



**insurEco**  
where insurance clicks

***Captive Insurance***  
**2023**

# What Is A Captive?

1. A closely held insurance company controlled by its owner(s).
2. Offers insurance/reinsurance to its owner(s) as the principal beneficiaries.
3. Owner(s) participate in decisions influencing underwriting, operations and investments.
4. Allows owner(s) to create a long-term alternative to financing risk



# The Components of a Captive

The purpose of a captive is to improve risk financing and expand your insurance alternatives.

## 01 Operations

The primary business operation for a captive must be the transfer of risk and management the risk.

## 02 Policies

Premiums and policies written must be comparable to policies available on the open market and actuarially supported.

## 03 Capitalization

Domiciles require the captive to maintain a specified amount of capital in the form of cash or letter of credit.

## 04 Tax Qualification

Must meet IRS requirements regarding risk transfer/distribution and unrelated risk assumption.

# What Makes A Captive Shine

## The Five C's



Underwriting Profit, Commission, Tax Efficiency, Leverage vs. Commercial



**Cost**

Management of Claims, Program Design, Establish IBNR Reserves



**Control**

Bridge Subsidiary Risk Appetite, Creates Legal & Tax Certainty



**Compliance**

Evidence Insurance, Property & Casualty Coverage, DIC Lines



**Coverage**

Access to Reinsurance, Risk Pools, Excess, and Stop Loss Insurance



**Capacity**

# What's Wrong With Traditional Insurance



## Claims Funding

Claims funding is based on the carrier's book of business and is NOT reflective of the business' true losses.



## Expense Loads

Expense loads are based on a much higher cost of doing business AND includes a required profit.



## Unused Claims Funds

All unused claims funds are returned to the carrier as an additional profit and NOT the insured.

# Benefits of InsureCap Captive Insurance



## Claims Funding

Your claims funding is based on YOUR historical losses and is reflective on your true losses, not the entire program.



## Expense Loads

Expense loads are based on a much lower cost of doing business AND does not include a profit allocation.



## Unused Claims Funds

Your unused claims funds go straight to YOU as a profit, NOT to the insurance company as additional profit.

# Take Control

of your insurance by starting the process of creating your own insurance company.

**START NOW**



Or click [here](#) to schedule a meeting to talk about it more.