not be made.

We can break the irrational bond some have to Obamacare, and sell "Home-rule" health insurance to our young and able-bodied, not to mention rich and well-to-do, who are convinced bad things only happen to other people. All we need do is show them how Home-rule health insurance can offer more protection for less money, freedom from government rule without losing coverage, and complete coverage without bankrupting the family budget or draining our taxpayer' pockets. All we have to do is convince the young, able-bodied, and well-to-do, that they have access to affordable healthcare without sacrificing their freedom of choice or independence. All we have to do is make sure every American has access to cost effective and affordable healthcare and insurance. That might be tough to do in a country hobbled by socialism, but here in a free democratic republic, it's a piece of cake!

All we have to do is show them, with Obamacare, over 100%

their premiums go to pay their uncontrollable losses, while with Home-rule health insurance a guaranteed 80% of their premium will be returned to them in healthcare benefits. All we have to do is show health insurance company's how to insure everything from pre-existing conditions to the nude ice fishing clubs in Door County, without going broke. In an America freed from Obamacare, that too will be a piece of cake.

To begin, we have to make a cultural shift from viewing health insurance as an expense, to viewing it as an investment in our future. We have to convince the Obamacare addicts it's not the contract that's stressing their budgets, it's the Obamacare tax bill that's killing our economy and draining our coffers. We have to convince, let's be kind, the Obamacare aficionados that for every dollar they invest in a Home-rule contract, eighty cent will be reinvested to improve their health and the quality of their healthcare.

It's time we remember, we're Americans, not European socialists, who find their safety in government rules and security in government welfare. It's time we rid ourselves of legislators who've lost our trust, squelched our voice, and find no shame in raiding our treasury. It's time we reclaim our independence, demand our freedom, rekindle our courage, and chart an American' route toward "lower cost" healthcare and insurance. Lower cost? That's right. There's an ole saying, "If we can't lower the water to an acceptable level for some, we'll have to raise their bridge." Meaning, if we can't lower the cost of healthcare, we'll have to improve our economy. The Home-rule healthcare and insurance I propose, does both!

And yes, I said chart a route "toward" cost effective and

affordable healthcare and insurance. We live in a dynamic economy, driven by the young and the innovative, mentored by the aging and experienced. In a free democratic republic, it's inevitable, our route will change but our targeted destination will always remain the same. That's the way life is, and that's the way we do things in America.

Don't get me wrong! While I have little sympathy for those who voted for legislation they hadn't read, I'm not cutting the right side of the isle any slack. Their failure in eight years to achieve a meeting of the minds has frustrated their constituents and emboldened the main-street media. Their failure to hold public forums and behind closed door debates that allowed the voices of their fellow Representative to be heard, was an insult to our democracy and lost opportunity to free us from the largest tax increase in US history, not to mention the forced funding of abortions.

I know Paul Ryan. He's one of the smartest, most capable political leaders we've sent to Washington from Wisconsin in years. So what went wrong? Have you ever tried to push a rope uphill and be told to push it faster? The faster you push the worse it gets. He should have pulled the tax reform bill up the hill first and left the Obamacare bill for later. We need to put together a "healthcare" bill, both sides of the isle will be more than willing to push or pull up the hill. And, we're going to do that. How?

At some point, we're going to repeal the Obamacare tax bill and replace it with a Home-rule healthcare bill, that'll turn the taxpayer's role in funding healthcare and insurance upside down, the way it was meant to be. But first, we have to create "nationally recognized" health insurance contracts

that can be customized to fit every family budget and socioeconomic class in America. We have to reengineer the way health insurance is underwritten in the US so companies don't go broke, and use the US credit union movement as a business model to blanket market affordable contracts to everyone in America.

**Authors Note:** *Remember! Even though the Obamacare bill made it through Congress because it hadn't been read. The left side of the isle threatened the Nuclear Option to get it passed, and then used the Supreme Court to rule it, not a healthcare bill, but the tax bill they needed to fund their failed attempt at affordable healthcare and insurance. Don't forget, that Obamacare law has fast become the largest tax increase in US history. It's a good bet, those who still are holding tight to the tax bill, would have been filibustering against the Boston Tea Party back on December 16<sup>th</sup> 1773 and fighting for the British back in 1776.*

To be fair, too many of us vote for Senators and Representatives because they promise us a "chicken in every pot." And then we pout and carry on if our chicken arrives too thin to eat. So, we can't really blame either side of the isle, when they attach our self-serving wishes onto every healthcare bill making it up Capitol Hill.

If we're honest, and most of us are, there's a considerable difference between what we need and what we want. Most of us are like the little boy who ran home to tell his father he needed a new pair of shoes. The kind Michael Jordan wears. They were only \$350. His dad took him to the store, plopped a pair of \$50 shoes on the counter and says, "Here are the shoes you need. You can get a job and buy the shoes you

want.” The Home-rule healthcare bill we pass, should guarantee access to the affordable health insurance contracts we need and create jobs for those who are willing to work for the contracts they want.

In retrospect, the Obamacare law, by forcing us to buy the most expensive shoes on the shelf whether we wanted or needed them or not, just further spoiled an already spoiled segments of our society.

While we may need to keep the Obamacare tax bill for now, to subsidize those already insured and settle claims already filed, we should recoup the billions Barack budgeted to hire roughly 16,000 new IRS employees to enforce the law. It’s called Obamacare “scope creep.” While his administration has added hundreds of IRS “Agents” into every annual budget, most of the now 9,000 added are IRS support staff. All of which can return to the private sector to work as underwriters, actuaries, claim adjusters, and marketing personnel.

Again! It’s the Obamacare tax bill that’s the problem, not the Obamacare contract. With the proper management of our healthcare risks, over the next three to five years, we should be able to transition insureds out of the Obamacare contract and into many new and creative, actuarially sound, cost effective and affordable Home-rule health insurance contracts.

It is our duty, to throw a rope to those who believed Barack Obama when he said: *“I can make a firm pledge, under my plan, no family making less than \$250,000 a year will see any form of tax increase. Not your income tax, not your payroll tax, not your capital gains taxes, not any of your taxes.”* And,

*"I will cut taxes - cut taxes - for 95 percent of all working families, because, in an economy like this, the last thing we should do is raise taxes on the middle class, period."* They took a huge "speculative" risk that's brought us to where we are today. We can't and we won't allow them to sink with the ship. We will not leave them behind! Ignoring their plight will only frustrate our moral conscious, run counter to our national character, and eventually erode our national honor.

One more story that'll help us mass market Home-rule healthcare contracts. Those of us who got our orders for Vietnam, will remember the last afternoon in AIT (Advanced Individual Training). They usually bring in a Sargent Major to sell the troops going into combat a \$10,000 government life insurance policy. In my case, he tried to order us to buy it. No one would. Finally, a private stood up and said, *"Look at it this way guys. If you buy and get killed the government is out 10,000 bucks. If you don't buy, they have nothing to lose. Now when we land in Nam, some of us will head immediately to the front lines. Who do you think they're going to pick to walk-point? We all bought ten and some of us bought more."*

The point I make is, as long as we pass bills that force us to do anything, the more we're going to resist. While we need a law that requires insureds to carry their weight, we'd be well advised to give them the freedom to choose the best way to carry their load. Most Americans, on both sides of the isle will always carry the heaviest load and offer to pull more than their weight. We just have to give them the right to choose. The Obamacare law didn't go wrong when it required us to step up to the plate. It went wrong when it told us how to swing the bat.

Earl Louis "Curly" Lambeau told us, "If we want to be champions, we have to act like champions, practice like champions, and play like champions. He also said, when we get into the end zone, we should act like we've been there before.

Well! In my opinion, the slippery slide we've been on toward socialized medicine has emasculated our men, intimidated our women, challenged our faith, damaged our character, and destroyed our trust in those we've sent to Washington. Was that their plan? Go back to Operational Period #1 and benchmark where our country is today, to the 8 rules for radicals set down by Chicago's Community Organizer, Saul David Alinsky's. You be the judge. Then grab your chest and get ready to take command of you your own damn destiny.

God gave us all a free will. Our forefathers fought and died so we could live in a free democratic republic. All we have to do is get back to the same risk management methods and insurance marketing strategies our US credit union movement used to pull our poor out of poverty and the rest of us off of government' welfare. All we have to do is either bring down the cost of our healthcare and insurance, or raise our standard of living.

### **So how do we turn a lemon into lemonade?**

Abraham Maslow, a Psychology Professor at the University of Wisconsin in the 1940's, wrote about the hierarchy of needs we have when facing a life threatening disaster or life altering injury or illness. Maslow's theory on our "Hierarchy of Needs" says, when disaster strikes, or when we're confronted with a life threatening injury or illness, we first focus on our "physiological" needs, then our need to belong, and finally on

our need to get life back to normal and move on.



Only after our physiological needs (our need for a trusted doctor, adequate food and safe shelter) are met, are we going to be willing to get back to work; and only after we're sure we have stable employment will we be willing to work hard and climb the proverbial corporate ladder. The problem with socialized medicine is, it views our healthcare and insurance as an expense, and from that perspective premiums, no matter how small or well subsidized, threaten our ability to put food on the table, pay the mortgage, or put fuel in the family' car.

We are going to promote a cultural shift, a capitalist' cultural shift away from viewing our healthcare and insurance as an expense, to viewing both as an investment in our long-term health and financial security. The US credit union movement advanced that shift back in 1935, when all 50 state credit union leagues met in Estes Park, Colorado and formed the CUNA Mutual Insurance Company (CM). CUNA Mutual is a life and health company, owned by the policy owners and missioned to blanket market Loan Protection (LP) and Life Savings (LS) insurance to every federal and state chartered credit union in the United States. Adopting the mantra, "The Debt Shall Die with the Debtor," CUNA Mutual not only



guaranteed members who had a loan would die debt free, thanks to Life Savings Insurance, much of what they had in their primary savings account would be matched by insurance, leaving funds needed to payoff healthcare bills left behind. FYI, some of the first claims paid were covered by members of CUNA Mutual's board of directors.

Those who've attended my risk management workshops over the years, know I've often referred to CUNA Mutual as "Mother Mutual" because it nurtured the growth and stabilized the US economy from the grass roots up. In the 60's CUNA Mutual formed the CUMIS Insurance Society, a property/casualty company to blanket market a fidelity bond to credit unions not only in the US but around the world through WOCCU, the World Council of Credit Unions. The "blanket" fidelity bond meant that if any credit union official failed to faithfully perform their duties, the CUMIS bond would be there to indemnify the credit union members. To take it one step further, because credit unions, state leagues, and for that matter the US credit union movement was often underwriting more risk than they could safely assume, they came up with a series of international "reinsuring" agreement, effectively spreading US risks worldwide.

I share this, because it's exactly the way our free, capitalist culture should underwrite, spread, and indemnify all of our health risks. In my opinion, we the US taxpayers should form the US "Mother Mutual Life and Health Insurance Brokerage Company" to blanket market a standard series of "nationally recognize" health insurance contracts from sea to shining sea and beyond. As a reminder, a "nationally recognized" health insurance contract is one that covers all risks (uncertainty of loss) and all perils (hazardous events that could results in a

life threatening injury or illness). While all contracts would be available across the country, they should be underwritten in four equal quadrants of the country, two each east and west of the Mississippi, and two each north and south of the 40<sup>th</sup> parallel. Note my rationale for using Congressional Districts and/or the Electoral College to fine tune the four appropriately represented quadrants (Ref: Addendum #1- Electoral College).



In effect, our federal government (we taxpayers/Mother Mutual) would act first as a broker for all licensed health insurance companies (all marketing identical “nationally recognized” contracts, underwritten separately in each quarter), as well as the ultimate reinsurer of catastrophic losses and contracts covering pre-existing conditions.

**It’s time for US Credit Unions to come to the Rescue**  
*“If we can’t lower the water, we’ll raise the bridge”*

Our path to affordable healthcare and insurance has been laid out by the US credit union movement. It’ll be driven from the grassroots up, supported by roughly 23,000 credit unions, all representing a defined “common bond” or “field of membership.” Our credit unions represent the proud core of

America, all focused on a “people-helping-people; not-for-profit, not-for-charity, but-for-service,” philosophy that positions them better than any other organization, anywhere in the world, anytime in history to grow our economy, create employment opportunities, stabilize family budgets, and drive quality healthcare and insurance into every corner of the country and every level of society.

Our credit unions have the ability to network through local chapters, state leagues, and national trade associations, thereby providing a quick and cost effective way to share best practices, as well as a much needed secure and bonded way to handle the confidential information needed to accurately underwrite health insurance contracts. Ironically, it was the gross violation of business ethics, security protocols, and risk management principles caused by the not vetted, not licensed, untrained, and not bonded employees of Planned Parenthood, who were hired to upload confidential health history onto unsecured servers that’s destroyed our trust and shook our confidence in government, to the core. The US credit union movement is well equipped to fix all that.

The US credit union movement stands mission ready to blanket market nationally recognized health insurance contracts across the country, and reinsure health risks around the world. Credit unions stand mission ready to set up health saving accounts, payroll deduction and premium auto-pay systems to reduce administration expenses, not to mention chapter and league level financial planning and risk management seminars, job fairs and job specific training to support employers and grow employment opportunities in our poorest of poor communities. Once we break loose from the common-core of lunacy coming out of Washington, and once we break loose from the Saul Alinsky’ rules for

community development, God only knows how financially independent and wealthy we'll become. And, God only knows the quality of care we're all going to be able to afford!

In many respects, we should thank those who've unknowingly awakened us to the painful failures of the Obama administration; fore as Japan's Admiral Yamamoto, the man who planned the attack on Pearl Harbor said, when he saw what his air force had done, *"I fear we've awakened a sleeping giant and filled him with terrible resolve."*

### **It's time to cure the Obamacare Law!**

*Hear Ye! Hear Ye! Hear Ye!*

Louis D. Brandeis, Associate Justice of the Supreme Court said, *"If we desire respect for the law, we must first make the law respectable."*

The Obamacare law was hardly respectable, consider it was passed by one side of the isle without being read. It was only made law after the Supreme Court ruled it the largest tax increase in US history. Democrats threatened the Nuclear Option to block not only opposition from republicans, but the will of their constituents. It wasn't wanted when it passed, and it's popularity has been on a downhill spiral ever since. If you're reading this on line, go to:

<http://www.redstate.com/diary/BrianD/2010/02/17/the-obamacare-nuclear-option/> for the latest public opinion of Obamacare.

All things considered, there's little doubt, Justice Brandeis would be asking: How can the Obamacare law be called

“respectable,” when it turned 1/6 of our national economy over to the whims of Washington, forced Christians to fund abortions, and threatened enforcement by the IRS. He’d rule that the Obamacare law has violated the trust we need in our elected officials, infringed on our freedom and independence, and threatened us with nothing short of socialist’ anarchy, and a soft shove toward communist’ rule.

I’m not convinced we need a law that requires us to purchase anything the government has to offer, other than maybe a seat belt for our car or a child’s seat for our next generation. We certainly don’t need laws that regulate the size of our soft drinks or water we use when in the shower. Such laws, in and of themselves, do more to infringe on our freedom and violate our constitution, then they do to advance the quality of our health or reduce the cost of our insurance. At worst, they stifle our ingenuity, cramp our style, and aggravate the hell out of anyone with an ounce of common sense.

On the other hand, or should I say, on the other side of the isle, requiring us to carry at least one “nationally recognized” health insurance contract that fits our budget will increase competition (OP2-Q&A#11), and spread our health risks nationwide, automatically kicking in the benefits from “The Law of Large Numbers” (OP2Q&A#5). FYI: Ref: OP#1, a nationally recognized health insurance contract is one that covers all health risks (uncertainty of loss) and all life threatening perils (hazardous events that can cause injuries and illnesses).

The risk spreading rationale behind socialized medicine relies on everyone being onboard. Once they are, it’s assumed the “law of large numbers” will kick in and drive down both our cost of care and insurance. Unfortunately, that’s not the way

it works in the real world. Only the unemployed sick and lame, along with the community hypochondriacs rush to be insured, leaving the young and healthy, increasingly unhappy taxpayers to pick up their tab.

What went wrong with Obamacare adding injury to its illness, was Barrack issued a series of executive orders to exclude the politically well-connected, and place caps on medical reimbursements owed to hospitals and doctors hard at work and struggling to compete in the rural communities of middle America. By 2012, medical school enrollment had declined, drug companies were looking to expand their markets overseas, and Barrack, thanks to the main-street media, snuck back into Washington for another swipe at our democracy.

### **A short lesson from Risk Management #101**

*University of Wisconsin – Fall Semester 1966*

*One of the first things you learn in a “contract analysis” class is to not worry about what’s covered. Worry about what’s not! Most people don’t have the foggiest idea of what needs to be covered, nor how much it should cost. Consequently, all nationally recognized health insurance contracts, should be underwritten to cover all risks and perils. The goal is to create contracts that, while they all offer the same coverage, they can be underwritten specific to the quadrant of country in which they are sold. The same contract can be sold featuring different deductible, co-pays, and limits to fit the insured’s budget, age, occupation, and life style. **For example**, a young healthy factory worker, working most of his life covered by Workers Compensation (WC), might choose a very high deductible and lower limits, then the small business owner,*

*only covered by WC when he's volunteering at his local church or credit union.*

*It's all about encouraging a competitive environment within and between each quadrant (OP2Q&A#11). A competitive advantage comes when the same contract sold in one quadrant out performs those sold in the other three quadrants. To stay competitive, quadrants falling behind will be forced to invest in more and better risk management controls. What we're really doing here is creating another "team" sport, operating not unlike the National Football League (NFL). At some point, the US Health Insurance Industry is going to become a great spectator sport for the world to watch. In essence, we're challenging underwriters to create insuring pools within pools so risk managers can focus on risks that are driving up the cost of our healthcare and insurance. Welcome to the National Underwriting League (NUL). We'll hold the NUL Super Bowl in Washington on the first Tuesday after the first Monday in November every four years.*

### **Let's write a law that "Makes the Whole World Sing!"**

In addition to requiring every US citizen to carry at least one "nationally recognized" health insurance policy, our law should require all US citizens to have a valid (certified) birth certificate on file in the county in which they were born. If not born in the USA, a nationally adopted certificate should be created linking the individual to the place of their birth (AP#3 – Out of Africa and into the White House). Subsequent regulations should require all birth certificates to have not only record the full name of both parents, it should include a certified copy of the child's DNA. Why? We now know that many life threatening health issues are passed down through

generations. Cancer, diabetes, heart disease, etc., as well as sexually transmitted diseases can be passed down from parents to their off-springs. The earlier we can identify a health risk being passed down, the sooner the risk can be controlled, consequently reducing the cost of healthcare, and subsequently the cost of insurance. Historically, there was a fear a pre-existing condition could result in the denial of coverage. Insuring pre-existing conditions will not be a problem in the future.

Rape has been one of the leading reasons victims have sought out an abortion. If over time we can build a national DNA data base, we'll be in a better position to not only identify the rapist, but we'll most likely be able to apprehend, prosecute, convict, and hold the rapist accountable for the crime, as well as, financially responsible for the healthcare of baby through adulthood. We're not only going to clean up the crime, we're going to make a good and honest American out of the deadbeat parents. Now that's the American way. Like Judge Judy says, "Those deadbeat dads aren't a healthy part of my America." If we must, we'll get them a job, put them to work, and garnish to weekly pay. God bless America. We're going to make it great again.

### **A Strategic Action Plan (SAP) for underwriting Pre-existing Conditions!**

Underwriting pre-existing conditions is like underwriting a boat with a hole in its bottom. You can charge its full value in premiums and you'll be lucky to break even. No matter how much you charge, the boat will sink and you'll be lucky to save the crew. For the insurance company, the boat owner, and the crew, it's a lose-lose-lose proposition (OP2-Q&A#8). So



why even try to underwrite pre-existing conditions? In America, we can't afford not to even try. Ignoring they exist would weaken our moral fiber, frustrate our moral courage, erode our character, and forever soil our American honor.

**Author's note:** *Our problem is, if we continue to do it the "Obamacare" way, eventually we'll all go broke, our health insurance industry will implode, both our cost of care and insurance will go through the roof, and we'll all die miserably broke and out of luck. We're not going to allow that to happen.*

*First, we'll underwrite pre-existing conditions separate from the basic contract so actuaries can establish an affordable premium, co-pay, deductible, and "reinsurance" component that the typical insured's budget will be able to afford. Next, we'll set a performance standard that allows the insurance company to limit their losses to 80% of premiums earned, with an option to reinsure losses that exceed 100% of premiums earned from pre-existing contracts. Similar caps and reinsurance options will be afforded to reinsurance contracts, with the ultimate reinsurer being backed by the US government. Clear as mud? Look at it this way. Rather than we taxpayers subsidizing the insureds on the frontend, we require insureds to manage their own health risks, up to and including transferring their risks into an actuarially sound pool of risks; and then as a last resort, back to the US government, which is us the more than compassionate and understanding taxpayers. Still clear as mud? Talk to your credit union League Director of Education or the insurance manager at your company or employer.*

It's an academic challenge to underwrite those who'll wait

until the last minute to purchase their insurance, wait until they're diagnosed with a terminal illness, or involved in a life threatening accident, to climb onboard a contract? Technically, it's called underwriting a "moral" hazard. For example, Life underwriters use an automatic two year exclusion for those planning to commit suicide. It's forbidden to insure those contemplating an illegal act. So, how do we underwrite someone contemplating using a formerly actuarially sound pool of insurance to indemnify claims they're already planning to file?

For now, I recommend three options for the insured coming to the underwriter with pre-existing conditions. For at least the next two to four years, I'd recommend those with pre-existing conditions buy into the Obamacare contract, as it covers pre-existing conditions for the same premium paid by all other insureds. However, by doing that, they'll be locked into the escalating premiums, co-pays, and deductibles for at least two years. In the interim, we'll hopefully get a series of "Home-rule Health Insurance contracts up and running.

**Author's Note:** *I'll be recommending five home-rule contracts. One will replicate Obamacare, with the exception adoption coverage is included, while abortion coverage is offered by endorsement or rider. "Endorsement" is the terminology in property/casualty insurance, while "rider" is usually used when underwriting life and health policies. Both are underwritten separate from the base contract so premiums charged more accurately reflect the risks placed into the pool.*

So we'll initially have two contracts. The Obamacare contract and the Home-rule Health Insurance contract. Right? To further reduce premiums, co-pays, and deductibles, I

recommend underwriters create four additional “nationally recognized” contracts, customized to meet the needs of low, middle, and high income segments of society, catastrophic losses and pre-existing conditions. One contract would offer basic health insurance with regionally acceptable caps on most healthcare services such as hospital stays, follow-up visits to the doctor, etc.

Another would be customized to meet the insurance needs of middle and high income insureds. Insureds who can afford to pay more for larger caps, higher co-pays and deductibles, as well as higher limits. The third contract would cover catastrophic losses, such as those that have blown through the limits covered by other insurance policies. And the fourth would cover pre-existing conditions.

So that eventually gives us five or six “nationally recognized” health insurance contracts from which to choose. A nationally recognized contract is one our federal government considers will meet the “affordable” healthcare needs of all citizens in the USA.

All contracts cover all risks and all perils, while providing adoption coverage from conception until the new born is fully adopted, all neonatal healthcare concerns have been addressed, and healthcare coverage has been transferred to another “nationally recognized” health insurance contract. In addition, all contracts offer abortion coverage by endorsements and/or riders. The primary cost saving benefit to the insureds is, they only pay a premium for the coverage they choose to carry.

**Authors Note:** *For now, I'm recommending our national health insurance program be limited to these five or six*

*nationally recognized policies. All contracts become increasing more cost effective and affordable due to blanket marketing, consolidating claim settlements, and regional underwriting, which in effect automatically kicks in the law of large numbers.*

So, how do we roll pre-existing condition coverage into all nationally recognized contracts? I'm glad you asked. Remember how the two-year suicide exclusion guarded against what's called the "moral hazard" in insurance underwriting? Well, by underwriting pre-existing conditions as a separate endorsement/rider, or contract, and charging an appropriate premium during the first years of bound coverage (actuaries will have to make the call as to how many years it'll take to reduce pre-existing losses to a level close to the premiums charged for the basic contract. There are many underwriting options. That's what'll make future identical contracts cost competitive in each underwriting region). Using this underwriting strategy, pre-existing conditions should be able to be rolled into the other five contracts within three to five years. Please remember! I'm not an actuary. I'm not that smart. *The per-capita IQ on an actuary in Madison, Wisconsin in the 60's, was higher than any other student driving Yellow cab around the Capitol Square, between 3 a.m. and daybreak.*

Author's Note: Using the credit union' "Once a member, always a member," and actuaries attaching a "guaranteed insurability" component to premiums, once your insured, you're guaranteed to always be insured; provided there is no break in coverage resulting from your failure to pay your premiums.

But don't let that worry you. As part of the credit union's Incident Command, their Chiefs of Planning and Finance have been mission to come up with a variety of premium funding alternatives. Funding alternatives that will subsidize premiums during periods of unemployment as well as after retirement through a series of repurchase agreements designed to pay off home equity loans and buy back reverse mortgages.

For example: Following are what I call the "Magnificent Seven" ways credit unions can use to reinforce family finances during a downturn in our economy:

1. Set up a variety of "Health Savings Accounts (HSA)" commensurate with newly passed laws and subsequently promulgated regulations.
2. Blanket insure all HSAs with "Live Savings Insurance (LSI)," that'll provide death benefits equal to the last five years of premium payments. That will, in effect, pay the family's insurance premiums for the next five years.
3. Blanket insure all HSAs with "Loan Protection Insurance (LPI)," that'll payoff at the time of death, any loan made to pay premiums during a period of unemployment or during a time when, due to other family needs, premium payments took second place to family's need for food and shelter at the end of the month. Note: *The lending need is specific to Maslow's Hierarchy of Needs.*
4. Adopt creative financing options to include consumer, co-maker, and (home-equity closed and

open-line-of-credit) lending.

5. Create a variety of low interest, reverse mortgage lending options, that have no early repayment penalties.
6. Adopt a variety of loan amortization options that include options to pay down loans via charitable donations, which include payroll deductions from family, friends and fellow employees of the sponsor not to mention any and all within the credit union's field of membership. Authors Note: The goal is to create as many auto pay options as possible, to include auto pays from a rich uncle or aunt's debit/credit card. The ultimate mission is to keep the insured current on their premiums so they never lose the guaranteed insurability option included in all "nationally recognized" health insurance contracts.
7. Historically, credit unions, their chapters, leagues, and national associations, have held fund raisers after natural disasters, terrorist attacks, regional pandemics, family emergencies, and local disasters such as a serious fire or flood. Faith based credit unions especially have been known for sponsoring local fundraiser to support their members in need. Credit unions, therefore, are well positioned and well equipped to run annual fundraiser to subsidize their portfolio of Health Savings Accounts. Proceeds would be earmarked for premium forgiveness to a major financial setback, as well as for low-rate and interest free loans to pay premiums until the insured is back on their feet, and hopefully back to work.

Remember, according to Maslow's Hierarchy of Needs, our primary mission' focus is on meeting the insured's physiological needs; their need for food, shelter, emergency medical attention, and long-range affordable healthcare and insurance. Credit unions are uniquely qualified and well positioned to meet those needs first with professional financial planning and subsequently with insured' specific financial services to include health savings accounts, lines of credit, home equity loans, reverse mortgages, as well as financial consoling to include debt consolidations and investing for a rainy day.

**Let it be written! Let it be done!**

### ***Five Affordable Health Insurance Contracts***

There are many reasons why Obamacare failed to deliver cost effective and affordable healthcare and insurance. The top six reasons include: The contract wasn't properly underwritten, it dumped all risks, including pre-existing conditions into one national pool, few God fearing Christians were willing to indirectly fund abortions, fewer under 30 were convinced they needed insurance, too many regretted losing their family doctors, and last but not least, most Americans are fiercely independent and will never forgo their freedom for the false promises of socialized healthcare.

I recommend leaving the Obamacare contract in place, as is, until the following five alternative contracts are in place, at which time, insureds can, if they chose, safely migrate out of the Obamacare contract.

#### **Contract #1: Home-rule Health Insurance (HRHI)**

Home-rule health insurance is designed for those who want to avoid paying for pre-existing conditions, or funding abortions. The contract is similar to the Obamacare contract, with a few important differences. First, adoption cover replaces abortion coverage. Abortion coverage can be added as an endorsement or rider for an additional premium. Second, pre-existing conditions are not covered, however they can be underwritten in a separate nationally recognized contract (Contract #4).

### **Contract #2: Basic Home-rule Health Insurance (B-HRHI)**

Basic home-rule health insurance is designed for the young at heart and those fresh out of their parent basement. It'll be particularly attractive to insureds just joining the labor market.

To make the contract more affordable, claim losses can be capped, and coverage limits intentionally lowered at the insureds' discretions. Premiums, co-pays, and deductibles, can also be adjusted to more accurately reflect the loss frequency and severity in their quartile of the country. I'll explain "quartile covered" later. Pre-existing conditions are excluded, but can be covered either under the Obamacare contract or an optional, nationally recognized pre-existing condition contract (Contract #4).

### **Contract #3: Middle America Home-rule Health Insurance (MA-HRHI)**

I call this contract my "Middle America" middle of the road contract, designed to meet the needs of those in the "middle income" bracket. Whatever that means. The contract is identical to the B-HRHI contract, only loss caps and coverage



limits are raised to reflect the insured's exposures. Co-pays and deductibles in group policies can also be adjusted to lower premiums. Pre-existing conditions are excluded, but can be covered either under the Obamacare contract or an optional, nationally recognized pre-existing condition contract (Contract #5).

**Contract #4) Catastrophic Home-rule Health Insurance (C-HRHI).**

The Catastrophic Home-rule Health Insurance contract is no different than any other contract covers a catastrophic event effecting our health and wellbeing, whether it's a terminal illness or life altering accident. The only difference is this contract is written to compliment any one or all of the nationally recognized health insurance contracts.

For example, C-HRHI also excludes pre-existing conditions, but it does require 80% of earned premiums to be returned to the insured in claims paid or risk management methods designed to reduce future losses.

Conceivably, there are two contracts. One is the typical catastrophic contract, covering risks that occur later in life. The other, I call the "God Father" contract that covers a child from the moment of conception until the age of maturity, whatever that means, based on family traditions. The contract is designed to discourage abortions often driven by fear the most parents have, they can't afford to have a child, worrying it won't be born healthy.

**Contract #5: Pre-existing Conditions Home-rule Health Insurance (PC-HRHI)**

Those with pre-existing conditions will have two options. They can purchase the Obamacare and ride the premium, co-pays, and deductible up for as long as they can afford to pay. Or, purchase this PC-HRHI contract. I honestly don't know what the premiums, co-pays, and deductibles might be going forward. We'll have to let the actuaries figure out how they'll be able to take in \$100 in premium and pay out a \$10,000 hospital bill the next day, and still make it work.

Fortunately, I see this contract filling a need for only the next two to five years. As long as the Obamacare contract is out there, most insureds with pre-existing conditions might be well advised to purchase the Obamacare contract.

But, allow me to hypothetically explain how a pre-existing condition contract might be made actuarially sound at a reasonable premium and a little help from Uncle Sam.

I suggest it be underwritten like we underwrite term life insurance. Let's take all the pre-existing conditions nationwide, including those now insured under the Obamacare contract and dump them into one national pool. Assuming 100% of premiums will be paid out in claims, calculate a premium based on the insured's average age and life expectancy.

All things being considered, set a reasonable premium most insureds can pay and just go with it. At some point the government will have to step in and pick up the tab.

On the bright side, after two or three years, pre-existing conditions will be a thing of the past for those covered by any one of the nationally recognized policies. Why, each policy has a guaranteed insurable option, meaning at the end of the

policy term, the insured can automatically move to any one of the nationally recognized contracts.

So without hundreds of IRS agents and threats of fines and penalties, how does the government audit compliance with the new Affordable Healthcare Law?

It's all done electronically. On January 1<sup>st</sup> each year, the insurance company sends the insured a confirmation of coverage that includes the insured's name, and social security number, along with their company name, the name of the policy, the policy number, and a statement as to whether or not premium payments are current and the policy is in force.

Whether or not premiums can be held out of the insured's tax returns can be debated. I recommend they not be withheld. Rather, I recommend this be handled as a "teaching moment." Instead of withholding money needed by the insured, I recommend some of the 80% earned premium be invested in community wide financial counseling.

Whether you're the president of an organization, the chairman of the board of directors, the leader of the pack, or the first one to the scene, it's time we take command, focus our aim, get rid of those who've violated our trust, move out.



After you appoint your Safety, Information, and Liaison Officers, assign your Chief of Operations. Pick a proven leader. Our days of leading from behind are over. Their mission is to set up staging areas for all health insurance companies chartered to operate in your theater of operation (Quadrant of the country). Instruct them to assemble, equip, and train to be mission ready, all licensed, bonded, and field tested agents in your theater of operation.

Mission ready means trained not only to sell, but to council insureds regardless of their age, faith, or national origin. Instruct all health insurance companies to establish appropriate mutual aid agreements that'll affectively spread risks first across quadrants and then across the country.

Next, assign your Chief of Planning and order him/her to assemble an underwriter from every health insurance company licensed to sell contracts in your state. Instruct them to write strategic action plans (SAP) you'll follow during the next three years. Ask for three plans. One to cover operational period #1 over the first six months. One for operational period #2 covering the first 12 months. And one for operational period #3, covering the first 36 months and

beyond.

Next, assign your Chief of Logistics and order him/her to assemble two actuaries from every health insurance company licensed to market contracts in your state. Instruct them to work with all the underwriters and their fellow actuaries within your quadrant of operation. Their mission is to ensure that all insuring

pools are actuarially sound. In addition, instruct them to identify the liaison for actuaries operating out of the other three quadrants, as well as actuaries operating at the national level out of Washington, DC.

Finally, assign your Chief of Finance and order him/her to assemble “two” risk management representatives from every chartered financial institution (credit unions, banks, etc.) in your theater/quadrant of operation. Brief them on the following mission statement

**It’s time for you to step up to the plate!**

*“We’re back in the driver’s seat.”*

*Let’s SPAR: God! Help us to be mission ready, to take command, secure our theater of operation, assemble our troops, and focus our country on risks that pose the greatest threat to our health and well-being. Help us to reach deep within ourselves, and rekindle our American’ spirit.*

Whether you’re the head of your household, Chairman of the board, Bishop of the Diocese, or President of a Fortune 500 company, you’re in the best position to command a mission to not only search for, but to underwrite and blanket-market cost effective and affordable “quality” healthcare and

insurance.

**Note: During most unified commands, mission assets will move in and out of staging areas, in order to adjust to mission' "scope-creep." It's called the "concertina" effect.**



(OP2-Q&A#10) You'll follow the same Incident Command System (ICS) used by every law enforcement, fire department, emergency government, and homeland security professional in our United States of America. Your "Theater of operation" will be one, or all four quadrants of the United States. Quadrants are divided into east and west by the Mississippi River, and north and south by the 40<sup>th</sup> parallel.

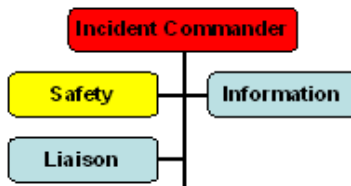
**Author's Note:** *While all nationally recognized, home-rule health insurance contracts cover the same pure and speculative health risks, I recommend they be underwritten using four separate quadrants of the country. Underwriting in four large quadrants of the country, provides the same actuarial benefit we get from "community rating," plus the benefits we get from the "Law of Large Numbers." For*

*example, dividing the country north and south of the 40<sup>th</sup> parallel and east and west of the Mississippi allows underwriters and actuaries to focus on the health risks unique to each quadrant. That allows marketing across state lines (within each quadrant), which drives down marketing costs. It also increases competition, which drives down premiums, while spreading risks over a larger area, which drives down claims and settlement expenses. Reinsuring quadrant to quadrant, region to region, etc. also helps drive down claims and settlement expenses. All eventually help drive down the cost of our healthcare and insurance. Get the picture?*



I recommend involving the Center for Disease Control (CDC) in all unified commands to help identify, measure and control health risks in each quadrant, as well as the Department of Health and Human Service and the Department of Education to keep the public informed during any national healthcare crisis. The more we can fine-tune and focus our risk management efforts, the quicker and more effective we'll be to identify, measure, and control our losses. The more we can reduce our losses, the lower will be our cost of healthcare and insurance. Get the picture?

## Single Command



Whether you're commanding a "single" or "unified" command, you'll be responsible for designating a "Safety Officer" who'll monitor all safety concerns, to include making sure all responding personnel have been logged into your command, they're properly trained and equipped for the tasks at hand, all are covered by at least one worker's compensation policy, and all have been properly briefed immediately prior to deployment.

You'll also designate an Information Officer to be in charge of keeping all relevant personnel and responding agencies well informed and up to date.

Finally, you'll designate a Liaison Officer to act as the liaison, between yourself and your Chiefs of Operations, Planning, Logistics, and Finance.

### **United we stand! Divided we fall!**

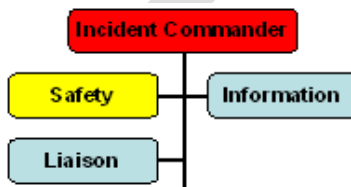
#### *A case study for Incident Command and Control (ICS)*

The quicker we identify, measure, and control life threatening risks, the lower will be our losses and subsequently the lower will be the cost of our healthcare and insurance. Few doubt, the greatest health risks we face might come from a domestic terrorists imbedded deep within our country and local culture. Consider the following worst-case scenarios.



Let's role play bomb threat and anthrax scare in Time Square, and a terrorist targeting our stockyards in Arizona to explain how the Incident Command System (ICS) works at every level of the grassroots credit union movement.

First let's role play a "single" command. You just arrived at work and you see a suspicious oil stained, package with what looks like baby powder in an attached envelope just outside your office.



**What would you do?** You'd take command (in a loud voice say "I take command"). Immediately dial 911 and evacuate the area. *(Note: If you're not familiar with the area, or the evacuation protocols and procedures, hand the phone and the evacuation over to someone who is. It's critically important for the 911 operator(s) to receive clear, accurate and specific information on which they'll act. Also, remember, the evacuation protocols for bomb threats are significantly different than those for fire or severe weather (Ref: Addendum #2 – International Risk Management Performance Standard). Stay on the phone and wait for the 911 operator to tell you to hang up.*

You've just carried out your first "single" command. You took command and executed a maneuver to help ensure everyone in the area was safe. You then informed the police, and stayed in contact as their liaison until they arrived at the scene. Congratulations! You may just have avoided a major

loss of lives. At a minimum you've reduced the losses should it have turned out to be an actual attack. Reducing losses, reduces our healthcare costs and subsequently the cost of our health insurance. Get the picture?

Now let's role play a "unified" command. You're a supervisor working at a large southwestern stockyard when you notice two suspicious men imbedded with stockyard employees. One is feeding what appears to be contaminated feed to the cattle. The other is branding and giving some type of shot to the calves. If you don't act quickly, potentially infected cattle will be mixed with lots shipped to slaughter houses, which in turn could contaminate our food chain all across the country.



What would you do? You'd take command, call in the authorities, and lockdown the yard. You'd then form a

“unified” command designating your Chief of Operations, Planning, Logistics, and Finance (Ref: OP2-Q&A#10).

It’s estimated, one successful attack at our stockyards could lead to burring so many cattle it would take a trench 10’ wide and deep reaching from the west coast to the Mississippi River. Congratulations. You’ve just avoided a nationwide healthcare crisis, and no doubt reduced the cost of our national healthcare by at least a million dollars.



The next step in reducing our healthcare costs, and subsequently the cost of health insurance, will be to channel a portion of 80% earned premiums back to the stockyard to improve their security. Again. Do you get the picture? The more we invest our taxes in risk management training and education, the lower will be our losses, and subsequently the lower will be our cost of healthcare and insurance. It’s not rocket science. It’s just good business sense, flavored with some common sense.



*“A short course in Credit Union philosophy”*

Think about it. Credit unions are financial cooperatives focused on bringing stability to family budgets, while creating economic opportunities for their members, sponsors, and everyone living or working within their field of membership.

It therefore stands to reason, credit unions are in the best position to identify, measure, and control the unique health risks within their field of membership. They're also well positioned to underwrite, group market, settle claims, and collect premiums via payroll deductions, direct deposits, not to mention offer lending solutions, health savings accounts (HAS), not to mention reverse mortgages that can be paid-off by term and whole-life insurance contracts when the insured dies or, for that matter disability insurance can be used to pay premiums while the insured is recovering from a serious accident or injury. .

Consider the evolution of the US credit union movement. I used it as a business model, when I wrote the strategic action plan for Home-rule Healthcare and Insurance. For example, credit unions used group marketing when they delivered the CUMIS Blanket Bond in the 60's, as well as Loan Protection (LP) and Life Savings (LS) insurance dating back to the 1930s.

Credit unions designed healthcare savings accounts, gap-loans during periods of unemployment, reverse mortgages, as well as term and whole-life contracts to ensure debts incurred all died with the debtor. Credit unions have helped pull the US economy out of the Great Depression, through two World Wars, and fend off the false promises of socialism. They'll have little problem guiding their members and sponsors to cost effective and affordable healthcare and insurance..

Architects of Obamacare failed to identify risks created nor measure loss frequency and severity. Nor did they realize how quickly their mismanagement would drive the US over the preverbal economic cliff. They never considered the impact Obamacare would have on family budgets, nor did they establish even the most basic risks controls needed to avoid or reduce losses.

Conservative economists on both sides of the isle, estimate our 30 year total projected deficit spending will exceed \$127 trillion. Considering total "private sector" US assets are estimated to be \$106 trillion, insurance actuaries estimate we'll face a fifteen to thirty percent annual increase in Obamacare premiums until sometime after 2020. *(I wrote this during the 2012 campaign).*

Obamacare has shaken the financial foundation of families, communities, and consequently our US economy to its core. Most economists consider it "One Big Academic Mistake for America," or what both sides of the isle are now cynically calling an "OBAMA."

Credit union risks created range from fraud and dishonesty, internet scams, identity theft linked to not-vetted navigators uploading personal and confidential data to unsecured websites; to policies being canceled for failure to pay, access to doctors being denied, and terrorists phishing the internet

to recruit and fund their war chests. Add government dictating what can be sold and what must be bought, to the invasion of the IRS into our lives, and Obamacare quickly becomes more than a risk management nightmare.

Government run healthcare has been tried many time before, all around the world. It eventually leads the rationing of poor quality healthcare at an unaffordable cost for most insureds. The only sure way to avoid the risks created by Obamacare is to repeal the law and move the contract into a competitive free market economy.

The strategy I propose will work, because, like the US credit union movement, it's built from the grassroots up, not from top down, it honors our "Home-Rule principles, adheres to Maslow's Hierarchy of Needs, and embodies our people helping people, not-for-profit, not-for-charity, but-for-service credit union philosophy. It works because it relies heavily on the character of the individual, reinforces their work ethic, and only as a last resort depends on others to help finance premiums, co-pays, and deductibles.

Equally important, the home-rule healthcare I propose holds the individual responsible for managing their own health risks, promotes sound underwriting practices, cost effective claim adjusting, which in turn creates actuarially sound pools of insurance that can be spread around the world via well negotiated reinsurance contract.

Credit unions are either state or federally chartered and organized around a "common bond" to provide economic stability within their field of membership. Faith based, postal, police, fire, military, union, and school district credit unions were some of the first organized.

From the 1930's through the 80's the number of US credit union grew to well over 22,000. Since then, they've been

merged and consolidated in order to keep up with changing technologies, member services, and the benefits that come with the economy of size and scale. A credit union's primary purpose is to provide economic stability for all within their field of membership. Consequently, credit unions are well positioned to underwrite and blanket market "field of membership" appropriate health insurance to everyone within the common bond, while at the same time providing payroll deduction, auto pay, or similar programs that'll help reduce administration costs and policy premiums.

The mission, should the US credit union movement choose to accept it, is to mobilize the grassroots, and work through its local chapters, state leagues, and national associations to once and for all deliver cost effective and affordable healthcare and insurance for every man, woman, born and unborn child in America.

We'll succeed **if we reaffirm the** "people helping people," not-for-profit, not-for-charity, but for service philosophy that pulled us out of the Great Depression. We'll succeed if we use the same "blanket bond" strategy we used to provide fidelity bonds to every credit union during the 60's, and the same blanket Loan Protection (LP) and Life Savings (LS) insurance strategies that paid off outstanding loans so debts died with the debtor.

**In closing, I leave you with a few reminders. It was Ronald Reagan who said our freedom is never more than one generation away from extinction.** He also said, "The difference between democrats and republicans is, when we're buried in a tunnel of debt, republicans dig toward daylight, while democrats dig longer tunnels.

Obamacare has dug us far too deep in debt. It can't be

sustained without endless government bailouts, and adding trillions to our national debt. If we're going to avoid an on-going fiscal crisis, healthcare in our republic must be returned to the private sector.

**Take no offence**, but most moves toward government run healthcare i.e. "socialized medicine" usually turns out to be a move toward socialism. If you remember, we were moving toward socialism leading up to WWII. We just haven't learned.

**Remember? Norman Mattoon Thomas (1884-1968)** was a leading American socialist, pacifist, and six-time presidential candidate for the Socialist Party of America. In 1944 he said, "The American people will never knowingly adopt Socialism. But, under the name of "Liberalism," they will adopt every fragment of the socialist program; Until one day America will be a Socialist nation, without knowing how it happened. He went on to say: "I no longer need to run as a Presidential Candidate for the Socialist Party. The Democrat Party has adopted our platform. But it gets worse.

Most alarming, in our recent past, is the well documented affinity between President Barack Obama and Chicago's community organizer Saul David Alinsky. Google, "the Obama Alinsky connection" and judge for yourselves.

It's because of that affinity that I urge Congress to "benchmark" where the Obama' administration has brought our country over the past eight years. Read Alinsky's rules for radicals, and you be the judge!

**Rules for Radicals: By Saul David Alinsky**



- 1) Healthcare – Control healthcare and you control the people.
- 2) Poverty – Increase the Poverty level as high as possible, poor people are easier to control and will not fight back if you are providing everything for them to live.
- 3) Debt – Increase the debt to an unsustainable level. That way you are able to increase taxes, and this will produce more poverty.
- 4) Gun Control – Remove the ability to defend themselves from the Government. That way you are able to create a police state.
- 5) Welfare – Take control of every aspect of their lives (Food, Housing, and Income)
- 6) Education – Take control of what people read and listen to – take control of what children learn in school.
- 7) Religion – Remove the belief in the God from the Government and schools
- 8) Class Warfare – Divide the people into the wealthy and the poor. This will cause more discontent and it will be easier to take (Tax) the wealthy with the support of the poor.

**Thomas Jefferson said,** *“My reading of history convinces me that most bad government results from too much government.”*

It's time to downsize our federal government and return our healthcare system and health insurance industry to the free

market private sector. Please consider Home-rule Healthcare and Insurance – A cure for Obamacare a step in the right direction.

## Home-Rule Healthcare and Insurance

### *The Risk Management' cure for the Obamacare*

**Thomas Jefferson said,** *“To compel a man to furnish funds for the propagation of ideas he disbelieves and abhors is sinful and tyrannical.”*



**England's Prime Minister Margaret Thatcher warned,** *“The problem with European Socialism is eventually you run out of other people's money.”*

**Rich Woldt** CEO the RMLC  
([Bio](#))

**Obamacare is a case in point!**

### **About the Author**

*Richard Alan (Rich) Woldt, is the founder and CEO of the Risk Management Learning Center, he started in 2001 shortly after the 9-11-01 terrorist attacks at the World Trade Center in*

*NYC. He refers to himself as "a recovering liberal," having lived and worked on the Isthmos of Madison while attending the University of Wisconsin. He received his BBA in Risk Management, Insurance and Marketing from the UW-Madison in 1968, is a CPP (Certified Protection Professional), a CFE (Certified Forensic Examiner), licensed Private Investigator, and an active member of PAWLI (Professional Association of Wisconsin Licensed Investigators). He's a Vietnam veteran, a member of the American Legion, and a life time member of the AMVETS and Veterans of Foreign Wars (VFW). He's a charter member of the University of Wisconsin Risk Management and Insurance Alumni Association, and life member of FORCE (Wisconsin Firearm Owners, Ranges, Clubs, & Educators, Inc.). He's on the board of Midwest Protection Incorporated (MPI), as well as an organizer and charter member of many credit unions, including the Door County Community Credit Union (DCCU), merged first into the Pioneer Credit Union and then into Capital Credit Union serving the Fox River Valley.*

*During the '60s, he was a democrat, voted for JFK and LBJ, as well as US Senator Russ Feingold and Madison' Mayor Paul Soglin. He was a union member (Organization of Professional Educators International (OEPIU) for his 30 years teaching Risk Management throughout the world credit union movement. He's now a conservative capitalist Christian hell-bent on publically flogging anyone posing a threat to our republic.*

*He leans right, carries concealed, and vows to oppose anyone messing with our constitution. He believes in smaller government with less buracracy, and more freedom and fewer regulations. He believes local governments should have more power than state, the state more power than federal and that*

*our federal government should focus on our national defense and leave healthcare, education, law enforcement and emergency government to those closest to frontlines.*

*Finally, he believes our war on terror is not over, we should never pay ransom for the release of hostages, sell weapons to our enemies, or retreat from combat before the wars been won.*

### **Operational Period #3**

**Worst case scenario I** *have no authority to move our country in any direction, I can only propose what I consider to be an “academically” sound risk management path toward hopefully more cost effective and affordable healthcare and insurance. The risks I’ve identified and the worst case scenarios chosen begin at conception (rape victim being counselled by an advocate of abortion) and stretch through the life cycle of a typical American citizen. Examples of worst case scenarios include a terrorist’ attacks involving a nuclear attack sparked by North Korean, a simultaneous chemical attack in New York City, a biological attack at one of our larger southwestern stock yards, internet driven dirty-bombs and anthrax scares throughout the Midwest, and a pandemic alert confirmed by the Center for Disease Control (CDC) .*

Remember! Always train to the “worst-case scenario.” It’s far better to be over prepared than over whelmed by the scope and/or duration of the healthcare crisis. Schedule Risk Management workshops prior to deployment, and use worst-case scenarios case studies that force all students to “think on

their feet” like an Islamic prize fighter. Teach them to, “float like a butterfly and sting like a bee.” Following are examples of worst-case scenarios you might consider.

***Worst case scenarios: In a small Midwest town, a rapped teenage girl has just arrived at Planned Parenthood clinic. In New York City, it's rumored terrorists have planted anthrax in Time Square as well as in high rise buildings throughout the financial district. In Arizona, employees working at two of our larger stock yards are suffering from lost muscle control, intensified memory loss, and muscle spasms. The Center for Disease Control (CDC) suspects Variant Creutzfeldt-Jakob disease, the human-affecting form of mad cow disease, indicating terrorists have successfully infected one of our largest southwestern stockyards with mad cow disease. In West Virginia, coal miners are suffering from Coal Worker's Pneumoconiosis (CWP), also known as black lung disease or black lung, caused by long exposure to coal dust. And in Wisconsin, it reported that members of the nude ice fishing club are all suffering from Pneumococcal disease caused by Streptococcus pneumoniae (pneumococcus). It's a Pneumococcal bacteria that's resistant to antibiotics and it's feared the craze to go ice fishing in the nude is going to spread across the lake into Michigan. Ironically, the CDC just sent out their national strategy for "Pandemic Influenza, so school districts across the country are on high alert, and there's fear the pandemic has reached their schools. You're asked to take command. What are you going to do?***

*Whether you're the president of your credit union, your local chapter, state league, the Credit Union National Association (CUNA Inc.), the World Council of Credit Unions (WOCCU), or CUNA Mutual Group and Affiliates (CMG and Affiliates),*

Commented

*you're going to want to at least monitor, if not play an active support role in any unified command operating within your theater of operation.*

**Take command, and do it decisively!** That alone will reduce the trauma, and reestablish the sense we're back in control. ,



Your first action step is to make it clear, you're in command (OP2-Q&A#10). Do it decisively. If you don't, don't expect anyone to have confidence in your leadership, nor trust you're going to be able to "cap" their emotions and help them find "closure" to what, in their mind, is a traumatic event. .

Next, assign your Director of Personnel to be your "Safety Officer, your Public Relations Director to be your "Information Officer" and your next in command to be your "Liaison Officer." .

From this point on, who you assign to be your Chief of Operations, Planning, Logistics, and Finance is totally up to you. For your Chief of Operations, I'd recommend your Director of Personnel and Employee Benefits, supported by those most familiar with employee pensions, not to mention

all existing insurance benefits to include worker's compensation and bonding coverage. They're most familiar with what's critically important to the health and well-being of everyone in your field of membership. For your Chief of Planning, I'd recommend the Chairman of your Credit Committee and Supervisory/Audit committee. For your Chief of Logistics, I'd recommend someone from your Real Estate and Legal Departments. They're most familiar with what's legal and required in the states in which your credit union operates. .

Your Chief of Finance will play possibly the most important role going forward. Why? Your mission is to come up with credit union specific ways to lower the cost of healthcare and insurance, while increasing the quality of care that's available to your field of membership. Your Strategic Action Plan (SAP) should include risk management and money management training, with workshops focused on developing more cost effective ways to deliver quality care,

**#2) How does Obamacare impact our needs according to Maslow's Hierarchy of Needs?** *Skyrocketing premiums, escalating co-pays, and increasing deductibles all divert funds needed to put food on the table and a roof over our heads. Its limiting access to family doctors frustrates our need to belong, and its government dictates telling us what healthcare we must accept, and insurance we must buy, gives us an eerie sense we've lost control over both our healthcare and insurance.*

Abraham Maslow, a Psychology Professor at the University of

Wisconsin in the 1940's, wrote about the hierarchy of needs we have when facing a life threatening disaster or life altering injury or illness.

Maslow's theory on "Hierarchy of Needs" says: "When disaster strikes, or when we're confronted with a life threatening injury or illness, victims first focus on their "physiological" needs, then their need to belong, and finally their need to get back to normal. move forward. for medical attention, a safe shelter, food, water, and stable employment on which to rebuild our lives.



Only after our physiological needs are met (our need for medical attention, safe shelter, food, water and stable employment), are we willing to focus on our need to belong (our need to seek out our family and family doctors, our trusted neighbors, our clergy and those with whom we share our faith).

Only after our belongingness needs have been met, are we ready to "self-actualize" or worry about our self-esteem (Get back to work, climb the proverbial corporate ladder, socialize, and move on with our lives).

In no small way, Obamacare fails to meet our physiological



needs when it takes away insurance policies we prefer, and it fails to meet our belongingness needs when it took away insurance contracts we've relied on for years and doctors we've relied on for a lifetime. In no small way, Obamacare has destroyed our confidence when it destroyed our trust in our Federal government. Remember, at no less than 36 campaign rallies in 2012 we heard, "If you like your doctor and hospital, you can keep your doctor and hospital."

In no small way, Obamacare has ignored the relationships built over years that, in and of themselves, could mean the difference between giving up or fighting through to recovery.

If we judge Obamacare according to Maslow's Hierarchy of Needs, it's an abysmal failure that's causing more harm than good, while providing more obstacles than help for those in need of quality healthcare.

## **Managing the trauma created by Obamacare**

It doesn't matter who you are, where you come from, or on which side of the isle you sit, Obamacare will take its toll on your peace of mind, and your sense of being in control over your healthcare. We've been blindsided by a law that was passed without being read, the largest tax increase in US history, a loss of religious freedom, skyrocketing premiums, escalating copays, budget busting deductibles, reliable access to family doctors, a deepening national debt, IRS intimidation, and a Federal government that's out of control. The more we learn, the more we realize we're on the Obamacare Express, heading for a train wreck. In no small way, we're all

suffering from a classic case of “traumatic shock.” Adding insult to injury, most now realize our engineer hasn’t a clue as to where we’re headed or how to avoid the inevitable train wreck just over the horizon.

Who would have thought in the United States of America, one stroke of a pen could bring our free market health insurance industry under the control of the Federal government, Christians would be forced to turn their backs on church teachings, and the IRS would be empowered to punish those unwilling to purchase insurance? Who would have thought we’d no longer be free to keep our family doctors, or seek treatment when and where we preferred? Who would have thought we’d be forced to turn personal and confidential information over to not-vetted representatives of Planned Parenthood? And, who would have thought that with a stroke of a pen, 1/6<sup>th</sup> of our national economy would be turned over to the whims of Washington.

The trauma caused by Obamacare has three underlying symptoms. We feel guilty, having been duped and deceived, lied to, and intimidated by those we trusted. We fear what’s in our future. Will the scamming continue? Will the IRS come knocking? And, will the executive orders, questionable waivers, program delays, preferential treatment, and budget busting bailouts ever stop? Unfortunately, it’ll be our poor, less informed, and most gullible, who’ll suffer the most if we **don’t find a for Obamacare**, and find it fast. Cure for

**If Obamacare hasn’t already made you sick**, wait for the collapse of the state and federal exchanges, the inevitable taxpayer bailouts to keep them afloat, the welfare fraud and the law suits we’ll face to restore our

freedom from the government takeover of our lives.

**Our guilt, our fear, and our sense we're out of control is bound to get worse as those who enrolled in Obamacare realize** Al Qaeda and ISIS operatives have been phishing and pharming on government exchanges. Worse yet, our trauma will kick into high gear when we uncover the encrypted social media accounts linked to the army of not-vetted, not bonded, not licensed, and untrained advocates of Obamacare. Planned Parenthood is just the tip of the iceberg. While those who've innocently exposed our confidential information to not vetted navigators was bad enough, wait until we wake up to those who've intentionally lead us into the hands of Al-Qaeda and ISIS operative.

*Start here!*

*So where do we go from here? We go back to our future! To do that, we need to go back and teach everyone how to build their own financially sound foundation on which to grow their future. My boy scout leader, Chief Oshkosh Chief to the Monominee Indians taught "Hand someone a loaf of bread and you feed them for a day. Teach them to plant wheat and you feed them for a lifetime." The problem with Obamacare is it gives us nothing more than false hope and*

*If we're ever going to have "affordable" healthcare, we need to go back to 1849, when the poor died young and the rich died broke. We need to go back Back to the birth of the world credit union movement. Unless everyone learns how to build a solid financial foundation on which to grow their future, we'll always have those willing to blindly follow false profits over the proverbial economic cliff.*

*we teach everyone how to build a solid financial foundation on which to grow their own Why? financial cooperatives, when and the birth of the world credit union movement. Back to a time when the poor died young and the rich died broke. Back to a time,*

*died in comfort. 1849 and the birth of the world credit union movement. Why? Because, if we're ever going to have "affordable" healthcare, everyone needs to know how to build their own financial foundation on which to grow.*

*solid financial foundation on which to grow a we need to know how to build a solid financial foundation a it was there that Friedrich Wilhelm Raiffeisen, first considered the founder of the world credit union movement, introduced the launched his first lending society in 1849 and his first truly "cooperative credit society" in Heddesdorf, Germany in 1869. Raiffeisen saw an immobile class structure in which exploitative capitalists dominated the poor. Bankers had one approach to managing consumer lending risks: Their position at the time was; "If you want credit, you had better come up with an equal amount of collateral." Raiffeisen speculated that if he formed a cooperative, run by volunteers from the cooperative's field of membership, loans could be approved based first on a member's character, then upon their capacity or ability to repay, and only as a last resort, on collateral. It worked! The movement adopted the "3-C" slogan; Character first, Capacity second, and Collateral last.*


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## **OPERATIONAL PERIOD #3????**

### **Operational Period #3**

## **OPERATIONAL PERIOD #3????**

	<p><b><i>Look at the facts folks!</i></b></p> <p>Congress passed a bill they hadn't read, thereby creating enormous risks for every man, women, and child in America. It only became law after our Supreme Court ruled it the largest tax increase in US history, adding \$3.7 billion a day to our national debt, or nearly \$22,000 of new debt for every man, women, and child in America.</p>
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Our taxpayer pockets never have, nor will they ever be deep enough to keep it or any other misconceived form of socialized medicine afloat for long. Period!

Why was Obamacare destined to fail from the beginning? It failed to adhere to even the most basic "Risk Management" principles, ignored critical underwriting practices, and violated virtually every law of actuarial science we've known since the birth of Christ.

The only path to cost effective and affordable healthcare and insurance requires us to free ourselves from an over-reaching federal government, eliminate the trauma inherent to socialized medicine, take back our control over our healthcare decisions, reengineer our private sector health insurance industry, and launch a strategic plan that'll leverage the law of large numbers, mass market nationally recognized customized contracts, and convert every tax dollar we spend on healthcare into an investment in our future.

We can keep the contract, but we have to repeal the law and properly underwrite future contracts, if at some point in the not too distant future, Obamacare will calapse under its own weight, leaving us all with little or no access to affordable quality healthcare, let alone reliable health insurance.

**England's Prime Minister Margaret Thatcher warned us, "European Socialism, which includes European socialized medicine, works well until you run out of other people's money." While none of us have all the right answers, pulling together, that means both sides of the isle, and being willing**

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**to learn from our mistakes, I guarantee you, we'll systematically drive down both our cost of healthcare and insurance.**

The Home-rule Healthcare and Insurance I propose takes us back to our future, reaffirming our commitment to field tested risk management principles, underwriting practices, and actuarially sound nationally recognized pools of insurance. Let's roll!

**Barack Obama said, "I can make a firm pledge, under my plan, no family making less than \$250,000 a year will see any form of tax increase. Not your income tax, not your payroll tax, not your capital gains taxes, not any of your taxes."**

**Barack Obama said, "I will cut taxes - cut taxes - for 95 percent of all working families, because, in an economy like this, the last thing we should do is raise taxes on the middle class."**

**Yet, Obamacare is the largest tax increase in US history!**

**Back to our future**

**What makes Obamacare so traumatic?**

***The three underlying drivers of trauma are guilt, fear, and the sense of being out of control.***

***Thanks to Obamacare, access to U.S. healthcare and insurance is now more expensive and less***

*effective, more complex and less responsive, more confusing and less reassuring than ever before in U.S. history. The trauma caused by Obamacare can be measured by the guilt we feel having been blindsided by the law, the fear we'll be next to lose our policies and doctors, and the sense our healthcare system is out of control. The universe of victims is more than those who've lost policies and doctors. It's all who've been caught up in the political hype, and have faithfully promoted the train wreck called Obamacare. **If we're going to reduce guilt and worry and regain our sense of being in control, we're going to have to curb government's intervention into our homes and financial future. We're going to have to** recommit to the "Home Rule" principles on which our country has been built. **Rich Woldt** - CEO the RMLC*

### *A Risk Management (RM) Perspective*

**Worst case scenario I** *have no authority to move our country in any direction, I can only propose what I consider to be an "academically" sound risk management path toward hopefully more cost effective and affordable healthcare and insurance. The risks I've identified and the worst case scenarios chosen begin at conception (rape victim being counselled by an advocate of abortion) and stretch through the life cycle of a typical American citizen. Examples of worst case scenarios include a terrorist' attacks involving a nuclear attack sparked by North Korean, a simultaneous chemical*



*attack in New York City, a biological attack at one of our larger southwestern stock yards, internet driven dirty-bombs and anthrax scares throughout the Midwest, and a pandemic alert confirmed by the Center for Disease Control (CDC) .*

Remember! Always train to the “worst-case scenario.” It’s far better to be over prepared than over whelmed by the scope and/or duration of the healthcare crisis. Schedule Risk Management workshops prior to deployment, and use worst-case scenarios case studies that force all students to “think on their feet” like an Islamic prize fighter. Teach them to, “float like a butterfly and sting like a bee.” Following are examples of worst-case scenarios you might consider.

***Worst case scenarios: In a small Midwest town, a rapped teenage girl has just arrived at Planned Parenthood clinic. In New York City, it’s rumored terrorists have planted anthrax in Time Square as well as in high rise buildings throughout the financial district. In Arizona, employees working at two of our larger stock yards are suffering from lost muscle control, intensified memory loss, and muscle spasms. The Center for Disease Control (CDC) suspects Variant Creutzfeldt-Jakob disease, the human-affecting form of mad cow disease, indicating terrorists have successfully infected one of our largest southwestern stockyards with mad cow disease. In West Virginia, coal miners are suffering from Coal Worker’s Pneumoconiosis (CWP), also known as black lung disease or black lung, caused by long exposure to coal dust. And in Wisconsin, it reported that members of the nude ice fishing club are all suffering from Pneumococcal disease caused by Streptococcus pneumoniae (pneumococcus). It’s a Pneumococcal bacteria that’s resistant to antibiotics and it’s feared the craze to go ice fishing in the nude is going to***

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*spread across the lake into Michigan. Ironically, the CDC just sent out their national strategy for “Pandemic Influenza, so school districts across the country are on high alert, and there’s fear the pandemic has reached their schools. You’re asked to take command. What are you going to do?*

*Whether you’re the president of your credit union, your local chapter, state league, the Credit Union National Association (CUNA Inc.), the World Council of Credit Unions (WOCCU), or CUNA Mutual Group and Affiliates (CMG and Affiliates), you’re going to want to at least monitor, if not play an active support role in any unified command operating within your theater of operation.*

**Take command, and do it decisively!** That alone will reduce the trauma, and reestablish the sense we’re back in control. ,



Your first action step is to make it clear, you’re in command (OP2-Q&A#10). Do it decisively. If you don’t, don’t expect anyone to have confidence in your leadership, nor trust you’re going to be able to “cap” their emotions and help them find “closure” to what, in their mind, is a traumatic event. .

Next, assign your Director of Personnel to be your “Safety Officer, your Public Relations Director to be your “Information Officer” and your next in command to be your “Liaison Officer.” .

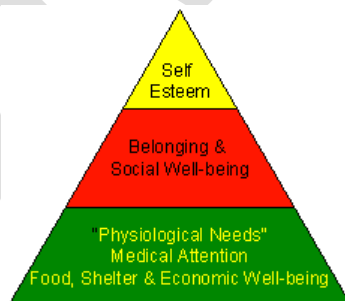
From this point on, who you assign to be your Chief of Operations, Planning, Logistics, and Finance is totally up to you. For your Chief of Operations, I’d recommend your Director of Personnel and Employee Benefits, supported by those most familiar with employee pensions, not to mention all existing insurance benefits to include worker’s compensation and bonding coverage. They’re most familiar with what’s critically important to the health and well-being of everyone in your field of membership. For your Chief of Planning, I’d recommend the Chairman of your Credit Committee and Supervisory/Audit committee. For your Chief of Logistics, I’d recommend someone from your Real Estate and Legal Departments. They’re most familiar with what’s legal and required in the states in which your credit union operates. .

Your Chief of Finance will play possibly the most important role going forward. Why? Your mission is to come up with credit union specific ways to lower the cost of healthcare and insurance, while increasing the quality of care that’s available to your field of membership. Your Strategic Action Plan (SAP) should include risk management and money management training, with workshops focused on developing more cost effective ways to deliver quality care,

**#2) How does Obamacare impact our needs according to Maslow's Hierarchy of Needs?** *Skyrocketing premiums, escalating co-pays, and increasing deductibles all divert funds needed to put food on the table and a roof over our heads. Its limiting access to family doctors frustrates our need to belong, and its government dictates telling us what healthcare we must accept, and insurance we must buy, gives us an eerie sense we've lost control over both our healthcare and insurance.*

[Abraham Maslow](#), a Psychology Professor at the University of Wisconsin in the 1940's, wrote about the hierarchy of needs we have when facing a life threatening disaster or life altering injury or illness.

Maslow's theory on "Hierarchy of Needs" says: "When disaster strikes, or when we're confronted with a life threatening injury or illness, victims first focus on their "physiological" needs, then their need to belong, and finally their need to get back to normal. move forward. for medical attention, a safe shelter, food, water, and stable employment on which to rebuild our lives.



Only after our physiological needs are met (our need for medical attention, safe shelter, food, water and stable

employment), are we willing to focus on our need to belong (our need to seek out our family and family doctors, our trusted neighbors, our clergy and those with whom we share our faith).

Only after our belongingness needs have been met, are we ready to “self-actualize” or worry about our self-esteem (Get back to work, climb the proverbial corporate ladder, socialize, and move on with our lives).

In no small way, Obamacare fails to meet our physiological needs when it takes away insurance policies we prefer, and it fails to meet our belongingness needs when it took away insurance contracts we’ve relied on for years and doctors we’ve relied on for a lifetime. In no small way, Obamacare has destroyed our confidence when it destroyed our trust in our Federal government. Remember, at no less than 36 campaign rallies in 2012 we heard, “If you like your doctor and hospital, you can keep your doctor and hospital.”

In no small way, Obamacare has ignored the relationships built over years that, in and of themselves, could mean the difference between giving up or fighting through to recovery.

If we judge Obamacare according to Maslow’s Hierarchy of Needs, it’s an abysmal failure that’s causing more harm than good, while providing more obstacles than help for those in need of quality healthcare.

## **Managing the trauma created by Obamacare**

It doesn’t matter who you are, where you come from, or

on which side of the isle you sit, Obamacare will take its toll on your peace of mind, and your sense of being in control over your healthcare. We've been blindsided by a law that was passed without being read, the largest tax increase in US history, a loss of religious freedom, skyrocketing premiums, escalating copays, budget busting deductibles, reliable access to family doctors, a deepening national debt, IRS intimidation, and a Federal government that's out of control. The more we learn, the more we realize we're on the Obamacare Express, heading for a train wreck. In no small way, we're all suffering from a classic case of "traumatic shock." Adding insult to injury, most now realize our engineer hasn't a clue as to where we're headed or how to avoid the inevitable train wreck just over the horizon.

Who would have thought in the United States of America, one stroke of a pen could bring our free market health insurance industry under the control of the Federal government, Christians would be forced to turn their backs on church teachings, and the IRS would be empowered to punish those unwilling to purchase insurance? Who would have thought we'd no longer be free to keep our family doctors, or seek treatment when and where we preferred? Who would have thought we'd be forced to turn personal and confidential information over to not-vetted representatives of Planned Parenthood? And, who would have thought that with a stroke of a pen, 1/6<sup>th</sup> of our national economy would be turned over to the whims of Washington.

The trauma caused by Obamacare has three underlying symptoms. We feel guilty, having been duped and deceived, lied to, and intimidated by those we trusted. We fear what's in our future. Will the scamming

continue? Will the IRS come knocking? And, will the executive orders, questionable wavers, program delays, preferential treatment, and budget busting bailouts ever stop? Unfortunately, it'll be our poor, less informed, and most gullible, who'll suffer the most if we **don't find a for Obamacare**, and find it fast. Cure for

**If Obamacare hasn't already made you sick**, wait for the collapse of the state and federal exchanges, the inevitable taxpayer bailouts to keep them afloat, the welfare fraud and the law suits we'll face to restore our freedom from the government takeover of our lives.

**Our guilt, our fear, and our sense we're out of control is bound to get worse as those who enrolled in Obamacare realize** Al Qaeda and ISIS operatives have been phishing and pharming on government exchanges. Worse yet, our trauma will kick into high gear when we uncover the encrypted social media accounts linked to the army of not-vetted, not bonded, not licensed, and untrained advocates of Obamacare. Planned Parenthood is just the tip of the iceberg. While those who've innocently exposed our confidential information to not vetted navigators was bad enough, wait until we wake up to those who've intentionally lead us into the hands of Al-Qaeda and ISIS operative.

***Start here!***

*So where do we go from here? We go back to our future! To do that, we need to go back and teach everyone how to build their own financially sound foundation on which to grow their future. My boy scout leader, Chief Oshkosh Chief to the Monominee Indians taught "Hand someone a loaf of bread and you feed them for a day. Teach them to plant wheat and you feed them for a lifetime." The*

*problem with Obamacare is it gives us nothing more than false hope and*

*If we're ever going to have "affordable" healthcare, we need to go back to 1849, when the poor died young and the rich died broke. We need to go back Back to the birth of the world credit union movement. Unless everyone learns how to build a solid financial foundation on which to grow their future, we'll always have those willing to blindly follow false profits over the proverbial economic cliff.*

*we teach everyone how to build a solid financial foundation on which to grow their own Why? financial cooperatives, when and the birth of the world credit union movement. Back to a time when the poor died young and the rich died broke. Back to a time,*

*died in comfort. 1849 and the birth of the world credit union movement. Why? Because, if we're ever going to have "affordable" healthcare, everyone needs to know how to build their own financial foundation on which to grow.*

*solid financial foundation on which to grow a we need to know how to build a solid financial foundation a it was there that Friedrich Wilhelm Raiffeisen, first considered the founder of the world credit union movement, introduced the launched his first lending society in 1849 and his first truly "cooperative credit society" in Heddesdorf, Germany in 1869. Raiffeisen saw an immobile class structure in which exploitative capitalists dominated the poor. Bankers had one approach to managing consumer lending risks: Their position at the time was; "If you want credit, you had better come up with an equal amount of collateral." Raiffeisen*



speculated that if he formed a cooperative, run by volunteers from the cooperative's field of membership, loans could be approved based first on a member's character, then upon their capacity or ability to repay, and only as a last resort, on collateral. It worked! The movement adopted the "3-C" slogan; Character first, Capacity second, and Collateral last.

*bbbbbbbbbbbbbbbbbbbbbbbbbbbb*

*consider this:*

## **Trauma Management**

### **Obamacare is a traumatic train wreck!**

We've been blindsided by a law passed without being read, the largest tax increase in US history, and the loss of our religious freedom. We're now faced with skyrocketing premiums, escalating deductibles, the loss of trusted doctors, escalating debt, IRS intimidation, and a Federal government out of control. In no small way, we're all suffering from a classic case of "traumatic shock." And, no one knows what tomorrow will bring.)

The underlying symptoms of trauma include; guilt, fear and a sense of being out of control. We feel guilty for having been duped and deceived, lied to, intimidated and scammed by someone we trusted; and now we fear being scammed, and threatened by the IRS. Add the Executive orders, illegal wavers, delays and extensions, upcoming law suits, growth in government, and Presidential fiats, and we not only feel, we're reeling out of control ([learn more from The Heritage Foundation](#)).

Thank God, we're fighting back ([learn more](#)).

**Who would have thought** in America, one stroke of a pen could bring our free market health insurance industry under the control of the Federal government, Christians would be forced, to turn their backs on church teachings, and the IRS would be empowered to punish U.S. citizens unwilling to purchase health insurance?

**Who would have thought** we'd no longer be free to keep our doctors, or seek treatment when and where we preferred? **Who would have thought with a stroke of a pen**, we'd be forced to turn personal and confidential information over to not-vetted strangers? And, **who would have thought that with a stroke of a pen**, 1/6<sup>th</sup> of our national economy would be turned over to Washington insiders, and we'd be forced to accept the largest tax increase in US history?

**If Obamacare has not already made you sick**, wait for the taxpayer [bailouts](#), the welfare fraud, endless [law suits](#) to restore our freedom and the [trauma](#) that follows.

**It only gets worse!** Our PTSD (Post Traumatic Stress Disorder) will only get worse as our guilt, fear, and sense of being out of control deepens, knowing Al Qaeda operatives are busy phishing, pharming, and recruiting domestic terrorists off the less than secure government websites, not to mention from our personal websites, social media accounts and address books.

**Our guilt deepens further as we realize we've been cajoled and coerced into buying Obamacare** from an army of not-vetted, not bonded, not licensed, and untrained Obamacare navigators; not to mention being lied to by a high priced insurance salesman arriving in a

chauffeured driven limousine accompanied by fifteen to twenty armed guards. Then, once the sale was made, our President jetted off for another [\\$7.2 million vacation](#), leaving many of us unemployed, under insured, and worried about our future. As the saying goes; fool us once, shame on you; fool us during a second term, shame on us.

Exposing our confidential information to not vetted navigators was bad enough. Playing into the hands of Al-Qaeda is out right treason. So, are we inadvertently funding Al Qaeda' war chests?

## **Obamacare helps fund terrorist' war chests**

**Background:** Al-Qaeda is a global [militant Islamist](#) and [takfiri](#) organization founded by [Osama bin Laden](#) in [Peshawar](#), Pakistan,<sup>[15]</sup> at some point between August 1988<sup>[16]</sup> and late 1989,<sup>[17]</sup> with its [origins](#) being traceable to the [Soviet War in Afghanistan](#).<sup>[18]</sup> It operates as a network comprising both a multinational, stateless army<sup>[19]</sup> and a radical [Sunni](#) Muslim movement calling for global [Jihad](#) and strict interpretation of [sharia law](#). Al-Qaeda has attacked civilian and military targets in various countries, including the [September 11 attacks](#), [1998 U.S. embassy bombings](#) and the [2002 Bali bombings](#). The U.S. government responded to the September 11 attacks by launching the [War on Terror](#).

[Learn more](#)

**Chatter in terrorist' chat-rooms**, refer to Barack Obama as "The Sheppard" and his supporters "Sheep willing to be lead to the slaughter." There's little doubt Al-Qaeda is phishing and pharming off less than secure, government' websites. **Pharming** is a hacker's attack that redirects a website's traffic to a site they control. Ironically, servers successfully pharmed are referred to as being "poisoned."

**Phishing** refers to "social engineering" to obtain access credentials such as user names, passwords, social security numbers, zip codes, etc. Both phishing and pharming are used in identity theft, funding scams, marketing ploys, and extortions. Both are tactics used to extort, bribe, and coheres employees holding sensitive positions within our government, or trusted jobs within our private sector.

**During recall campaigns in 2010**, it was a safe bet that Al-Qaeda operatives were downloading signed petitions from our public records, linking names, zip codes, and signatures to social media accounts, and then phishing recruits from like minded friends of those who signed and circulated petitions. It's frightening to think how many college graduates seeking employment in companies holding government contracts were targets of Jihadist advocates.

**Statistically**, those most duped by political rhetoric were the first to be targeted by Al-Qaeda.

**The only sure way to avoid risks created by Obamacare is to repeal it in its entirety.**

Unfortunately, stopping Obamacare dead on the tracks will harm many already onboard. We can't allow

that to happen! **The Home-Rule Healthcare and Insurance strategy I propose**, systematically transfers already insured risks back to the private sector while a consortium of State' regulated health insurance companies establish actuarially sound risk pools capable of spreading catastrophic losses through a global network of reinsurers.


**While all health risks, including pre-existing conditions can be cost effectively insured**, the risks government run healthcare poses to our national security can only be avoided if we repeal Obamacare and make sure those who voted it into law never again violate our trust.

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## *A Risk Management (RM) Perspective*

	<p><b>Facts:</b> <i>“Any sudden or unexpected event can traumatize its victim. Waking up to lost hope, the loss of your doctor, or another trillion dollars in debt can traumatize just about anyone. Obamacare has traumatized everyone in its path!”</i></p> <p><b>Questions:</b> <i>Do you feel guilty because you should have read the bill before you voted? Do you fear being held accountable for your arrogance? Do you feel in control of your future?</i></p>
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**It was one minute after midnight, October 1, 2014. I couldn't sleep. *Who would have thought* in the United States of America, one stroke of a pen could bring our free market health insurance industry under the control of our Federal government?**

With one stroke, Christians would be forced to turn their backs on church teachings to fund abortions, and the IRS would be empowered to punish U.S.

citizens unwilling to purchase health insurance?

**Who would have thought that with a stroke of a pen we'd no longer be able to keep our trusted doctors or seek treatment at the nearest hospitals? Who would have thought that with a stroke of a pen, we'd all be forced to turn over our confidential financial records to not-vetted strangers? And, who would have thought that with a stroke of a pen, 1/6<sup>th</sup> of the national economy would be turned over to Washington insiders?**

*Any U.S. citizen who's not been traumatized by Obamacare is either living in a vacuum or totally blinded by political rhetoric. **Obamacare has done more than traumatize our world. It's violated our right to free enterprise, our freedom of religion, and our right to rule over our homes and homeland as we see fit. No other law anytime in U.S. history has threatened our Republic more than Obamacare. No other law has created more fraud and dishonesty, internet scam and terrorist risks not only for our generation but for generations not yet born. If you and your family have not yet been injured by Obamacare your time will come, probably before the end of 2014.***

## **What makes Obamacare so traumatic?**

*The three underlying drivers of trauma are guilt, fear, and the sense of being out of control.*

*Thanks to Obamacare, access to U.S. healthcare and insurance is now more expensive and less effective, more complex and less responsive, more confusing and less reassuring than ever before in U.S. history. The trauma caused by Obamacare can be measured by the guilt we feel having been blindsided by the law, the fear we'll be next to lose our policies and doctors, and the sense our healthcare system is out of control. The universe of victims is more than those who've lost policies and doctors. It's all who've been caught up in the political hype, and have faithfully promoted the train wreck called Obamacare. **If we're going to reduce guilt and worry and regain our sense of being in control, we're going to have to curb government's intervention into our homes and financial future. We're going to have to recommit to the "Home Rule" principles on which our country has been built.** **Rich Woldt** - CEO the RMLC*

**Trauma Management #101**

**Credit unions to the rescue**

**Worst case scenario**



# Turn a lemon into lemonade

## Repeal the law

**(P117)** Let's write a law that "Makes the Whole World Sing!"

In addition to requiring every US citizen to carry at least one "nationally recognized" health insurance policy, our law should require all US citizens to have a valid (certified) birth certificate on file in the county in

get them a job, put them to work, and garnish to weekly pay. God bless America. We're going to make it great again.

## Write the contracts

**(P123)** Let it be written! Let it be done!

### *Five Affordable Health Insurance Contracts*

There are many reasons why Obamacare failed to deliver cost effective and affordable healthcare and insurance. The top six reasons include:

#### **Contract #1: Home-rule Health Insurance (HRHI)**

underwritten in a separate nationally recognized contract (Contract #4).

## **Contract #2: Basic Home-rule Health Insurance (B-HRHI)**

Basic home-rule health insurance is designed for the young at heart and

## **Contract #3: Middle America Home-rule Health Insurance (MA-HRHI)**

I call this contract my “Middle America” middle of the road contract, designed to meet the needs of those in the “middle income” bracket.

## **Contract #4) Catastrophic Home-rule Health Insurance (C-HRHI).**

The Catastrophic Home-rule Health Insurance contract is no different than any other contract covers a catastrophic event effecting our health and wellbeing, whether it's a terminal illness or life altering accident. The only difference is this contract is written to compliment any one or all of the nationally recognized health insurance contracts.

For example, C-HRHI also excludes pre-existing conditions, but it does require 80% of earned premiums to be returned to the insured in claims paid or risk management methods designed to reduce future losses.

Conceivably, there are two contracts. One is the typical catastrophic contract, covering risks that occur later in life. The other, I call the “God Father” contract that covers a child from the moment of conception until the age of maturity, whatever that means, based on family traditions. The contract is designed to discourage abortions often driven by fear the most parents have, they can't afford to have a child, worrying it won't be born healthy.

## **(P125) Contract #5: Pre-existing Conditions Home-rule Health Insurance (PC-HRHI)**

Those with pre-existing conditions will have two options. They can purchase the Obamacare and ride the premium, co-pays, and deductible up for as long as they can afford to pay. Or, purchase this PC-HRHI contract. I honestly don't know what the premiums, co-pays, and deductibles might be going forward. We'll have to let the actuaries figure out how they'll be able to take in \$100 in premium and pay out a \$10,000 hospital bill the next day, and still make it work.

Fortunately, I see this contract filling a need for only the next two to five years. As long as the Obamacare contract is out there, most insureds with pre-existing conditions might be well advised to purchase the Obamacare contract.

But, allow me to hypothetically explain how a pre-existing condition contract might be made actuarially sound at a reasonable premium and a little help from Uncle Sam.

I suggest it be underwritten like we underwrite term life insurance. Let's take all the pre-existing conditions nationwide, including those now insured under the Obamacare contract and dump them into one national pool. Assuming 100% of premiums will be paid out in claims, calculate a premium based on the insured's average age and life expectancy.

All things being considered, set a reasonable premium most insured's can pay and just go with it. At some point the government will have to step in and pick up the tab.

On the bright side, after two or three years, pre-existing

conditions will be a thing of the past for those covered by any one of the nationally recognized policies. Why, each policy has a guaranteed insurable option, meaning at the end of the policy term, the insured can automatically move to any one of the nationally recognized contracts.

So without hundreds of IRS agents and threats of fines and penalties, how does the government audit compliance with the new Affordable Healthcare Law?

It's all done electronically. On January 1<sup>st</sup> each year, the insurance company sends the insured a confirmation of coverage that includes the insured's name, and social security number, along with their company name, the name of the policy, the policy number, and a statement as to whether or not premium payments are current and the policy is in force.

Whether or not premiums can be held out of the insured's tax returns can be debated. I recommend they not be withheld. Rather, I recommend this be handled as a "teaching moment." Instead of withholding money needed by the insured, I recommend some of the 80% earned premium be invested in community wide financial counseling.

## **Underwrite the risks**

**(P118) A Strategic Action Plan (SAP) for underwriting Pre-existing Conditions!**

Underwriting pre-existing conditions is like underwriting a boat with a hole in its bottom. You can charge its full value in premiums and you'll be lucky to break even. No matter how much you charge, the boat will

## Transfer and spread the risks

Whether you're the president of an organization, the chairman of the board of directors, the leader of the pack, or the first one to the scene, it's time we take command, focus our aim, get rid of those who've violated our trust, move out.



After you appoint your Safety, Information, and Liaison Officers, assign your Chief of Operations. Pick a proven leader. Our days of leading from behind are over. Their mission is to set up staging areas for all health insurance companies chartered to operate in your theater of operation (Quadrant of the country). Instruct them to assemble, equip, and train to be mission ready, all licensed, bonded, and field tested agents in your theater of operation.

Mission ready means trained not only to sell, but to council insureds regardless of their age, faith, or national origin. Instruct all health insurance companies to establish appropriate mutual aid agreements that'll affectively spread risks first across quadrants and then across the country.

Next, assign your Chief of Planning and order him/her to

assemble an underwriter from every health insurance company licensed to sell contracts in your state. Instruct them to write strategic action plans (SAP) you'll follow during the next three years. Ask for three plans. One to cover operational period #1 over the first six months. One for operational period #2 covering the first 12 months. And one for operational period #3, covering the first 36 months and beyond.

Next, assign your Chief of Logistics and order him/her to assemble two actuaries from every health insurance company licensed to market contracts in your state. Instruct them to work with all the underwriters and their fellow actuaries within your quadrant of operation. Their mission is to ensure that all insuring

pools are actuarially sound. In addition, instruct them to identify the liaison for actuaries operating out of the other three quadrants, as well as actuaries operating at the national level out of Washington, DC.

Finally, assign your Chief of Finance and order him/her to assemble "two" risk management representatives from every chartered financial institution (credit unions, banks, etc.) in your theater/quadrant of operation. Brief them on the following mission statement

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## Credit Unions to the Rescue



*"A short course in Credit Union philosophy"*

Think about it. Credit unions are financial cooperatives focused on bringing stability to family budgets, while creating economic opportunities for their members, sponsors, and everyone living or working within their field of membership.

It therefore stands to reason, credit unions are in the best position to identify, measure, and control the unique health risks within their field of membership. They're also well positioned to underwrite, group market, settle claims, and collect premiums via payroll deductions, direct deposits, not to mention offer lending solutions, health savings accounts (HAS), not to mention reverse mortgages that can be paid-off by term and whole-life insurance contracts when the insured dies or, for that matter disability insurance can be used to pay premiums while the insured is recovering from a serious accident or injury. .

Consider the evolution of the US credit union movement. I used it as a business model, when I wrote the strategic action plan for Home-rule Healthcare and Insurance. For example, credit unions used group marketing when they delivered the CUMIS Blanket Bond in the 60's, as well as Loan Protection (LP) and Life Savings (LS) insurance dating back to the 1930s.

Credit unions designed healthcare savings accounts, gap-loans during periods of unemployment, reverse mortgages, as well as term and whole-life contracts to ensure debts incurred all died with the debtor. Credit unions have helped pull the US economy out of the Great Depression, through two World Wars, and fend off the false promises of socialism. They'll have little problem guiding their members and sponsors to cost effective and affordable healthcare and insurance..

Architects of Obamacare failed to identify risks created nor measure loss frequency and severity. Nor did they realize how quickly their mismanagement would drive the US over the preverbal economic cliff. They never considered the impact Obamacare would have on family budgets, nor did they establish even the most basic risks controls needed to avoid or reduce losses.

Conservative economists on both sides of the isle, estimate our 30 year total projected deficit spending will exceed \$127 trillion. Considering total "private sector" US assets are estimated to be \$106 trillion, insurance actuaries estimate we'll face a fifteen to thirty percent annual increase in Obamacare premiums until sometime after 2020. *(I wrote this during the 2012 campaign).*

Obamacare has shaken the financial foundation of families, communities, and consequently our US economy to its core. Most economists consider it "One Big Academic Mistake for America," or what both sides of the isle are now cynically calling an "OBAMA."

Credit union risks created range from fraud and dishonesty, internet scams, identity theft linked to not-vetted navigators uploading personal and confidential data to unsecured websites; to policies being canceled for failure to pay, access to doctors being denied, and terrorists phishing the internet



to recruit and fund their war chests. Add government dictating what can be sold and what must be bought, to the invasion of the IRS into our lives, and Obamacare quickly becomes more than a risk management nightmare.

Government run healthcare has been tried many time before, all around the world. It eventually leads the rationing of poor quality healthcare at an unaffordable cost for most insureds. The only sure way to avoid the risks created by Obamacare is to repeal the law and move the contract into a competitive free market economy.

The strategy I propose will work, because, like the US credit union movement, it's built from the grassroots up, not from top down, it honors our "Home-Rule principles, adheres to Maslow's Hierarchy of Needs, and embodies our people helping people, not-for-profit, not-for-charity, but-for-service credit union philosophy. It works because it relies heavily on the character of the individual, reinforces their work ethic, and only as a last resort depends on others to help finance premiums, co-pays, and deductibles.

Equally important, the home-rule healthcare I propose holds the individual responsible for managing their own health risks, promotes sound underwriting practices, cost effective claim adjusting, which in turn creates actuarially sound pools of insurance that can be spread around the world via well negotiated reinsurance contract.

Credit unions are either state or federally chartered and organized around a "common bond" to provide economic stability within their field of membership. Faith based, postal, police, fire, military, union, and school district credit unions were some of the first organized.

From the 1930's through the 80's the number of US credit union grew to well over 22,000. Since then, they've been

merged and consolidated in order to keep up with changing technologies, member services, and the benefits that come with the economy of size and scale. A credit union's primary purpose is to provide economic stability for all within their field of membership. Consequently, credit unions are well positioned to underwrite and blanket market "field of membership" appropriate health insurance to everyone within the common bond, while at the same time providing payroll deduction, auto pay, or similar programs that'll help reduce administration costs and policy premiums.

The mission, should the US credit union movement choose to accept it, is to mobilize the grassroots, and work through its local chapters, state leagues, and national associations to once and for all deliver cost effective and affordable healthcare and insurance for every man, woman, born and unborn child in America.

We'll succeed **if we reaffirm the** "people helping people," not-for-profit, not-for-charity, but for service philosophy that pulled us out of the Great Depression. We'll succeed if we use the same "blanket bond" strategy we used to provide fidelity bonds to every credit union during the 60's, and the same blanket Loan Protection (LP) and Life Savings (LS) insurance strategies that paid off outstanding loans so debts died with the debtor.

**(P137)** In closing, I leave you with a few reminders. It was **Ronald Reagan who said our freedom is never more than one generation away from extinction.**" He also said, "The difference between democrats and republicans is, when we're buried in a tunnel of debt, republicans dig toward daylight, while democrats dig longer tunnels.

Obamacare has dug us far too deep in debt. It can't be

sustained without endless government bailouts, and adding trillions to our national debt. If we're going to avoid an on-going fiscal crisis, healthcare in our republic must be returned to the private sector.

**Take no offence**, but most moves toward government run healthcare i.e. "socialized medicine" usually turns out to be a move toward socialism. If you remember, we were moving toward socialism leading up to WWII. We just haven't learned.

**(137) Remember? Norman Mattoon Thomas (1884-1968)**

was a leading American socialist, pacifist, and six-time presidential candidate for the Socialist Party of America. In 1944 he said, "The American people will never knowingly adopt Socialism. But, under the name of "Liberalism," they will adopt every fragment of the socialist program; Until one day America will be a Socialist nation, without knowing how it happened. He went on to say: "I no longer need to run as a Presidential Candidate for the Socialist Party. The Democrat Pary has adopted our platform. But it gets worse.

Most alarming, in our recent past, is the well documented affinity between President Barack Obama and Chicago's community organizer Saul David Alinsky. Google, "the Obama Alinsky connection" and judge for yourselves.

It's because of that affinity that I urge Congress to "benchmark" where the Obama' administration has brought our country over the past eight years. Read Alinsky's rules for radicals, and you be the judge!

**(P138) Rules for Radicals: By Saul David Alinsky**

- 1) Healthcare – Control healthcare and you control the people.
- 2) Poverty – Increase the Poverty level as high as possible, poor people are easier to control and will not fight back if you are providing everything for them to live.
- 3) Debt – Increase the debt to an unsustainable level. That way you are able to increase taxes, and this will produce more poverty.
- 4) Gun Control – Remove the ability to defend themselves from the Government. That way you are able to create a police state.
- 5) Welfare – Take control of every aspect of their lives (Food, Housing, and Income)
- 6) Education – Take control of what people read and listen to – take control of what children learn in school.
- 7) Religion – Remove the belief in the God from the Government and schools
- 8) Class Warfare – Divide the people into the wealthy and the poor. This will cause more discontent and it will be easier to take (Tax) the wealthy with the support of the poor.

**Thomas Jefferson said,** *“My reading of history convinces me that most bad government results from too much government.”*

It's time to downsize our federal government and return our healthcare system and health insurance industry to the free

market private sector. Please consider Home-rule Healthcare and Insurance – A cure for Obamacare a step in the right direction.

**(P139) Home-Rule Healthcare and Insurance**

***The Risk Management' cure for the Obamacare***

**Thomas Jefferson said,** *“To compel a man to furnish funds for the propagation of ideas he disbelieves and abhors is sinful and tyrannical.”*

**England’s Prime Minister Margaret Thatcher warned,** *“The problem with European Socialism is eventually you run out of other people’s money.”*

**Obamacare is a case in point!**



**Rich Woldt** CEO the RMLC  
([Bio](#))

***About the Author***

*Richard Alan (Rich) Woldt, is the founder and CEO of the Risk Management Learning Center, he started in 2001 shortly after the 9-11-01 terrorist attacks at the World Trade Center in*

*NYC. He refers to himself as "a recovering liberal," having lived and worked on the Isthmos of Madison while attending the University of Wisconsin. He received his BBA in Risk Management, Insurance and Marketing from the UW-Madison in 1968, is a CPP (Certified Protection Professional), a CFE (Certified Forensic Examiner), licensed Private Investigator, and an active member of PAWLI (Professional Association of Wisconsin Licensed Investigators). He's a Vietnam veteran, a member of the American Legion, and a life time member of the AMVETS and Veterans of Foreign Wars (VFW). He's a charter member of the University of Wisconsin Risk Management and Insurance Alumni Association, and life member of FORCE (Wisconsin Firearm Owners, Ranges, Clubs, & Educators, Inc.). He's on the board of Midwest Protection Incorporated (MPI), as well as an organizer and charter member of many credit unions, including the Door County Community Credit Union (DCCU), merged first into the Pioneer Credit Union and then into Capital Credit Union serving the Fox River Valley.*

*During the '60s, he was a democrat, voted for JFK and LBJ, as well as US Senator Russ Feingold and Madison' Mayor Paul Soglin. He was a union member (Organization of Professional Educators International (OEPIU) for his 30 years teaching Risk Management throughout the world credit union movement. He's now a conservative capitalist Christian hell-bent on publically flogging anyone posing a threat to our republic.*

*He leans right, carries concealed, and vows to oppose anyone messing with our constitution. He believes in smaller government with less buracracy, and more freedom and fewer regulations. He believes local governments should have more power than state, the state more power than federal and that*

*our federal government should focus on our national defense and leave healthcare, education, law enforcement and emergency government to those closest to frontlines.*

*Finally, he believes our war on terror is not over, we should never pay ransom for the release of hostages, sell weapons to our enemies, or retreat from combat before the wars been won.*

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## **Appendix:**

**(P29) Credit Union History and Traditions**

**(P31) The Evolution of the US Credit Union Movement**

**CUNA Mutual - "The Debt Shall Die with the Debtor"**

**CUMIS - The Credit Union's Bonding Company**

**Risk Management to the Rescue**

**CUNA International - The World Council of Credit Unions**

**The Filene Research Institute - 1989**

**(P33) A Multitude of Credit Union Associations**

### **(P33) Federal Laws - State Regulations**

Both sides of the isle agree, we need laws that'll enforce our safety,

**(P34) Duel Charter/Licensing:** Credit unions in the U.S. have a choice of either being chartered by the Federal government and regulated by the

What's the NHI-RMAB? The Federal government should fund and oversee a bonded, National Health Insurance Risk Management Advisory Board (NHI-RMAB) that's required to meet monthly over the frequency and severity of the "identified" health risks unique to each quadrant.

A question for the Board of Directors of CUNA Mutual Group. What are you waiting for?

In 1935, when the grassroots of America feared going into debt to grow our economy, we assembled the state credit union leagues and formed

## **Maslow Hierarchy of needs**



**P49) #2) How does Obamacare impact our needs according to Maslow's Hierarchy of Needs? Skyrocketing premiums, escalating co-pays, and increasing deductibles all divert funds needed to put food on**



## Incident Command System

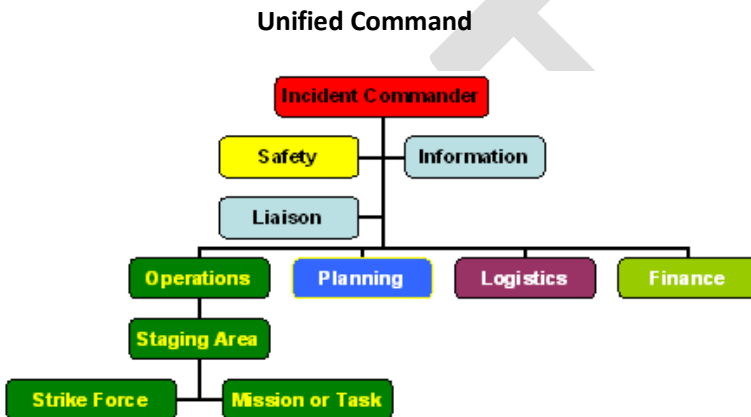
**(P128) It's time for you to step up to the plate!**

*"We're back in the driver's seat."*

Let's SPAR: *God! Help us to be mission ready, to take command, secure our theater of operation, assemble our troops, and focus our country on risks that pose the greatest threat to our health and well-being. Help us to reach deep within ourselves, and rekindle our American' spirit.*

Whether you're the head of your household, Chairman of the board, Bishop of the Diocese, or President of a Fortune 500 company, you're in the best position to command a mission to not only search for, but to underwrite and blanket-market cost effective and affordable "quality" healthcare and insurance.

**Note: During most unified commands, mission assets will move in and out of staging areas, in order to adjust to mission' "scope-creep." It's called the "concertina" effect.**



(OP2-Q&A#10) You'll follow the same Incident Command System (ICS) used by every law enforcement, fire department, emergency government, and homeland security professional in our United States of America. Your "Theater of operation" will be one, or all four quadrants of the United States. Quadrants are divided into east and west by the Mississippi River, and north and south by the 40<sup>th</sup> parallel.

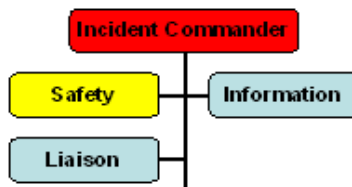
**Author's Note:** *While all nationally recognized, home-rule health insurance contracts cover the same pure and speculative health risks, I recommend they be underwritten using four separate quadrants of the country. Underwriting in four large quadrants of the country, provides the same actuarial benefit we get from "community rating," plus the benefits we get from the "Law of Large Numbers." For example, dividing the country north and south of the 40<sup>th</sup>*

*parallel and east and west of the Mississippi allows underwriters and actuaries to focus on the health risks unique to each quadrant. That allows marketing across state lines (within each quadrant), which drives down marketing costs. It also increases competition, which drives down premiums, while spreading risks over a larger area, which drives down claims and settlement expenses. Reinsuring quadrant to quadrant, region to region, etc. also helps drive down claims and settlement expenses. All eventually help drive down the cost of our healthcare and insurance. Get the picture?*



I recommend involving the Center for Disease Control (CDC) in all unified commands to help identify, measure and control health risks in each quadrant, as well as the Department of Health and Human Service and the Department of Education to keep the public informed during any national healthcare crisis. The more we can fine-tune and focus our risk management efforts, the quicker and more effective we'll be to identify, measure, and control our losses. The more we can reduce our losses, the lower will be our cost of healthcare and insurance. Get the picture?

### **(P130) Single Command**



Whether you're commanding a "single" or "unified" command, you'll be responsible for designating a "Safety Officer" who'll monitor all safety concerns, to include making sure all responding personnel have been logged into your command, they're properly trained and equipped for the tasks at hand, all are covered by at least one worker's compensation policy, and all have been properly briefed immediately prior to deployment.

You'll also designate an Information Officer to be in charge of keeping all relevant personnel and responding agencies well informed and up to date.

Finally, you'll designate a Liaison Officer to act as the liaison, between yourself and your Chiefs of Operations, Planning, Logistics, and Finance.

### **(P131) United we stand! Divided we fall!**

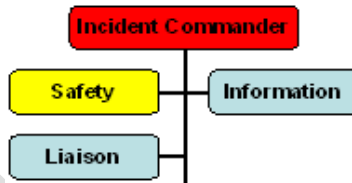
*A case study for Incident Command and Control (ICS)*

The quicker we identify, measure, and control life threatening risks, the lower will be our losses and subsequently the lower will be the cost of our healthcare and insurance. Few doubt, the greatest health risks we face might come from a domestic

terrorists imbedded deep within our country and local culture. Consider the following worst-case scenarios.

Let's role play bomb threat and anthrax scare in Time Square, and a terrorist targeting our stockyards in Arizona to explain how the Incident Command System (ICS) works at every level of the grassroots credit union movement.

First let's role play a "single" command. You just arrived at work and you see a suspicious oil stained, package with what looks like baby powder in an attached envelope just outside your office.



**(P132) What would you do?** You'd take command (in a loud voice say "I take command"). Immediately dial 911 and evacuate the area. *(Note: If you're not familiar with the area, or the evacuation protocols and procedures, hand the phone and the evacuation over to someone who is. It's critically important for the 911 operator(s) to receive clear, accurate and specific information on which they'll act. Also, remember, the evacuation protocols for bomb threats are significantly different than those for fire or severe weather (Ref: Addendum #2 – International Risk Management Performance Standard). Stay on the phone and wait for the 911 operator to tell you to hang up.*

You've just carried out your first "single" command. You took command and executed a maneuver to help ensure everyone

in the area was safe. You then informed the police, and stayed in contact as their liaison until they arrived at the scene. Congratulations! You may just have avoided a major loss of lives. At a minimum you've reduced the losses should it have turned out to be an actual attack. Reducing losses, reduces our healthcare costs and subsequently the cost of our health insurance. Get the picture?

Now let's role play a "unified" command. You're a supervisor working at a large southwestern stockyard when you notice two suspicious men imbedded with stockyard employees. One is feeding what appears to be contaminated feed to the cattle. The other is branding and giving some type of shot to the calves. If you don't act quickly, potentially infected cattle will be mixed with lots shipped to slaughter houses, which in turn **(P133)** could contaminate our food chain all across the country.



What would you do? You'd take command, call in the authorities, and lockdown the yard. You'd then form a "unified" command designating your Chief of Operations, Planning, Logistics, and Finance (Ref: OP2-Q&A#10).

It's estimated, one successful attack at our stockyards could lead to burring so many cattle it would take a trench 10' wide and deep reaching from the west coast to the Mississippi River. Congratulations. You've just avoided a nationwide healthcare crisis, and no doubt reduced the cost of our national healthcare by at least a million dollars.



The next step in reducing our healthcare costs, and subsequently the cost of health insurance, will be to channel a portion of 80% earned premiums back to the stockyard to improve their security. Again. Do you get the picture? The more we invest our taxes in risk management training and education, the lower will be our losses, and subsequ