



Who qualifies to own a Captive Insurance Company?

Every business, once they reach a certain level of success, **profitability**, **liability**, or **mass** should understand how a Captive insurance company may benefit them. Every business is unique and a Captive Insurance company is not for all businesses. However, for those businesses and business owners who are risk adverse, desire to control insurance expenses more efficiently, and preserve capital, Captive Insurance is not a question of if, but when?

What is that level?

Historically, only Fortune 100 or 500 companies could afford the expense of creating and maintaining these insurance companies. By the way, the majority of these companies have Captive insurance companies today. In the last decade, administrators and regulators have become more efficient, and consequently the expenses have gone down, making Captive Insurance companies attractive for profitable businesses of all sizes.

Here are three simple matrixes to quickly identify when implementation of a Captive makes sense. A business does NOT need to have all indicators, but any one of the three indicators.

- Revenue. Businesses with \$500,000 or more in sustainable operating profits is a general rule of thumb in measuring feasibility. **Profitability**.
- Insurance. Businesses currently paying \$1,000,000 or more in commercial insurance premium. **Liability**.
- Employees. Businesses with 200 employees or more indicate a pattern and size qualifying for Captive Insurance. **Mass**.

Your business is unique and the very qualities which make you unique and profitable, often become the very liabilities which should be insured. The key supplier, key employee, special contract or warranty your company provides, as well as a wide variety of risks which may interrupt your business all may be insured through your own Captive Insurance company.

Business owners who qualify and implement coverage reduce risk, are more efficient, preserve capital,

and in the process create **Your Link to Security!**

Rich Ericson, President ALINK Captive Insurance Services

• Direct: 720-213-0583 • Email: Rich@ALINKcis.com • www.ALINKcis.com