ALINK
Captive Insurance Services

Captive Insurance

There's a better way to solve your objective, whatever your objective is. Captive insurance may be the solution to that objective, all the while protecting your company. The purpose of captive insurance is risk management. In the process, claims are paid, capital is preserved, surplus is created, and wealth is generated.

Albert Einstein is said to have called "the power of compound interest the most powerful force in the universe." Purchasing coverage for a business's exposures protects the operating company and the benefits are compounded.

Insurance companies are designed to be profitable! All-State was originally a captive insurance company of Sears and Roebuck, most Fortune 500 companies have captive insurance companies. Successful, profitable operating companies manage costs more efficiently when they own and insure risk through their own captive insurance company.

Not only does a captive insurance company insure risk and pay claims, over time the company accumulates surplus. Surplus compounds, and provides the opportunity for various distributions such as retirement, deferred compensation for key employees, charitable contributions, or business expansion. Whatever your objective is, over time captive insurance provides a better way of accomplishing the very thing you set out to do, all while mitigating risk of the operating company.

In an instantaneous world, long term thinking and planning is harder to come by every second. Risk management is short term protection with both short term and long term implications. Captive insurance provides protection and flexibility at any time, yet still requires time to compound so objectives can be met.

A complete risk management program including captive insurance allows business owners to re-direct funds to their own insurance company, cover gaps in existing coverage, and maximize the use of all insurance premiums and deductibles.

Captive insurance is a better way to maintain control over your risk management program. Every business has risks. Business owners work to mitigate and control as many potential losses as possible. These risks can be insured in three ways:

1. Third party carrier. Some exposures, or layer of exposure may be best covered by a traditional third party carrier.
2. Self-insurance. Self-insurance is a risk management technique in which a company or individual sets aside a pool of money to be used to remedy an unexpected loss. Theoretically, one can self-insure against any type of loss. Self-insurance puts a business at a disadvantage.
3. Captive insurance. In practice, business owners choose to purchase insurance against potentially large, infrequent losses. By insuring risk through a captive, the business owner is no longer at a disadvantage.

Most business owners insure risk through traditional third parties. All business owners self-insure many risks. Business owners who qualify and understand captive insurance typically insure risk utilizing all three methods.

There's a better way to risk management and capital preservation. Captive Insurance is a better way and it is

Your Link to Security!

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