



**ALINK**  
Captive Insurance Services



# What's the Risk?

We face many risks each and every day of our lives. It seems as though there is insurance for nearly all types of risk, yet some risks are uninsurable and some risks must be self-insured. Business owners have additional risks most individuals do not share. Some of these risks are required by law to insure such as health, general liability or workman's compensation.

At **ALINK Captive Insurance Services**, we specialize in risk management: the practice of appraising and controlling risk using various strategies, in fact the best strategies to reduce risk.

An 831b micro-captive insurance company is just one of those strategies. As you learn all about what a captive insurance company is, is not, and how to create, maintain, and eventually shut down, as well as the multiple layers of benefits of insuring risk, you may feel like a 16-year-old driver again, overwhelmed by all the information being thrown at you, yet afraid to ask questions. We're here to proactively train you in strategies that can be effective for your business, so ask all the questions you need to.

Captive Insurance, also known as "CIC," has been around for over 70 years. Although they may be new to you, there is an entire CIC world around us. Most Fortune 100 companies have CIC's. Most auto dealerships have one set up for their warranty work. A large amount of hospitals have CIC's to insure the many risks inside their buildings. Because the cost of administering a CIC has dropped

considerably through the years, many small-to-mid-sized, successful, privately-held businesses have been exposed to the benefits of captive insurance. As a result, more businesses are and should benefit from these insurance companies and the exposures they cover.

What is the risk your business will be effected by a pandemic, or have interrupted cash flow, or one of your sub-contractors goes out of business leaving a significant deficit in your accounts receivable? These are the very risks you don't have control over and they should be insured. These are examples of high severity, low probability risks. I hope you never have to make a claim as a result of these types of losses, but, knowing you have that option is the first step to protecting your business. What if your business collapses? There is INSURANCE for every one of these scenarios.

Insurance is the equitable transfer of the risk of a loss, from one entity to another, in exchange for payment. It is a form of risk management primarily used to hedge against the risk of a contingent, uncertain loss.

Is it risky? Insurance is the antithesis of risk. Captive insurance reduces risk and is

**Your Link to Security** for you and your business. Let me show you how it works.

Rich Ericson, President

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