



WHAT INSURANCE COVERAGES DOES A CAPTIVE PROVIDE?

Homogeneous or Similar Risks

Whether a single-parent captive or a risk retention group (*RRG*), a captive insurance company's insureds will have similar risk profiles and diversity.

A single-parent captive insures the parent company, so all its risks belong to one entity.

RRGs are made up of like companies with similar missions and business products/services, such as a group of universities.

In both cases, the homogeneity of risk will benefit the captive by establishing a certain level of predictability, which helps with the consistency of rates and an unsurprising loss ratio.

Competitiveness

Commercial insurers are sometimes unable to understand the true needs of the insureds and are limited in their offerings.

Captive insurers create competitiveness in the market and can compel commercial insurers to offer better terms.

In many instances, commercial insurers are threatened by the captive's ability to take on all the risk and become willing to create quota share arrangements.

Captives are a unique, tailored solution for the insured(s) and offer an unbeatable level of customization and extraordinarily little changes in premiums.

They have the ability to insure unique risks and are able to fill in coverage gaps where commercial markets are unable to do so.

Coverage Examples Tailor Made for Your Business Might Include

- Administrative Action
- Adverse Utilization Risk (Physicians)
- Breach of Contract
- Business Interruption Coverage
- Cancellation of Appointment (Physicians)
- Cyber Risk
- Death & Disability of Business Developer
- Death and Disability of MSO Physician
- Death of Customer
- Directors & Officers Errors & Omissions



- Economic Disruption
- Electronic Equipment
- Employee Distress
- Flood Risk
- Innkeepers Liability
- Intellectual Property Defense
- Litigation Defense Cost
- Loss of Key Supplier
- Loss of Key Employee
- Medicare Revenue Freeze Risk
- Mold Risk
- Oil Price Volatility
- Performance Guarantee
- Product Recall
- Regulatory Risk
- Reputational Risk
- Trade Receivable Risk
- Tax Audit Defense Risk
- Workplace Violence
- Aviation Aircraft Hull
- Flight Crew Indemnity Risk