



ALINK
Captive Insurance Services

Good, Better, **Best**

There is a distinct pattern for growing businesses regarding their medical benefits.

Once a company reaches 75+ employees in its fully-funded plan the expense of a fully-funded plan are significant, and increasing.

When an organization reaches this point, there are several natural questions to be asked such as “Should we go self-funded?” and “Why?”

The short and loud answer is “YES!” There are multiple reasons why. And moving to a self-funded plan is **Good**, yet is only part of the benefit process.

Self-Funding makes sense because of at least five significant reasons:

1. Transparency of data. Seeing how much you are being charged, and for what those charges are holds providers accountable for charges being made.
2. Typical savings of 10%-20%. Savings rather than increases affect the bottom line of the organization.
3. Have much better control of benefit costs.
4. Flexibility regarding risk tolerance, adjustments, and plan design or in other words, customization of benefits.
5. Stop-Loss. Third-party insurance protects the organization from catastrophic losses per individual as well as aggregate limits.

Self-Funding with a group Captive is **Better.** Organizations have the same benefits of being self-funded, plus the added adjustment for stop-loss coverage.

Being part of a group captive insurance company re-directs assets previously going to a third party for catastrophic stop-loss coverage to a group which you own shares of. The stop-loss exposure is pooled with other businesses and over a long period of time is better than paying premiums to a third party.

However, there are consequences. Overall there is little flexibility and control over this stop-loss coverage, you are paying a portion of other businesses claims, you don't control investment of the groups assets, and increasing solvency requirements typically result in increasing expenses.

Self-Funding with a single parent Captive is **BEST!** Organizations maximize efficiency from beginning to end by self-funding their medical benefits, while utilizing Captive Insurance to insure stop-loss risk.

Flexibility and control are now maximized in your captive as well, which includes:

- **Creating an additional asset – 100% ownership of your captive.**
- **Re-deployment of Captive assets in the future.**
- **Control investable assets of YOUR Captive.**
- **May add additional lines of coverage to YOUR Captive.**
- **Only pay claims of your employees, which you are responsible for anyway**
- **Maintain flexibility of ownership, intent, and purpose of reserves, distributions, and adjustments.**



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“As we consider various choices, we should remember that it is not enough that something is good. Other choices are better, and still others are best. Even though a particular choice is more costly, its far greater value may make it the best choice of all.”¹

Your Link to Security!

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¹. <https://www.churchofjesuschrist.org/study/general-conference/2007/10/good-better-best?lang=eng>