

## **BENEFITS OF A CAPTIVE**

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While you can never know what will happen in your business, a properly structured captive insurance company can provide financial stability to endure tough business cycles and make the most of the prosperous times. Benefits include significant tax advantages, lower insurance costs, increased cash flow, additional insurance coverage, protection of your business and personal assets and a way to leverage your capital for financial stability (benefits). Captives also provide the potential for a new revenue stream through insurance and warranty services. Clients often see an immediate return of 25%-35% in year one.

Advantages of a Captive are:

- Tailored coverage tailored to meet your risk needs
- Reduced operating costs
- Increased coverage
- Improved cash flow
- New revenue from insurance and warranties
- Increased Investment income
- Direct access to wholesale reinsurance markets
- Funding and underwriting flexibility
- Greater control over claims
- Smaller deductibles
- Additional negotiating leverage with underwriters
- Incentives for loss control
- Better asset protection

