

# CAPTIVES

DO YOU KNOW  
YOUR OPTIONS?

## CHALLENGES

Best-in-class companies are frustrated by:

- their lack of impact have on the cost of traditional insurance programs' premiums
- the annual renewal dance with carriers
- the exposure to fluctuating hard and soft market cycles

## SOLUTIONS

At Kapnick, we work with our clients to **meet their long term goals**. That means exploring alternative risk options, such as **captives**.

The benefits of captives include:

- Premiums based on individual loss experience
- More control over claims
- Fewer losses = more returns
- Insulation from market fluctuations
- Enhanced profit potential
- Improved risk control and safety

## RESULTS

Clients of our captive experience see an average of **20-30% return on their annual investments** during the first five years of being part of a captive.



**20-30%**  
**ANNUAL**  
**BENEFIT**



# HOW KAPNICK CAN HELP

## CLIENT CHALLENGE

A client with excellent loss history and risk management strategies was frustrated with the constant fluctuations in the insurance market impacting them disproportionately, and amount of money they were paying to their insurance carrier for their business insurance premiums every year.

## SOLUTION

Kapnick worked with the client to place their commercial risk into a group captive with risk-based profit sharing. Their **\$500,000/year premium** is roughly the same premium expense they were paying in the traditional market. Yet, six years later, they have a **total equity balance of over \$2 million**.

