

H·E·L·I·O

CAPTIVE
MANAGEMENT &
RISK CONSULTING



HelioRisk.com

Increase **CONTROL**

- Eliminate reliance on traditional market volatility
- Claims management - internal or via third party administrators with independent expertise in claims handling, not tied to a carrier
- Utilize beneficial program design elements like quota sharing, annual aggregates, and other customized coverages

Convert **COSTS** Into Revenue

- Retain underwriting profit and generate new source for investment income
- Underwrite specific risks, rather than subsidizing other companies' losses in traditional markets
- Decrease commercial premium spend and divert to captive, so assets can be retained

Improve **COVERAGE**

- Customized coverage forms to meet specific needs rather than being subjected to traditional insurers' exclusions
- Replace traditional coverages commercial carriers are no longer offering
- Expand limits, such as true replacement cost and per location rather than aggregate

Satisfy **COMPLIANCE**

- Satisfy insurance clauses in contracts as a licensed insurance company
- Coordinate with fronting carriers for admitted status and financial ratings
- Customize coverage, such as cut-through clauses with captive's reinsurers

Be **CREATIVE**

- Initiate entrepreneurial strategies: warranties, extended service contracts, affinity programs, etc.
- Look upstream and downstream supply chain for opportunities
- Participate on risk of joint ventures, associations, or other affiliated organizations

Boost **CAPACITY**

- Buy down deductibles like wind and hail
- Expand limits as traditional insurers recede from primary layers
- Gain access to reinsurance, add umbrella coverage, increase capacity, and reduce transaction costs



CAPTIVE INSURANCE BASICS

What is a Captive?

A pure captive is a licensed insurance company governed by its country or state Department of Insurance. A captive writes policies only for its owner or associated third parties. It is a highly efficient risk financing tool for legitimate risk management business purposes. Captives have existed for over 50 years in the United States, and there are currently more than 6,000 active worldwide. Almost every Fortune 100 and 500 company owns a captive to insure its own risk, and thousands of other businesses enjoy the financial and other benefits a captive structure offers.

The Helio Captive Formation and Management Process

PHASE I • Discovery & Analysis, Captive Feasibility (usually 6-8 weeks)

- Review current insurance program and conduct feasibility study with actuarial support
- Perform risk assessment and analyze preliminary captive program scenarios
- Conduct captive domicile assessment
- Develop captive operating budget and premium funding for each policy

PHASE II • Implementation & Formation (usually 4-6 weeks)

- Finalize structure, select domicile, and establish board
- Form legal entity, select service providers, draft captive insurance policies
- Meet with regulators, file written business plan and license application

PHASE III • Ongoing Operations

- Regular financial accounting and statement production
- Regulator compliance, including annual filings and captive premium tax
- Coordinate service providers to captive: legal, auditors, tax, claims, and actuary
- Facilitate board meetings and conduct all day-to-day operations



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About Helio

With multiple offices around the country including Oklahoma City, Dallas, and Jacksonville, Helio Risk is a full-service captive management and risk consulting firm of Account Management Specialists, Captive Managers, Risk Control Specialists, Certified Public Accountants, and other administrative staff available to provide insight and expertise to our clients' most challenging needs.

Working together with brokerage teams, actuaries, and other service providers, Helio identifies strategic areas for captive integration within comprehensive insurance programs.