



ALINK

Captive Insurance Services

Risk - Reward

The Risk?

Someone said, “Your chariot awaits” as the vintage 1963 Cessna 210 approached the hanger. The risks appeared to be very apparent and overwhelming fear and despair set in. 1. Could it take off? 2. How could it fit four grown men? 3. Would it stay together? 4. Was flying even safe? Was the risk worth it?

Quickly perception changed. The perceived risk had already been addressed, countless times. 1. The Cessna and the pilot had successfully taken off and landed thousands of times. 2. Four grown men had more room than most commercial flights with more comfortable cushions and seats. 3. Annual inspections and regular maintenance as well as constant attention keep this plane well qualified for flight now and in the future. 4. Statistics, experience, and proper compliance with show it was and is safe to fly.



The Reward?

- Less Risk
- Protection and Safety
- A trip of a lifetime
- Flying instructions
- Viewing of spectacular northern lights
- Fish, lots of them, big fish
- Gourmet meals
- Bald eagles, swimming caribou
- 200 miles of lake
- Incredible people
- Protection of your company
- Retained assets
- Control
- Flexibility
- Ownership of new assets
- Efficiency
- Insurance
- New Profit Center
- A Better Way

One of the problems with traditional risk-reward scenarios is the fact that it is an either/or proposition, either take a lot of risk to get a big reward or take less risk and receive less of a reward. There is a third more powerful opportunity.....**take less risk and gain a bigger reward.**

Through Captive insurance, a business owner insures risk of his or her operating company. Because premiums are paid to the owners own insurance company, the profits of the insurance company create one of many significant rewards, all the while insuring the owners operating company. Captive insurance is the way to reduce risk and have significant, plentiful rewards.

The rewards are great, and when coupling them together they provide exponential benefits. Some of these rewards include protection of operating business exposures such as medical, general liability, employee liability, surety bonds, cyber liability, data breach, loss of income, loss of a key client and 65 additional lines of coverage as well as wealth accumulation, flexibility, and greater cash flow. The greater the business, the more there is to protect, as there is greater risk of loss.

Risk management is often measured in terms of formulas, computations and ratios. Examples include beta, Sharpe ratio, and standard deviation. These formulas are proven and effective, yet the premise is based upon traditional either/or scenarios of the greater the risk the greater the reward, or the smaller the risk and the smaller the reward.



Life is full of risks, and business owners carry the responsibility of even more. Risks include systematic risk, unsystematic risk, market risk, business risk, liquidity risk, default risk, interest rate risk, inflation risk, credit risk, regulatory risk, legislative risk, and many more. Risk management is critical to the ongoing success of every business owner.

Captive insurance insures risk and provides great rewards, and in the process Captive insurance creates

Your Link to Security!

**“What great thing would you attempt if you knew you could not fail?” —
Robert Schuller**

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