

A Risk Management Cure for Obamacare

By CEO Rich Woldt – The Risk Management Learning Center!

Ronald Reagan said, “Freedom is never more than one generation away from extinctions.”

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!



“If you’re wondering about my political affiliation and bias. I’m a recovering liberal having graduated from the University of Wisconsin in 1968. I’ve campaigned and voted for JFK, LBJ, Democrats Russ Fiengold and Paul Soglin. I was a union member for 28 of my 30 year career teaching Risk Management through the world credit union movement. I now lean right, carry concealed, and will fight back if anyone treads on my religious freedom or dictates what risks I’m allowed to take or how they must be managed!”

Rich Woldt CEO the RMLC

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As always, I offer my permission to reprint and distribute part or all of this white paper provided credit is given to its author and you send \$25 to Rich Woldt, 1906 Barber Drive, Stoughton, WI 53589. You’re on your honor! Remember, I’m now living on a fixed income.

Your cancelled check is your receipt. Remember, this is a construct of my mind and not an actual marketed health insurance product.

Rich Woldt CEO the RMLC

Obamacare is both a “Pure” or “Speculative” Risk

Obamacare is a “Speculative” risk taken by the Obama administration to ironically provide “affordable” healthcare to those who either couldn’t afford it, or didn’t have access to affordable health insurance. It’s a “Pure” risk for all those who’ve had policies canceled, been forced to pay for insurance not needed, and those who’ve lost access to trusted doctors, hospitals, clinics, drugs, and medication. And, those now forced to pay higher premiums, accept larger co-pays and deductibles.

Rick Waltz - CEO the RMLC

A note to International Credit Union Risk Managers:

“Obamacare,” for Risk Managers reading this outside the U.S., is the latest attempt in the U.S. to impose government run/socialized healthcare on U.S. citizens. [Learn more](#)

Obamacare - Credit Unions Know the Cure!

A Risk Management (RM) Perspective

A note to credit union board members: Review your RM handouts from CUNA Management Schools, chapter, league, and national association RM workshops!

Once again, US credit unions are well positioned, better than any other organization anywhere in the world, anytime in history to rescue victims of Obamacare. After all, it took the US Credit Union System (movement) to pull the US out of the Great Depression and through World War II. I’m convinced, our grass-roots, “People helping people, Not for profit - not for charity - but for service, Character first, capacity second, collateral last, credit union movement can put our US healthcare system back on track.

At this point, if Obamacare isn’t repealed, it’s going to take a “Unified Command” consisting of two skilled Credit Union Risk Managers at every level of the US Credit Union System, on guard 24/7, to first identify and measure, and then control the risks created daily by Obamacare. While the scope of this “train wreck” already touches members nationwide, it’s “scope creep” is increasing geometrically as executive orders are issued and legislation is proposed to punish doctors, hospitals, and clinics unwilling to accept government’ dictates.

Fortunately, U.S credit unions, chapters, leagues, and national associations all

have trained risk managers in place to identify, measure and control fraud, dishonesty, embezzlements, scams, phishing, and identity theft risks. All have recovery teams ready to deploy system wide, “unified” commands, to financially rescue their members, and support local doctors, hospitals, and clinics demoralized by Obamacare reimbursements.

It is important for us all to better understand why government run healthcare always threatens our freedom and eventually cripples our economy. Obamacare, for example, ignores the priority of needs important to victims, while violating the trust we all need in our doctors, hospitals, clinics and medics. In no small way, Obamacare has traumatized our nation, ignored Maslow’s Hierarchy of Needs, violated “Home-Rule” principles, destroyed our trust in government, and if not repealed will bankrupt our economy. **Allow me to explain:**

How has Obamacare traumatized our nation?

A Risk Management (RM) Perspective

Who would have thought that 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, 1/6th 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.***

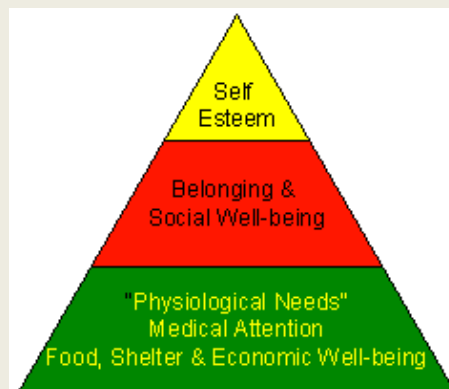
What makes Obamacare so traumatic?

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. Rick Wolcott - CEO the RMLC

Obamacare Ignores Maslow's Hierarchy of Needs!

A Risk Management (RM) Perspective

Maslow's "Hierarchy of Needs" theory says: "When disaster strikes, or when we're confronted with a life threatening injury or illness, our focus is first on solving our "physiological" needs for immediate medical attention, food, shelter, safety, and stable employment on which we can rebuild our lives. Simultaneously, we search out a safe place to belong, seeking out our family, our trusted doctors, and our clergy. Until we're sure we're safe and surrounded by a dependable support system we're not ready to continue to continue our climb up the corporate, social, or economic ladder.



In no small way, Obamacare has threatened our financial security by taking away insurance contracts we've relied on for years. In no small way Obamacare has destroyed the need we have to know a trusted doctor, hospital, and clinic will be there in

our time of need. No less than 36 times on the campaign trail we heard, “if you like your doctor and hospital, you can keep your doctor and hospital” (click on Maslow’s pyramid) Obamacare has ignored the relationships built over years that in and of themselves could mean the difference between giving up and 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 help for those in need.

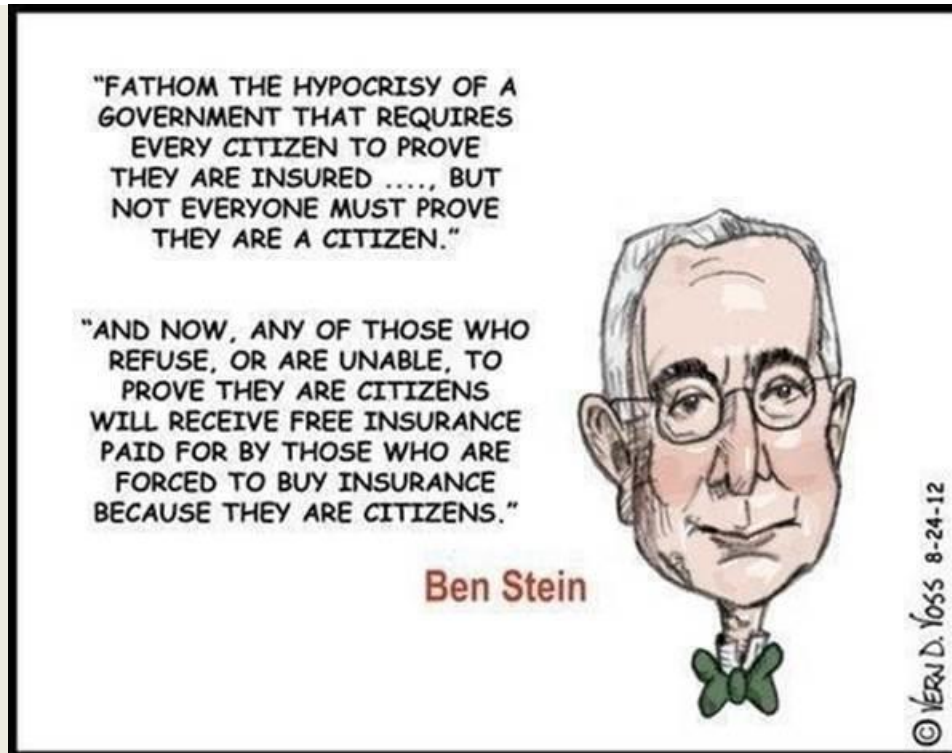
“We’ve all been there. We’ve heard trusted doctors cap our trauma with, “Hang in there, you’re going to be OK.” *For me, it was after a sledding accident in the eighth grade and again while in Vietnam. Such doctor-patient relationships are priceless. **Obamacare is not just an abysmal website failure, it’s a horrific threat to our personal and national sense of well being.*** *Rich Waldt* CEO the RMLC

Obamacare violates “Home Rule” Principles!

A Risk Management (RM) Perspective

Government run healthcare in a free Republic has less chance than a snowball surviving in hell. Why?

Americans are fearlessly independent! We’ve tasted freedom and we value liberty more than a guaranteed government handout. We also have a healthy fear of Communism, Fascism, Socialism, and government run healthcare controlled by the IRS, and administered by executive orders. We’d have to be insane to trust 1/6th of our national economy to the advocates of Obamacare. *Rich Waldt* CEO the RMLC



Thomas Jefferson said: *“When the people fear the government, there is tyranny. When the government fears the people, there is liberty.”*

“Repealing Obamacare will do more than regain our freedom of choice. Repealing Obamacare will restore our liberty! “ *Rich Woldt* CEO the RMLC

Obamacare has been tried before, and failed!

A Risk Management (RM) Perspective

Obamacare is not our first attempt at government run healthcare. 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 healthcare system. **Obamacare is nothing more than a reworking of “Hillary Clinton-care.”**

Why have they failed? They practice no meaningful underwriting, and ignore virtually all Risk Management principles and practices. For example, they dump everyone into one national risk pool, assuming everyone needs let alone wants to be insured. In the real world, older women seldom need or want maternity cover and men never do. Christians refuse to pay for abortion cover, and faith-healers know they’ll never need a doctor. They falsely think a government exchanges can affectively spread pooled risks.

To add insult to injury, Obamacare has failed to identify let alone manage the

enormous fraud, dishonesty, internet scam, and identity theft risks created by not-vetted navigators entering confidential financial information into a government' exchange.

The only way we'll rescue our healthcare system is to repeal Obamacare, return to free market underwriting, and limit government to regulating, not running our private sector industries. The only way we'll keep Obamacare afloat is to pay ever higher premiums, accept ever larger deductibles, and increase taxpayer subsidies.

Should Obamacare be repealed? The main-street media, FOX, Judicial Watch” <http://www.judicialwatch.org/press-room>, and virtually every experienced risk manager all now consider Obamacare “**A big American mistake!**”

Can we salvage Obamacare? Not if we want to regain the trust and confidence of the American people. JFK challenged us to land a man on the moon. Reagan demanded the Russians “Tear down that wall!” Obama asked us to rework Hillary Clinton Care, changing little and thereby causing a predictable train wreck.

There is a better way to cure our healthcare system, repair our broken health insurance industry, and grow our economy. All we need to do is reopen our private sector health insurance industry and mission companies to create cost effective insuring pools appropriate for every segment of society, limiting government involvement to ensuring the safety and soundness of insuring companies. Sound familiar? **Let's review tested Risk Management and Insurance principles dating back to 1935,**

Rich Woldt - CEO the RMLC

Risk Management and Insurance Principles - 1935

Let's begin with a test, to see how much you remember from Risk Management # 101 and “Management of Insurance Enterprises;” two courses taught at the University of Wisconsin since 1935. **Answer the following questions:** What's 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 RM control tools? Who's responsible for managing the risks you create or choose to take? In what order are risk controls used?

Answers: Risks are the uncertainty of loss.” There are **two type**; “Pure” and “Speculative.” 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). **Everyone is responsible for managing the risks they take or create.** Risk controls are used in the following order: First, ask yourself if you can or want to **“Avoid”** the risk. For example, run away from the gun fight you know you can’t win. Next, **“Reduce”** the risk. For example, carry a gun and learn to shoot. 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. Fourth, **“Assume”** that part of the risk you can afford. For example, taking the \$100 deductible on your auto insurance, knowing you can afford to pay for a scratched fender. Finally, and I emphasize finally, **“Transfer”** the remaining risk into a pool of insurance, through a hold harmless agreement, or a binding legal contract. For example, credit unions that handle large amounts of currency on and off premise purchase a fidelity bond to cover robbery losses, Workers Compensation to indemnify injured messengers, and hire armored car services to effectively transfer the risk of robbery to a qualified carrier.

So there you have it!

(Is ice fishing in the nude, an insurable risk?)

Health insurance is not: The **“first tool”** of Risk Management;” where you can “avoid” fishing in the nude and stay home. It’s not the **“second tool”** of Risk Management, where you have to stay in a heated shanty. It’s not the **“third tool”** of Risk Management; where you limit giving your cold to a few close friends, nor is it the **“fourth tool”** of Risk Management;” where you assume what you can afford. It’s the **“fifth and final tool”** you use after you’ve taken a risk, done what you can to reduce the danger, spread out your potential pain, and assumed as much as you dare before **“transferring” the risk that’s left to someone else. Someone else who’ll be able to indemnify or put you back in the same or similar shape you were in before you exposed it all stepping out on the ice in nothing more than your birthday suit.**

What’s wrong with Obamacare, or for that matter all forms of socialized healthcare, is it holds taxpayers primarily responsible for the risk taking behavior of all U.S. citizens. I forgot, to make it worse, under Obamacare, taxpayer liability doesn’t stop at the border.

Obamacare assumes: requiring us to pay skyrocketing premiums and accept escalating deductibles, along with being denied medical attention from hospitals forced out of their exchange, and their “death panels” denying medical attention based on age or financial status, will all be enough incentive for us to dress warm. It’s time to repeal Obamacare and start over. 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 their health insurance are huge supporters of Obamacare. Can you guess why\$)

Note to CURMs: Now that the U.S. Democratic' controlled Senate used the Nuclear Option, allowing them now to elect Supreme Court justices and members of the Obamacare death panel with a simple majority; we're screwed!

Obamacare Underwriters! Were they drunk?

If Obamacare underwriters aren't drinking, they should be. At least than they'd have an excuse for the mistakes they're making. Unfortunately, if what they're doing wasn't so seriously sad, we could just laugh them off, but if someone doesn't put a fork in their stupidity we're all going to suffer the first time an Obamacare policy holder files a claim. Let's take a sobering look at from where the "Underwriter" title came and why what they're doing is going to devastate our healthcare system.

The term "Underwriter" was first used in London bars when insuring agents sign ship titles under the name of the ship owner, indicating they'd indemnify the ship owner if his ship was lost at sea. The story most often told involves ten not to sober ship owners planning to set sail the next day on ships and cargo each valued at \$1,000. At the end of the bar was an insurance Underwriter, speculating the odds were good that nine would sail safely and one would be sunk at sea.

He bid the ship owners to bring both titles to their vessels and an inventory of their cargo to the bar at daybreak. He agreed that if they all sailed sober, with adequate provisions, and an experienced crew he'd insure each vessel for 105 each. As luck would have it all showed up the next morning, and after inspecting each ship and crew, the businessman wrote his name under the ship owner's name on the title, collected his \$1,050 and thereby became London's first insurance "Underwriter."

Ten of the eleven ships with cargo sailed for the New World. One of the ten sunk and nine made it safely with cargo to Boston Harbor. The owner of the ship that sunk collected his \$1,000, leaving the Underwriter \$49 to pay off his bar bill leaving him a dollar profit in his pocket.

The underwriter went on to organize other ship owners into "pools" based on types of cargo and style of ship. Eventually he was able to insure not only their cargo and ships but based on health habits and training he was able to offer crew members both individual and group "Life" and "Health" insurance at an affordable cost.

Separating crew members into pools based on their age, experience, and willingness to take responsibility for themselves, the Underwriter was able to accurately calculate his potential losses and charge premiums based on the risks each insured brought to the pool. The larger the pool, the easier it was to predict losses. The easier it was to predict losses, the more profit could be reinvested to promote healthier life styles and longer lives, which in turned lead to lower deductibles and premiums for all. Eventually, every ship, captain and crew setting sail for the New World had more than affordable health insurance.

All went well until governments on both sides of the Atlantic decided to tax the Underwriters income, not to mention the ship owners ship and income and the income of the crew and all dockhands loading and unloading the ships. Eventually both governments taxed the water they drank and the rationed the air they breathed. It didn't take long and the government got jealous of each other and decided to not only tax but take over the Underwriter's business knowing they could do a better job.

Unfortunately, neither government knew anything about insurance let alone Risk Management and Underwriting so it didn't take long for them to hire unemployed mail carriers underwrite and settle claims; raising taxes to hire lawyers to defend law suits all the way to the Supreme Court. To find new ships to underwrite, they hung bill boards all up and down the docks, saying; "Come one, come all, come as you are." No one will be denied."

Before the end of the first month, ships of every shape and size showed up at the dock. Some had experienced crews, many did not. Some had good timber but most had dry rot. Soon the government underwrote every ship, buying some for back taxes and salvaging others mysteriously sunk in the harbor.

The morale of the story is: If we don't get the government out of the health insurance business, we're all going to be taxed into bankruptcy and our ships will be sunk.

Another glaring problem with Obamacare and for that matter all government run healthcare programs is there is no incentive to chart a safer course through life, stay healthy, or accept responsibility for ourselves. No matter how we paint this pig called Obamacare, eventually it'll drain taxpayers dry, add trillions to our national debt, and leave us all no choice but to raise the debt ceiling; which eventually will destroy our economy.

Anyone who believes Obamacare is good for our country needs to spend time in our Risk Management Learning Center library at www.RMLearningCenter.com, I'll put my money on a private sector underwriter any day of the week.

We've heard the Obamacare wake-up call!

The majority of U.S. citizens have! It took the forced cancelation of policies and required enrolment into Obamacare for us to realize we're losing our freedom of choice and the liberty our forefathers fought so hard to provide. **Unfortunately, our lost freedom is only the tip of the iceberg.** The trust we've lost in government as a result of the fraud, dishonesty, internet scams, and identity theft losses caused by their not-vetted Obamacare' navigators, is driving the cost of healthcare and insurance through the roof and the honor and character of our elected officials down the drain.

Not everyone needs health insurance!

There are many creative ways to transfer risks to someone else other than into a pool of insurance. The problem with Obamacare is I predict, once the political marketing hype and campaign rhetoric dies, those relying on premium subsidies will bailout on Obamacare until they have a major health concern and then they'll just sign up, pay premiums until they're well and cancel their coverage. Remember, they only need to have insurance at tax time. Statistically, someone qualifying for a subsidy in 2015 will be better served keeping a subsidy and turning down a \$2500 annual increase in salary. While subsidies might be helpful in our economy in the short term, they'll have an overall stagnating effect over the long haul.

At one extreme, escalating costs create stress and anxiety, while at the other extreme, government subsidies and handouts lead to apathy and depression. It's not far reaching to wonder if Obamacare will have the same impact on future generations that Prohibition and the Great Depression had on past.

If you're young and healthy, you might be better off taking a job offering Workers' Compensation, paying a penalty, and escaping the financial clutches of Obamacare.

Where did Obamacare go wrong?

The fundamental Risk Management' flaw in Obamacare is it transfers 100% of healthcare risks into one insuring pool, relying on premiums collected plus taxpayer subsidies to cover administration costs and indemnify patients. To add injury to illness, Obamacare' panels are authorized to restrict access to healthcare, limit what will be paid to doctors and hospitals, and exclude specialty clinics and hospitals from their government run exchange. 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). The IRS will oversee Obamacare and will dictate who qualifies for tax subsidies and who is exempt from the law. Unions and corporate supporters of the Obama administration have already received compliance extensions and guaranteed subsidies.

So, if we passed it, why can't we repeal it?

The answer is, we can! Obamacare advocates believe we're on the right track. The majority of U.S citizens disagree. It's time we repeal Obamacare and turn U.S healthcare and insurance back to the private sector. It's time we recommit to internationally recognized Risk Management principles and practices, and launch a truly affordable healthcare system built from the grassroots and grounded by "Home-Rule" principles and practices. ***A simple solution might be to pass a law restoring our right to purchase the health insurance we prefer directly from a licensed health insurance company that is marketing the insurance policy we want to purchase; and, allow those who advocate Obamacare purchase it from the Federal exchange. What a novel idea!***

If we can repeal and recover from prohibition, we can repeal and recover from Obamacare. It's time for affordable U.S. Home-Rule Healthcare and Insurance. Healthcare for the people, by the people, and from the people! What another novel idea!

Rich Waldt CEO the RMLC

Home Rule Healthcare and Insurance!

Until Obamacare, we lived in a country that honored “Home-rule” principles, guaranteeing no government had the right to tell us what health risks we can take, or when, where, and how risks not assumed had to be transferred. Obamacare first violated our religious freedom when it forced Christians to purchase abortion contracts. It then ignored our right to free enterprise when it forced insurance companies to market only contracts with which the Obama administration agrees.

In no small way, Obamacare violates our rights to home rule and self determination. In no small way, Obamacare endangers the quality of our healthcare while driving hospitals and doctors out of business. In no small way, Obamacare, flies in the face of the “Home Rule” doctrine, trumps our liberty, and denies us our freedom. Anyone that fails to see the threat Obamacare poses for our Republic, is failing to see the threat Obamacare is to their family and future.

Introducing “Home-Rule (HR) Healthcare and Insurance”

A Risk Management Cure for Obamacare

Sample Mission Statement!

- **We’ll honor America’s “Home Rule” and religious traditions, on which our country has been built,**
- **We’ll manage the trauma created by Obamacare!**
- **We’ll identify, measure, and recommend controls for all risks created by “Home-Rule Healthcare” and recommended tools of transfer.**
- **We’ll adopt sound Risk Management principles and practices to provide cost effective healthcare insurance for every U.S. citizen; guaranteed from conception until death and beyond.**
- **We’ll hold insured’s responsible for managing their own healthcare risks and accountable for transferring risks into an insuring pool of choice.**
- **Finally, we’ll hold the Federal governments responsible for ensuring healthcare providers and health insurance companies deliver consistently high quality, timely, and cost effective healthcare products and services.**

HR' Healthcare' Heroes and Mentors (1945 – 2014)

We've all grown up mentored by heroes, patriots, and parents charting our history, influencing our character, and instilling core values that can't be bought and shouldn't be lost. That is unless we let down our guard, turn our back, and march only to the loudest drummer. Such is the case called "Obamacare."

We've sent too many to Washington who are willing to ignore the values on which our country has been built. Too many who've bent to the rhetoric of their leader rather than listen to the voice of their constituents. As one of my mentor's would say, "It's time we turn this wagon around!"

Rich Walcott CEO the RMLC



Words of wisdom from Chief Oshkosh

I was blessed to grow up in Door County having Menominee Indian' Chief Roy Oshkosh (Tschekatch'Ake'Mau III) as our family friend, scout leader, and mentor.

He shared many words of wisdom such as: "Lock your car, there are a lot of white men around here," reminding us what happened when his tribe trusted our government. "Don't judge anyone until you walk a mile in their moccasins," and **"Hand someone a loaf of bread and you'll feed them for a day; teach them to plant wheat; you'll feed them for a lifetime."**

It's time to walk a mile in the moccasins of the injured, sick, and uninsured!

It's called "Home-Rule Healthcare and Insurance," because every healthcare decision and every health insurance contract' purchase is made by the head of the household, not the government. That means no one, nor any government has the right to tell us what health risks to take or not take, nor tell us how to manage our risks or transfer them to the health insurance pool of our choice! If we're going to turn the Obamacare wagon around, We'd be wise to:

- **Launch a “Home Rule Healthcare and Insurance,”** initiative that’s driven and controlled by the grass roots, fashioned after the world credit union movement ; and, by design, the virtual opposite of Obamacare.
- **Adopt the motto, “Hand them an insurance policy and we protect them for today, teach them to manage their risks and we protect them for a lifetime.”**
- **Design 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.
- **Benchmark Obamacare,** salvage what we can, and retire the rest before it bankrupts our country, destroys our healthcare system, and implodes our health insurance industry.
- **Turn back the clock** and benchmark U.S. healthcare and health insurance industries before the advent of Obamacare. **Then launch a unified command focused on rooting out fraud, dishonesty, and frivolous law suits from our U.S. healthcare system.**
- **Promote Risk Management principles and practices** on which our country has been built and guarantee insurability for all U.S. citizens from conception until death. And,
- **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 I (first three months):** Focused on 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 II (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 II, 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 III (First 12 months):** Focused on creating national and international high risk reinsurance pools as well as reinsurance pools for pre-existing injuries and illnesses. Create a reinsurance consortium so reinsurance premium subsidies can be prorated to U.S. Licensed companies and organizations in the consortium. **Note:** *The goal is to create an actuarially sound pool 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.*
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Government's Role in U.S. Healthcare & Insurance

Dual Charter/Licensing: Fashioned after the U.S. Credit Union movement: Credit union 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 domiciled and be regulated by the State banking department.

I recommend U.S. health insurance companies have the choice of being licensed and regulated the same. No matter their choice, by law, they should be licensed to sell health insurance across state lines and via the internet.

RM Rationale: It's called the "law of large numbers." In other words, the more insured's there are in the pool of risks, the more accurate actuaries will be when they set health insurance rates for the pool. Also, by spreading the risk pool nationally, and by adopting standard "reinsurance" agreements both between companies and a single government subsidized high/catastrophic risk pool, we'll be able to create an actuarially sound risk pool for the insured's pre-existing injuries/illness/condition.

The role of government, whether at the State or Federal level, should be limited to licensing and regulating healthcare providers and health insurance companies operating in the U.S. private sector. And, at the Federal level, government should oversee one high risk/catastrophic risk pool and one "pre-existing" risk pool underwritten in the private sector by a consortium of ALL U.S. licensed health insurance companies.

Note: *I underscored "all" because 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.*

Note: *In that our Federal government gives 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 a cancer patient who's blown through their deductible and private health insurance, should be able to receive the balance of their care compliments of the U.S. government.*

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

U.S. citizens who either choose not to carry or didn't have access to affordable health insurance. For example, allowing every taxpayer a one-time \$1,200 income tax credit, if they can prove they're carrying at least a basic, nationally recognized health insurance policy, will help identify those who need to be contacted. The IRS could then turn over a list of those needing insurance to the NHI-RMAB. 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 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 for U.S. health risks created during the year. Second, to identify any U.S. citizen who's either has chosen not to or because they failed to find access to health insurance.

This "private sector" Risk Management Advisory Board" should conduct an annual "Healthcare - Risk Management Analysis (H-RMA)" and submit a written report to the U.S. President and Congress. *(Note: This adopts the Risk Management (RM) concept of two Credit Union Risk Managers from each credit union, chapter, and State association/League.)*

Homer Rule (HR) Healthcare - A Risk Management Solution

Managing healthcare' risks #101

Risk Management (RM) is a method of management used to identify, measure, and control all health risks created when living in a free Republic. **There are two types of health risks; “Pure” and “Speculative.”** When pure risks occur, you only suffer a loss. Speculative risks are taken, hoping to gain but realizing you might suffer a loss. For example, dropping an anvil on your foot is a “pure” risk. Working in a foundry is a speculative risk. Catching the “death of pneumonia” is a pure risk, while going ice fishing in the nude speculative.

Once you’ve identified all your pure and speculative health risks, it’s important to measure each based on the possibility and probability they will occur. No matter what some might think, we all have limited financial resource so if we’re wise, we’ll focus on the risks that potentially could cripple us financially. Once we’ve prioritized our risks, we’re ready to control them.

Five Risk Management controls (Avoid, Reduce, Spread, Assume, and Transfer) are used to control each risk. For example, we can avoid drowning by never going near the water. But, avoiding all risks is no way to live in a free Republic. So, we move to the second risk control tool “Reduce” and do what we can to reduce the probability we’ll get sick or injured taking the risks we choose to take. For example, if we insist on ice fishing in the nude, we’ll stay inside a heated shanty, drink hot butter rum, and limit our exposure to ice water to a last minute dip before returning to the real world.

Once we’ve done all we can to reduce the risks we’ll get sick or injured, we move to the third tool and “spread” the risk so we’re less likely to lose everything during one unfortunate event. For example, to spread the risk that everyone will fall through the ice, we limit the number of family members riding in each vehicle venturing out on the ice and allowed in each ice shanty. Now, the whole harbor could and often would float out to sea, but at least by spreading the risk, some could be rescued.

If you don’t avoid nude ice fishing, and you stay inside a heated shelter, with only a few of your best friends, the odds are good you’ll make it home safe and well. Yet, there’s still the risk, you’ll catch a cold and if you don’t take care, the cold can turn into pneumonia. Your **fourth risk control is to “assume.”** as much of the risk as you can before going to **the fifth risk control and TRANSFERRING** the rest of the risk into a pool of insurance.

The reason Obamacare has and will continue to fail is it transfers all the risk into one big pool assuming taxpayer pockets will be deep enough to indemnify every injury and illness no matter when it occurred or no matter how serious.

Home-Rule (HR) Healthcare and Insurance Sample Mission Statement!

- We'll honor America's "Home Rule" and religious traditions, on which our country has been built,
- We'll manage the trauma created by Obamacare!
- We'll properly identify, measure, and control all risks created by our efforts to meet the insuring and healthcare needs of all U.S. citizens.
- We'll adopt sound Risk Management principles and practices to provide cost effective healthcare insurance for every U.S. citizen; guaranteed from conception until death and beyond.
- We'll hold insured's responsible for managing their own healthcare risks and accountable for transferring risks into an insurance pool.
- Finally, we'll hold the Federal governments responsible for ensuring healthcare providers and health insurance companies deliver consistently high quality, timely, and cost effective healthcare products and services.

Note: *From conception to beyond death addresses the threat Obamacare posed for our unborn and "beyond" acknowledges the accomplishments of the U.S. credit union movement when they adopted "The Debt Shall Die with the Debtor" and launched healthcare initiatives and Loan Protection/Life Savings insurance. [Learn more](#)*

Based on my over 50 years teaching Risk Management at all levels of the world credit union movement, either we repeal Obamacare, or bend over and expect skyrocketing premiums, ever increasing deductibles, the loss of preferred doctors, and the endless eroding of quality U.S. healthcare to last forever.

What can we do now? We can go back to our future!

UW-Risk Management and Insurance 1935

Let's begin with a test, to see how much you remember from Risk Management # 101 and "Management of Insurance Enterprises;" two courses taught at the University of Wisconsin since 1935. **Answer the following questions:** What's 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 RM control tools? Who's responsible for managing the risks you create or choose to take? In what order are risk controls used?

Answers: Risks are the uncertainty of loss." There are **two type**; "Pure" and "Speculative." 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). **Everyone is responsible for managing the risks they take or create.** Risk controls are used in the following order: First, ask yourself if you can or want to "**Avoid**" the risk. For example, run away from the gun fight you know you can't win. Next, "**Reduce**" the risk. For example, carry a gun and learn to shoot. 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. Fourth, "**Assume**" that part of the risk you can afford. For example, taking the \$100 deductible on your auto insurance, knowing you can afford to pay for a scratched fender. Finally, and I emphasis finally, "**Transfer**" the remaining risk into a pool of insurance, through a hold harmless agreement, or a binding legal contract. For example, credit unions that handle large amounts of currency on and off premise purchase a fidelity bond to cover robbery losses, Workers Compensation to indemnify injured messengers, and hire armored car services to effectively transfer the risk of robbery to a qualified carrier.

"Home-Rule Healthcare and Insurance" because it's built from the grassroots up and ruled 100% by the head of the household. It's also my half-hearted effort to keep surnames, personalities, and politics out of the debate. As soon as a political surname is attached to a healthcare bill, political opponents lock, load and take aim in an effort to blow it out of the sky. It would have been little different if Romney-care had gone national.

That being said, and not to deceive our readers, “I’m strongly opposed to government run healthcare no matter who’s occupying the White House.” It doesn’t work, it’s not good for our country, and it just does not belong in a free market driven economy.

*In the future, Risk Management teaching tracks should explain how **guaranteed insurability options** work to lock in lifetime cover from before birth until death, how **reinsurance** is used to spread catastrophic risks and how **the “law of large numbers”** can support a pool of pre-existing health conditions.*

Tracks should also explain what Obamacare should have done to identify all the risks it created and why failing to understand or properly apply risk’ spreading, risk’ transferring, and risk’ underwriting caused its inevitable collapse.

*Repealing Obamacare won’t cure the perception that insurance companies amass large profits at the expense of those insured. **That can only be done by educating the public on how health insurance is underwritten, how claims are paid, and why dictating an 85% benefit pay-back to the insured will only escalate fraud losses.***

It’s important to note that for now “Home-Rule Healthcare and Insurance” exists only in our RMLC R&D files. It’s an RM “brain child” created from the collective wisdom of seasoned insurance professionals and mentored by a global network of experienced actuaries, underwriters, and risk managers tested under fire in the real world of Workers’ Compensation and Healthcare professionals.

While we might advocate the repeal of Obamacare, that doesn’t mean we’re not going to salvage every penny invested in its website and marketing. For example, we’ll reengineer the website into a valuable teaching tool and internet locator of those needing insurance or looking for the best policy at an affordable rate. In the end, we want to guarantee affordable healthcare and appropriate health insurance to every U.S. citizen from conception till death. Rick Waldt CEO the RMLC