



**AMERIND Risk**  
*Tribes Protecting Tribes*



# NATIVE AMERICAN HOMEOWNERS AND RENTERS NEWSLETTER

A message from  
the **Chief Executive Officer**  
**Derek Valdo**



Guuwaadzi' Haubaa,

We are honored that you continue to choose AMERIND Risk as your insurance carrier. Your loyalty is more than just business—it's family members protecting extended family across Indian Country. We know that you take pride in protecting your home and family as much as we do!

In this 2017 first quarter newsletter, we want to inform you that the decisions you make when choosing your homeowner's insurance policy matter. They matter now, because they determine the cost of your premium payments, and they matter down the line, in the event of property damage or a natural disaster. We received feedback recently that the increasing impact of fire or preventable claims are increasing your cost of coverage. Claims costs have the greatest influence on the rate charged for coverage with acts of nature being the most frequent cause of loss by far. We utilize performance experience modifications to help address the issues raised in the feedback. We aim to charge a fair rate based on performance that ensures we are able to fulfill our agreement should you experience a covered loss.

The AMERIND Risk team is here to help you understand the differences between coverage options like "replacement cost" and "actual cash value" (ACV). Your confidence in your selection and peace of mind with the security your policy provides are important to us. We help guide you toward the best coverage option for your own individual situation and needs.

In this newsletter, we break down the two most popular yet different protection values: replacement cost and ACV, and offer realistic scenarios of how the policies would apply. Buying homeowner's insurance should feel reassuring and offer a necessary safety net.

We understand the importance of getting what you pay for. We want you to be confident in our service, reach out to us for any questions, and know that we will be here for as long as you need us. By working together, "**Tribes Protecting Tribes**" thrives! As always, our Board of Directors and staff wish you and your family a safe, happy and healthy 2017.

## Native American Homeowner's Policy - How it Works

The Native American Homeowner's Policy offers different types of coverage options for your home. The two types of coverage options that are most frequently used are replacement cost and actual cash value coverage. While replacement cost is the most popular, it is important to understand each option because they can result in different protection values.

- Replacement cost is what you would pay for your home to be built at today's cost. Replacement cost is calculated by using many factors including, but not limited to, the location of the home, living square footage, other attached areas (garage, porch, deck etc.), type and quality of construction.
- Actual cash value (ACV) is the initial cost of your home minus depreciation (replacement cost minus depreciation). Depreciation is a decrease in value due to wear and tear or age.

### Claim Scenario

Your mobile home was completely destroyed as a result of a recent fire (a total loss). You filed a claim with AMERIND Risk. Now you are looking at replacing your mobile home. Fifteen years ago, you bought your mobile home for about \$75,000. The amount of money you will receive to replace your home depends on the type of coverage you have.

- If you have replacement cost coverage, you would have a policy limit of approx. \$63,000. This value is what it would cost to buy a similar

mobile home today. You would be paid up to \$63,000 to replace your home with the same like, kind and quality mobile home.

- If you have actual cash value coverage, you would have a policy limit of approx. \$34,000 to \$42,000. A mobile home decreases in value over time. This value is what your mobile home is worth factoring in depreciation. You would be paid out anywhere from \$34,000 to \$42,000 because that would be the actual cash value of your mobile home today (replacement cost minus depreciation).

**Pay-out**

- With replacement cost coverage, you would receive your first payment from AMERIND Risk of approx. \$34,000 to \$42,000. When your new mobile home is set up and completed, AMERIND Risk will then pay you the difference between the approved final cost (up to \$63,000) and the first claim payment, less the deductible.
- With actual cash value coverage, you would receive a payment from the AMERIND Risk of anywhere from \$34,000 to \$42,000, less the deductible.

\$75,000 = Purchase price of your mobile home fifteen years ago.

\$63,000 = Replacement value of your mobile home today.

\$34,000 to \$42,000 = Actual cash value of your mobile home and amount sent to you by the company after you filed a claim

**What does this mean for you?**

If your home is covered at replacement cost, you can rest assured that you will be able to replace your home with a similar home of the same kind and quality — a home that is of similar size



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and has similar features that you have become accustomed to.

If your home is covered at actual cash value, any claim payment due to a covered loss would be lower than if you chose replacement cost. This includes a partial loss as well as a total loss. Therefore, you would not be able to repair or replace your home back to its pre-loss condition.

If you would like to discuss the best options for your coverage, give our underwriting experts a call!

**Why Homeowners Insurance?**

- Disaster and fire can strike at any time.
- No matter how careful you are Mother Nature and others' carelessness can destroy your home in a matter of minutes.
- Protect your most valuable asset – your home.
- Protect your belongings and avoid major devastating financial loss.

Go to [AMERINDRisk.org](http://AMERINDRisk.org) for easy application process or call us at (800) 352-3496 to discuss the best options for your coverage.