



# How a Captive Can Benefit Your Business

Captive programs create a proactive solution to the insurance industry's legacy of providing reactive products.

A captive is a legal entity, licensed as an insurance company, to insure a proportion of its shareholders' risks. Simply put, it is an insurance company owned by the captive members (shareholders). The captive members will accept a predetermined level of risk. They will pay the associated premiums for the administration of the captive (fixed costs) to the captive insurer.

## Advantages of Captives

When you become a shareholder of a captive, you will gain control over an array of unpredictability in the traditional insurance market. The benefits include:

**Long-term solution for managing insurance costs:** Traditional insurance markets are plagued with inefficiencies that result in you paying more for a policy, with that policy being focused on the carrier's overall profitability. A captive eliminates the redundancy and focuses on the services that you need to ensure the long-term success of your business. The result is stability in pricing while outperforming the traditional markets.

**Enhanced risk management and claims oversight programs:** With the redundancy removed, a captive can deliver enhanced programs that will have material impact. Our dedicated team has the experience to understand the predictability of losses for specific industries. With this knowledge, we can build custom, proactive risk management programs that will protect your core resource—your people. If a claim happens, we use the same expertise to actively manage claims to a fair and equitable resolution. These are the cornerstones of a successful captive.

**Opportunity to capture underwriting and investment income:** Building off these cornerstones, we are able to deliver to you profits from the successful management of your captive program. We leverage financial management firms that will deliver investment income on your premiums, which compound the return of premiums through effective risk management and claims oversight. Your captive becomes another profit center and allows you to build additional equity.

**Broad coverages:** Captives are a tremendous tool for positioning your company for an ever-changing market. Captives are a vehicle for increasing primary limits or enhancing coverage, both of which can position your company ahead of the competition, giving you a distinct advantage when seeking business. Furthermore, captives become a tool to provide peace of mind that your operations are fully protected with the insurance program you have built.

**Peer Group:** A captive is a unique way to build a peer group of like-minded owners. Whether you're an owner, CFO, safety director or human resources specialist, you gain access to a knowledge base that will enhance your company as you grow and morph based on future demands.

## Eligibility Guidelines

Every company is unique, we believe that each should be evaluated based on their own merits. In general, the best are characteristics that tend to maximize the benefits of a captive:

- Senior Management commitment to safety and claims oversight
- Industry leading loss history trends and financial stability
- Combined Property & Casualty premiums of at least \$250,000

**Contact TSIB today about our captive options. TSIB is aligned with CIRCA Managers, LLC, a leader in construction captive program development and management. CIRCA Managers, LLC is a Delaware Domiciled Captive Management Company. We can help you achieve an effective and efficient captive management program aligned with your company's financial and risk management goals.**

## About TSIB

Turner Surety and Insurance Brokerage, Inc. is a full service insurance brokerage founded in 2005 as a subsidiary of HOCHTIEF USA. Our clients consist of large general contractors, owners, trade contractors, security firms, and more. Our team consists of underwriters, risk managers, general contractors, and claims experts, who have worked on project sites and underwritten insurance policies. This helps us effectively manage your construction risk.

**We are with you all the way.**