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## Group Captives

*Membership of a group captive insurance company can have tremendous benefits for insureds with certain characteristics.*



### What is a group captive?

A group captive is an insurance company, established to insure the risks of its members. In a group captive, its members are the owners, they control it and can profit from it. Through captive insurance ownership and other risk transfer techniques, enterprises can reduce the total cost of risk, protect their assets, generate income and realize tax benefits.

### What are the advantages of group captives?

Group captives can offer unparalleled benefits as your premiums are based on the loss experience of your company rather than that of your industry as a whole. It empowers middle market enterprises to leverage the benefits of collective purchasing power leading to underwriting stability and bottom line profit.

- Enhance risk control
  - Reduce insurance costs
  - Smooth underwriting cycle
  - Improve cash flow
  - Create new profit centers
  - Enhanced claims management
  - Investment income on captive's reserves
  - Improve tax outcome
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## **Group captives are not a good fit for everyone. Key characteristics are:**

- Loss histories better than industry peers
- Long term financial strength and stability
- A commitment to safety and active risk management
- Sufficient risk exposures, with annual premium above \$200,000.

## **How do I know if my company has better loss history than industry peers?**

Atlas has a dedicated specialty team to analyze your company's unique risks and loss history to advise if you could benefit from group captive membership, or what steps to take in order to improve your risk management so that you may become a viable candidate.

As a general guideline, if your annual losses are less than 50% of your premium, it is likely that your company can profit from captive membership.

## **Group captive success stories:**

Group captives under our management insure a variety of risks including:

- Workers' compensation
- General liability
- Auto liability
- Cargo
- Auto physical damage
- Property (contents)

By implementing strict underwriting criteria, loss control prevention measures and senior management's dedication to safety, our group captives have achieved great success.

## **Key highlights:**

- Dividends returned to shareholders averaged 17% of premium.
- New members reduced premium 13% on average compared to the commercial marketplace.
- Hard market resistant. Year on year premium increase for trucking auto liability limited to 5% compared to 15%+ increases in commercial marketplace.

To learn more about how Captives can help you contact Atlas Insurance Management and visit our website: [www.atlascaptives.com/aboutcaptives](http://www.atlascaptives.com/aboutcaptives).

