



**ALINK**  
Captive Insurance Services



## Is Your Iceberg Melting?

In 2006 award winning Dr. John Kotter of Harvard wrote a simple fable about doing well in an ever-changing world. The fable is about a penguin colony in Antarctica. A group of beautiful emperor penguins live as they have for many years. Then one curious bird discovers a potentially devastating problem threatening their home (business) and pretty much no one listens to him.

<https://www.youtube.com/watch?v=Gh2xc6vXQgk>

Most, if not every business has cracks, leaks, or at least potential problems, cracks and leaks to their profitability and success. Some of these exposures are clearly in sight, while others may be less conspicuous like a global pandemic.

Business owners work to repair, eliminate, or insure against these current or potential losses regularly, traditionally. "Tradition is a very powerful force." Kotter said. However, in "good" times these issues are often overlooked. The current bull market hides many of these cracks.

Let's put this current bull market in perspective:

- It's the longest economic expansion and the streak of positive U.S. GDP growth will pass the 1990s expansion to become the longest on record.
- It's the lowest unemployment rate since the late 1960s.
- It's the second-best bull market in history having gained more than 400% from its lows in 2009.

The primary theme of Dr. Kotter's fable is "Changing and Succeeding Under Any Conditions." Those penguins would really benefit from Captive Insurance!

**Captive Insurance** provides so much more than coverage for cracks and leaks of a business. The cracks and leaks it does protect are significant and they include coverage for big leaks such as:

- |                          |                      |                         |
|--------------------------|----------------------|-------------------------|
| Business Interruption    | Warranty             |                         |
| Loss of a key contract   | Healthcare           |                         |
| Deductible reimbursement | Loss of Income       |                         |
| Directors & Officers     | Mechanical Breakdown | Computer system failure |



**Captive Insurance** provides protection for cracks and less conspicuous exposures such as:

- |                      |                     |                                |
|----------------------|---------------------|--------------------------------|
| Regulatory change    | Data Breach         | Loss of Market                 |
| Reputational risk    | Accounts receivable | Failure to perform on contract |
| Loss of key supplier | Pandemic            | And many more.                 |

Each and every exposure covered reduces risk of the operating company. Captive insurance reduces significant risk. While reducing this risk, **YOUR** Captive insurance company is preserving and retaining capital, providing potential surplus or insurance for the future.

Implementing a captive insurance company is a change from the norm for most business owners. Captive insurance will provide protection for a business in every condition.

There are “things” a business can and cannot control. An owner cannot control when the bull market ends or how long it last. Business owners clearly understand business interruption because of a global pandemic. Kotter said, “Leaders establish the vision for the future and set the strategy for getting there.”

Kotter also said, “A higher rate of urgency does not imply ever-present panic, anxiety, or fear. It means a state in which complacency is virtually absent.”

Urgency creates action. Action creates

## Your Link to Security

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