



Captive Insurance Services

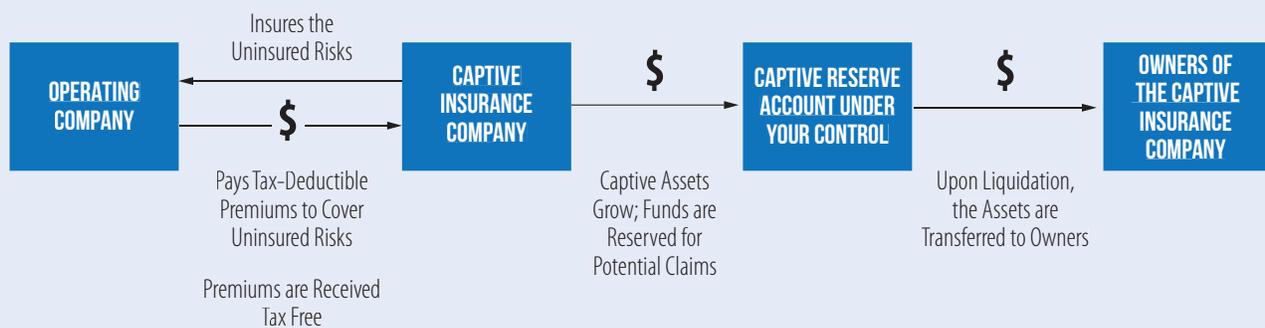
Captive insurance companies are often overlooked as a strategic initiative by finance and tax professionals. For example, natural disasters are easy to understand and relate to. But what about the risks business owners face every day from cyber-warfare, workplace safety, trade and goodwill within the multimedia landscape, and other clandestine exposures?

Creating a captive insurance company allows business owners to participate in alternative risk management—a form of risk retention for perils not efficiently covered by commercial insurance. Once established, the captive operates like any commercial insurance company and is subject to state regulatory requirements, including reporting, capital, and reserve requirements. However, the insurance premium dollars are retained within the business enterprise or same “economic family,” thereby increasing investment income on unpaid loss reserves, capital, and surplus.

RYAN ADVANTAGE

Our professionals stay involved through the entire process required to incorporate and license a captive

The Captive Insurance Company Illustration



The federal courts have ruled that a captive insurance arrangement will be respected as a bona-fide insurance arrangement, including federal income tax treatment, if the risk transferred is one of economic loss that is not merely an investment risk or inevitable future cost of the insured. Therefore, the inherent structure and operation of the captive must be flawless, so experience is essential. Only companies that identify and insure true insurance risks will ultimately enjoy the significant financial benefits afforded to captive owners.

The Ryan Advantage

Ryan provides the qualified and comprehensive support required to create and manage a captive insurance company that provides a valuable insurance, estate, and tax planning solution for businesses and their owners. Our experience is supported with a U.S. Captive Services Award, the annual designation bestowed upon a select group of professionals providing innovation, commitment, and expertise in various captive insurance-related disciplines.

Using a Captive Feasibility Study to assess client data and business goals, we determine the viability of a captive based on costs and benefits. Leveraging these findings, we build a detailed captive business plan, strategically selecting and implementing the best structure to meet our client's unique risk management needs. Our professionals stay involved through the entire process required to incorporate and license a captive, including:

- ▶ Preparing and filing all applications
- ▶ Developing a business plan (when needed)
- ▶ Underwriting and operations support
- ▶ Ongoing accounting, actuarial, and claims administration
- ▶ Management support, including completion of commercial line policy forms, identification of rules and rates, loss cost estimates, and reserve levels needed to underwrite business risks



About Ryan

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Award-Winning Tax Services

For additional information

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