

# Captive Insurance Strategies

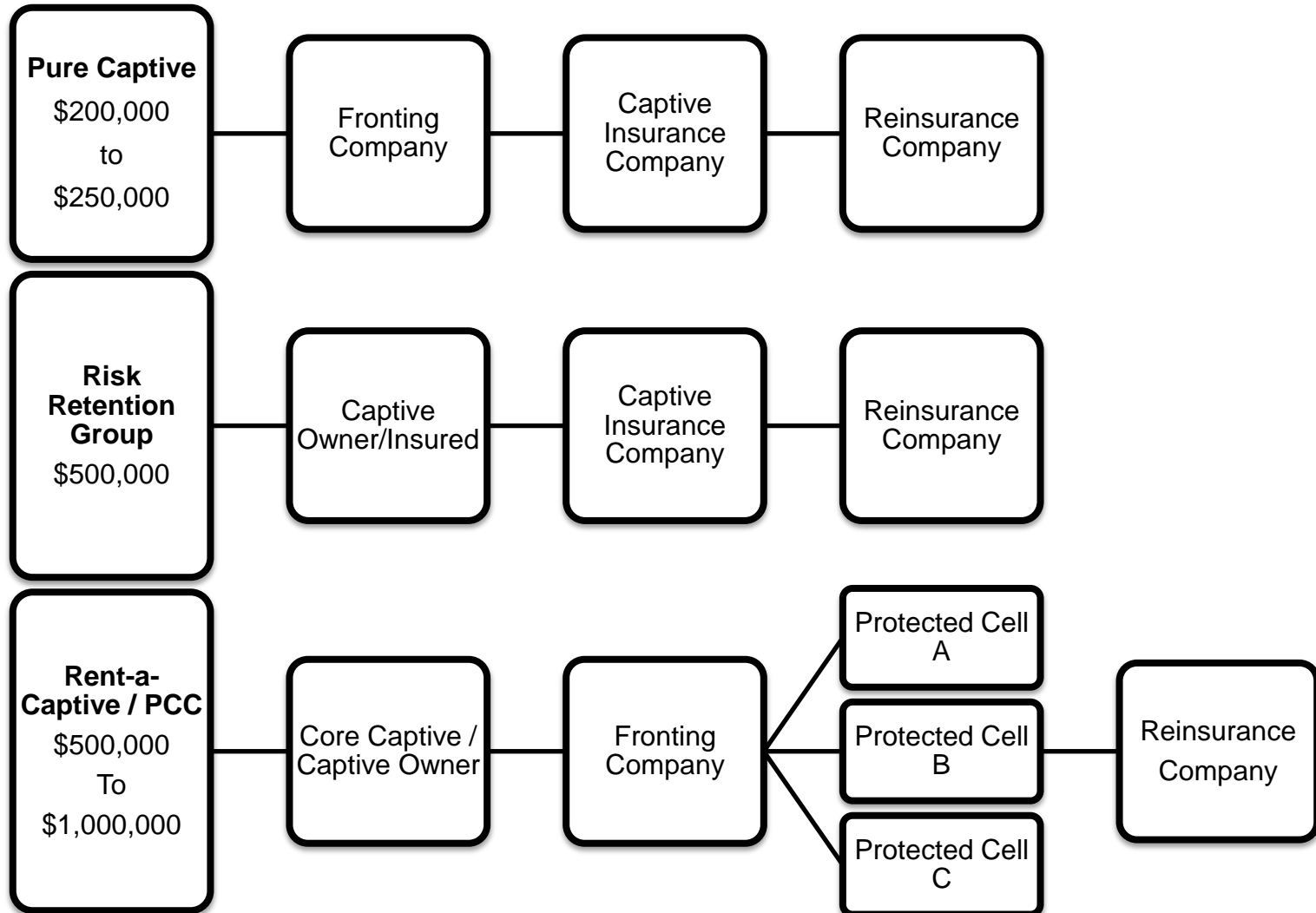
Presented By:



# Types of Captives

- Pure captives / Association Captive
  - Insures the risk of its Parent, Affiliates or companies with working relationship with Parent Company or Association Members
  - May insure all lines of coverage
  - Requires Licensed insurer to be Fronting Company for regulated lines of insurance
- Risk Retention Group
  - Insures the risk of its Members
  - Each Member must be an owner and insured
  - May Only insure liability lines of coverage
  - Direct Writer in all 50 States
- Rent-A-Captives / Protected Cell Captive
  - Third Party or related Owner of “Core”
  - Insured coverage may be grouped together or separated through Protected Cells
  - May insure all lines of coverage
  - Requires Licensed insurer to be Fronting Company for regulated lines of insurance

# Captive Program Structures



# Review and Evaluation Issues

- Risk Retention
  - Premium Funding Sources
  - Risk Retention / Risk Transfer
- Program Limits
  - Insurance Policy Limits
  - Captive Management
- Regulatory Implications - Washington
- Formation Procedures
  - Finalize Feasibility Study
  - Actuarial Analysis of Loss Reserves
  - Corporate Requirements
    - Name of Captive
    - Officers and Directors
    - Select Service Providers
  - Select and Meet with Domicile Regulators / File Captive Application
  - Capitalize Captive – Cash or Letter of Credit
  - Issue Stock / Initial Policies / Reinsurance