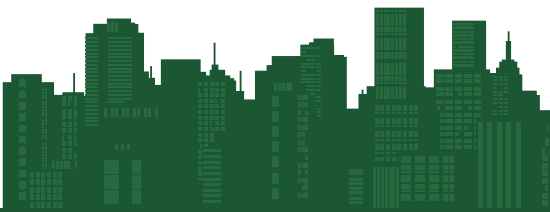


How to Turn Risk Management Into a Profit Center with a Captive Insurance Company



Have you ever noticed the tallest buildings on a city skyline?

These are often insurance companies and banks. It’s obvious they make significant profit. When your company insures itself through its own insurance company, referred to as captive insurance, you get to keep the profit and accumulate loss revenues for the future. A captive can help lower your net insurance premium spend.

Here’s how.



No matter what industry you’re in, you likely pay for insurance.



Captive insurance companies typically provide combined insurance and **tax savings of 15-50%.**



There’s a reason why **90% of Fortune 1000** companies utilize captive insurance.

○ Anatomy of a Captive ○

Insurance

Captive insurance is often less expensive than commercial insurance. Captives are licensed insurance companies and have access to reinsurance markets (wholesale).

And, you own the insurance company, so the premiums are paid to you—you keep the profit after claims are paid out.

For example, if your insurance company **receives \$5 million** in premiums, **pays \$500k in operations**, **pays \$2.5 million in claims** and **pays \$1 million** for reinsurance and fronting then you have **\$1 million in profit**.

Taxes

All or a portion of premiums are tax-deferred as loss reserves.

In the above example, potentially **\$1 million tax-deferred*** can be invested!

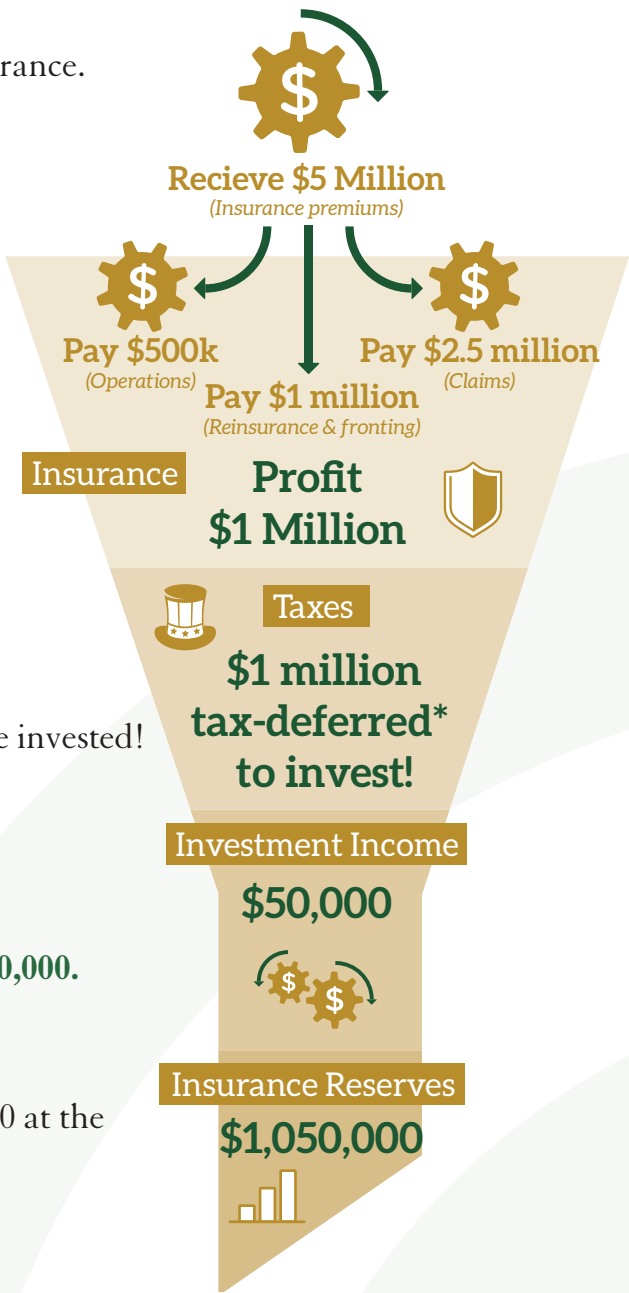
Investment Income

Invest large, tax deferred part of funds.

As an example, after one year, at 5% interest, **you’ve earned \$50,000.**

Insurance Reserves

Using the same example, the insurance company has \$1,050,000 at the end of year one.



✗ Avoids sharing risk with “bad actors”

↪ Reduces or helps control insurance costs

↪ Creates investable surplus

↪ Improves company’s bottom line

↪ Creates profit center

✗ Helps stop or limit insurance rate increases

Ready to get started? ○

The first step to operating a captive is to enlist an experienced captive manager.

The process of forming and operating the captive is a complex undertaking as captives are highly regulated and the highest level of competency and expertise is critical to ensure compliance and receive optimal benefits. CIC Services, LLC, has nearly 15 years of experience providing turnkey captive management, structuring captives to optimize both risk and asset accumulation so that your captive is on sound footing and in good standing throughout its lifetime.

* Tax treatment may vary.

Call us today at
865-248-3044 to
turn risk into wealth.



CIC SERVICES