



## Why do your company's insurance premiums increase with no real explanation why?

Especially when your safe work environment has resulted in fewer and fewer claims, shouldn't you be rewarded for good performance? Let us introduce you to an alternative insurance solution that may make complete financial sense for your business...a group captive.

**Group captives are independently owned and operated insurance companies that provide insurance to, and are controlled by, their owners.** A captive insurance company analyzes and insures the specific risks of its owners and returns underwriting profits and investment income to them in the form of dividends. Unlike pure self-insurance, a captive allows companies to retain predictable losses while insuring catastrophic claims with other like-minded, safety-conscious businesses.

At Odell Studner, group captives are a core specialty. Our experienced team partners with best-in-breed companies of all sizes – not just large corporations – to help them achieve significant cost reductions and long-term savings. In fact, a group captive can make a world of difference to your bottom line and your business model.

### Benefits of a Group Captive

#### SIGNIFICANT REDUCTIONS IN ANNUAL PREMIUMS

Premium pricing formulas and group purchasing reduce insurance premiums for captive members. Whereas conventional insurance often includes mark-ups to pay for an insurer's acquisition costs, higher commissions, administration and overhead, group captives minimize such costs to enhance your bottom line.

#### ENHANCED PROFIT POTENTIAL

Group captive members are rewarded for controlling their losses and claims by receiving dividends and investment income. A member's loss experience directly determines dividends and future premiums, allowing one to be more competitive in the market.

#### LESS PRICING VOLATILITY

A group captive structure limits a company's exposure to market risk, making it possible to more accurately predict future costs.

#### CONTROL OVER MANAGING RISK

Every captive member holds a seat on the board and, therefore, can fully participate in decisions regarding claims and risk control. Members can customize insurance coverage to best meet their needs and, ultimately, reduce their long-term cost of risk.

#### ESTATE PLANNING OPPORTUNITIES

A captive can be a great wealth-building tool for business owners. While some expenses occur annually, potential wealth transfer in a tax-preferred structure can be quite powerful.

### How to Become a Member

To determine if your company is the right fit for a group captive, we perform an in-depth analysis into your company's background. Our experts evaluate your company's currently valued claim history, exposure history and premium history for the past five years and also provide you with:

- An anticipated future premium
- An historical comparison that shows how the group captive would have differed from your company's traditional program over the past five years

To learn more about the alternative market and captives at Odell Studner, contact Steve Odell or Wayne Crowther in our Alternative Risk/Captives Practice Group:

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