



# ALINK

Captive Insurance Services



**THERE'S A BETTER WAY**

## **Captive Insurance**

**There's a better way** to manage risk! Taking control over your risk management program in a different way than before has proven to be effective for many successful business owners.

Successful businesses didn't achieve success or profitability by accident. Successful business owners are always adjusting, learning, and taking advantage of opportunities they come across whether it is operational, financial, or structural. Successful owners are efficient, know how to manage their business and the people they employ efficiently, and they evolve in a quickly changing world.

There are many ways to view captive insurance. Taking a more in-depth look reveals a better way to formally insure exposures businesses are already insuring through a third-party, or exposures currently being informally self-insured. Captive insurance is an opportunity which supports any profitable business, and in and of itself creates an advantage to a business.

**Operationally** – Captive insurance operates efficiently under the owner’s control and in conjunction with a third party administrator, including a captive manager. Premiums are paid, claims processed, and claims are paid out, as well as the consistent day to day accounting and reporting of activity which takes place. Proper compliance and maintenance is executed.



**Financially** – Fiscal responsibility is demonstrated from creation to eventual shutdown. Fiscal intent and purpose regarding all fees, capitalization, investment of captive assets, claims, and surplus as well as proper distribution of funds is transparent from beginning to end. A captive insurance company should be profitable.

**Structurally** – Proper ownership, risk sharing, as well as the overall operation of captive insurance is regulated by the State in which it is domiciled and in conjunction with Federal regulation and law. History and experience of all parties involved add to the structural soundness of each individual captive created. All insurance reduces risk. Captive insurance reduces additional risk outside of, and may or may not replace existing third party coverage.

There are many ways to view captive insurance. There is scrutiny from within the industry and from without which makes sense as most business owners and their trusted advisors are unfamiliar with these structures. Experience shows that once the unfamiliar becomes familiar, the power of captive insurance is unveiled and business owners then discover **a better way**.

Implementing a captive insurance company is a better way than doing the same thing over and over again with the same results. Not all companies may qualify, however every company should understand if they qualify and how to manage risk when they qualify. When a business qualifies to manage risk through their captive insurance company, action is necessary.

The better way is only better if the better way is utilized. Education, preparation, gathering data, analyzing, completing feasibility, asking questions, and setting aside time are all actions required to achieve a better way. Doing what has always been done is NOT active, and it does not create a better way.

There’s **a better way** to risk management. Captive Insurance is a better way and it is

## Your Link to Security!

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