

# Barrow forms first Native-owned insurance company

The first Native-owned, Alaska-domiciled insurance company was commissioned by the State Insurance Commission on Monday.

The Umialik Insurance Company, is owned 100 percent by the Barrow Village Corporation, Upeagvik Inupiat Corp., and has as its board of directors, Barrow residents.

The insurance company was formed to meet the needs of people living in the Bush who often have no place to buy insurance or who have to pay high prices for that service, according to Bill Walker, general counsel for the company and the village corporation.

The company is going to start off conservatively according to company president Durand R.

Eaton who has been hired to run the company.

That means the company will stay out of high-risk, high-premium insurance plans such as workman's compensation insurance, aircraft and ocean marine craft insurance and health insurance. The company instead will focus on the low-risk, lower premium homeowners policies and policies for small businesses, according to Walker.

The company will be based in Anchorage and has initial assets of \$1.5 million. The Barrow village invested \$1.5 million of Native claims settlement act assets in the company.

Company officers are Arnold Brower Sr., director; Dale Stotts, treasurer and director; George Ahmaogak, vice-president and

director; Raymond Neakok, Sr., secretary of the board and director; and George Cowan, vice-president. Ahmaogak is also acting chairman of the board of directors.

Initial target areas for insurance coverage will be Bethel, Barrow and Kotzebue, according to Eaton who said independent insurance agents will represent the company. The company is negotiating with 10 or 15 agents throughout the state, he said.

The company will re-insure the insurance policies which it sells with Lloyd's of London, the prestigious England insurance company which has worldwide coverage.

Walker said the leaders of UIC decided the residents of Barrow needed good insurance

coverage, which they felt they weren't getting, and decided to investigate the possibility of opening an insurance company.

After investigating the possibilities, village leaders decided to go ahead and form the company. In addition to providing a service to the Barrow area, leaders felt that the prospects look good for long-range growth throughout the state, said Walker. "I see great potential," said Eaton.

One primary goal of the company, once it gets under way is to join with the UIC to operate an education program to teach all aspects of the insurance industry to Alaska Natives. The

aim is for Natives to be trained in the industry to operate the Umialik company and work in other insurance companies.

"UIC has set the goal that in five years we want to be 100 percent Alaska Native managed company," according to Eaton.

He says the five-year phase out of himself as president of the corporation is "by design." He signed a five-year contract with the board and "We anticipate when it expires he will continue with the company but the day-to-day operations will be in Native hands," according to Walker.