



Cell Phones and Captive Insurance have Changed

The first time I saw a cell phone, I thought I'd *never* have a need for one. The big phone book in my hand was not convenient, and always having to look up a number, or look at a large street map wasn't convenient either. That said, I was just sure I'd never need a cell phone.

Thank goodness I didn't stick to that opinion. Although I felt my statement was true at that particular time, *times have changed*. The cell phone has evolved and I am now pretty dependent on my little handheld computer. I can't believe that little contraption now holds my schedule, a calculator, contacts, emails, access to the worldwide web, and all the information that comes with it, and even has navigation! No more rotary phones, landlines, or long twisted cords in my world. The cell phone now comes in all different kinds of shapes, sizes, and carriers, and I'm now a big consumer of all things mobile, just like millions more like me.

The first time I heard the term Captive Insurance, my reaction was similar to my cell phone experience, in that I never thought I would have use for Captive Insurance. Once again, *times have changed*.

Over the last decade, I have worked with two types of business owners. First: those who have never heard of Captive Insurance (even though Captive Insurance has been around and available for nearly 100 years). Second: those who heard about Captives and formed their opinion based upon snippets of information, outdated information, or Captive models that didn't fit their needs at the time. Similar to my cell phone evolution, I now recommend business owners take either a first, or second, look at today's Captive Insurance Company. As I have learned about, vetted, set up, and reviewed Captive Insurance companies, administrators, and actuaries, I believe we have the best, most efficient, flexible, team in place for your business needs. Your CIC can be created to meet your individual preference and purpose.

Here are some Captive Insurance insights:

- **There are different types of Captive insurance companies.**
 - Property & Casualty captives or “**pure**” **Captives** are a great option for traditional commercial insurance risks such as errors & omissions, workman's comp, medical stop-loss, mortgage buy back protection, warranty and service work as well as other lines of coverage. These special purpose captives may also insure business enterprise risk. These captives insure loss of income risks like business interruption, loss of a key client, employee, or contract and offers coverage for risks typically not available in the commercial market or may be expensive, and may or may not replace traditional lines of commercial coverage.

- **Group Captives** vary as different entities pool together in groups to typically insure workman's comp, auto, and other lines of coverage. There are workman's comp, health, medical malpractice captives and other group captives structured for small as well as large homogeneous or heterogeneous groups.
- **Fees.** Like some phone carriers, in the past, the expense of running a Captive was often greater than the benefit, particularly for small to medium sized businesses. As times have changed and the products evolved, business owners now don't have to be a fortune 500 company to enjoy the benefits of a Captive. Fees are fair, and, with our firm, they are completely transparent.
- **Compliance.** One of the many reasons we work with our third party administrators is because of their leadership, legal background, history, and detail in following insurance regulatory law.
- **On or Off Shore Options.** Some owners may or may not be comfortable with their Captive being domiciled off-shore. Typically, we domicile our CIC's within the United States, including Delaware, Utah, Montana, etc.
- **Risk Distribution.** When created properly, insurance companies spread out risk among large groups, which, in turn, reduces risk. Risk transfer and distribution regulations and structure will be met either from a pooling option, or from insuring third-party exposures.

The first time I used a cell phone; I simply made and received phone calls. Just about any old phone will do that today. What differentiates your phone and my phone is not only the simplicity of making phone calls, but how you maximize the different options and features inside your phone to fit your particular needs. Captive insurance companies are very similar.

As you take time to learn the options and features of Captive Insurance, you will find layer upon layer of benefits. Of course Captives are first, last and always risk management for your operating business. In addition there are also significant benefits. How you use those benefits opens up noteworthy opportunities for you. There are significant opportunities available including wealth accumulation, redeployment of assets, reduced insurance cost, ultimately creating additional cash flow for your business.

As technology and our perception changes, so do the opportunities. Some people embrace technology while others react to it. Captive Insurance is an incredible opportunity for business owners to embrace and is



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