

A black and white photograph of a father and son. The father, on the right, is older with short hair, wearing a dark cable-knit sweater, and has his arms crossed. The son, on the left, is younger with curly hair, wearing a dark t-shirt, and also has his arms crossed. Both are smiling warmly at the camera. The background is dark and out of focus.

UNTITLED

INSURANCE SERVICES

INSURANCE SERVICES

Captive Insurance Program Manager

WHY US

At UNTITLED, we have partnered with a distinguished globally-regulated insurance brokerage firm, with a strategic focus on high-net-worth and business insurance structures.

Our team of experts provides comprehensive support for the design, structuring, and financing of life policies aimed at wealth protection, succession, retirement, and liquidity access for families and entrepreneurs. The professionals in this area offer independent and highly specialized advice and are prepared to analyze the client's legal context and adapt the products according to current regulations. We offer international products backed by the strongest insurance companies in the United States, the Caribbean, and Europe.

At UNTITLED, we actively collaborate with a selected group of professionals from the insurance sector. This includes **highly regarded professionals** such as actuaries, lawyers, CFOs, administrators, insurance directors, reinsurance and fronting insurance companies.

This collaborative effort is geared towards delivering a comprehensive captive management program, offering a turnkey solution for our esteemed clients.

CAPTIVE INSURANCE

Captive insurance refers to a form of self-insurance where a company creates its own insurance subsidiary to provide coverage for the risks and losses associated with its operations. Instead of purchasing insurance from traditional commercial insurers, the parent company establishes a captive insurance company to underwrite its risks.

Captive insurance is often utilized by larger companies with the financial strength to establish and operate their own insurance subsidiaries. It can be an effective strategy for managing risks, reducing insurance costs, and gaining more control over the risk management process. However, it also requires careful consideration of regulatory compliance and ongoing management to ensure its success.

There are over 6,000 captives operating in the various domiciles globally with around US\$ 500 billion in assets

Around 60% of fortune 1000 companies have their own captive company. However, Captives are not just for the larger corporations, there are thousands of small and medium size companies that own a captive.

PREMIUM FLOW

Formation of the captive: the parent company creates a separate legal entity, known as the captive insurance company. This entity is often domiciled in a jurisdiction with favorable regulatory and tax environments for captives.

Premium payments: the parent company pays premiums to a local fronting insurance company, then to a reinsurance company and finally to the captive, just as it would to a traditional insurance provider.

Risk coverage: the captive assumes the risks and liabilities specified in the insurance policy issued to the parent company. This can include coverage for property damage, liability claims, business interruption, or other types of risks.

Risk management: by using a captive, the parent company gains more control over its insurance program and can tailor coverage to its specific needs. It allows for greater flexibility in risk management strategies.

Financial benefits: if the captive doesn't experience significant losses, the premiums paid by the parent company can result in cost savings compared to traditional insurance. Additionally, the captive can generate investment income on its underwriting reserves.

Regulatory compliance: captive insurance companies are subject to regulatory requirements, and their formation and operation must comply with the laws of the domicile in which they are established.

RISKS COVERAGE & RISKS

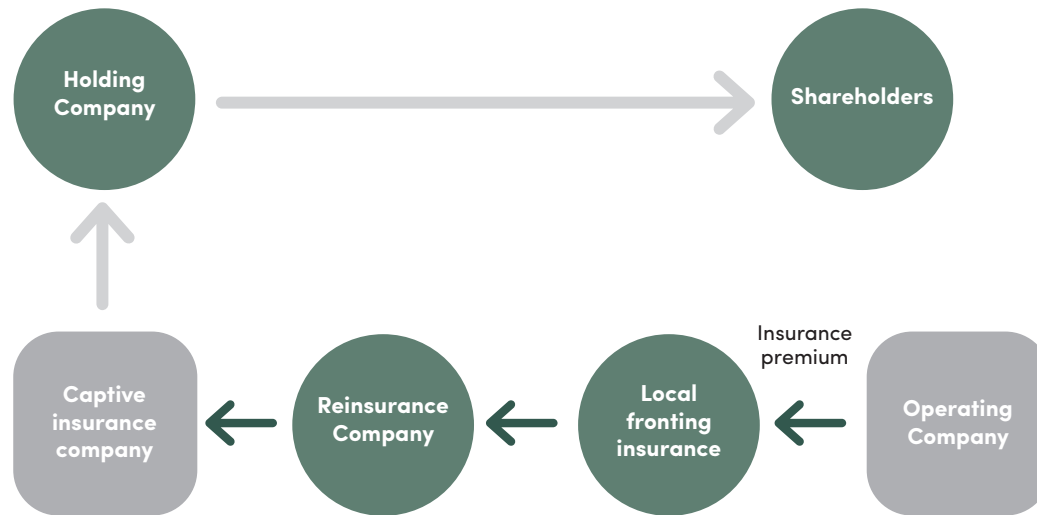
Risk coverage examples:

- Property and Business interruption
- General / Public liability
- Workers compensation
- Professional liability
- Life and disability
- Medical stop losses
- Warranty
- Construction
- Cyber security
- Damage reputational / brand
- Pandemic risk

Top 5 emerging risks

- Economic slowdown
- Cash flow and liquidity
- Cyber attacks
- Commodity prices and scarcity
- Business interruption

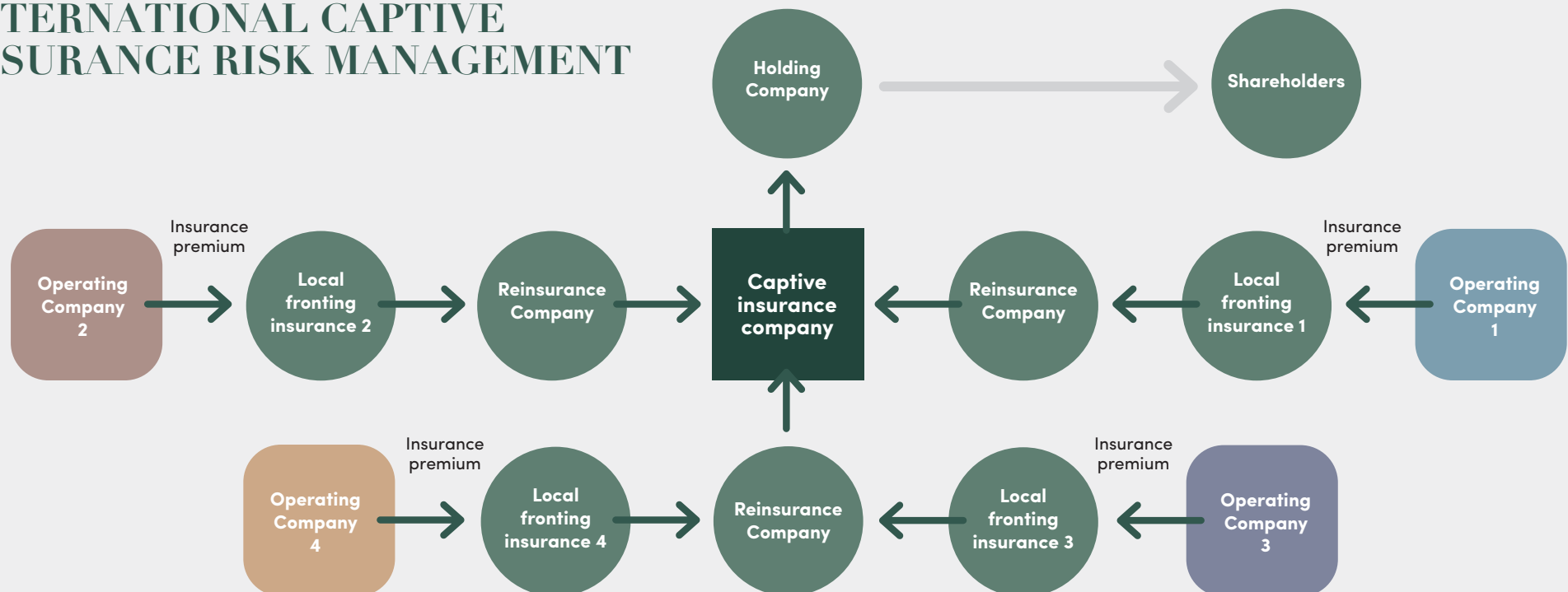
CHART



PROGRAM MANAGER SERVICES:

- Viability study
- Captive management
- Actuarial study
- License fee
- Government fee
- Fronting negotiation
- Reinsurance negotiation
- Contracting (Spanish / English)
- Local director
- Travel expenses

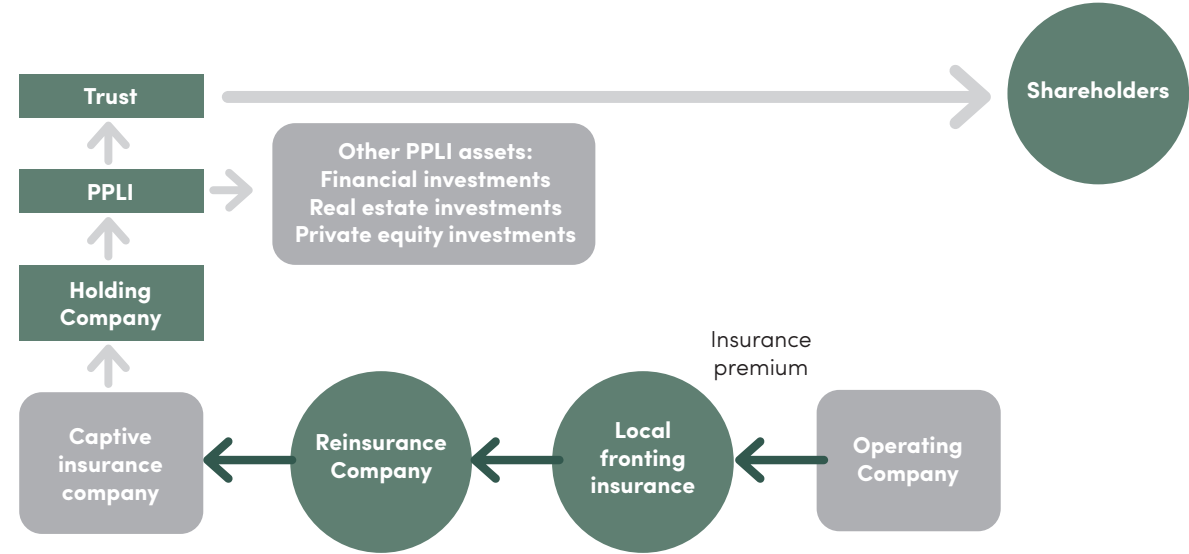
INTERNATIONAL CAPTIVE INSURANCE RISK MANAGEMENT



INSURANCE SERVICES

Appendix

WITH WEALTH STRUCTURE

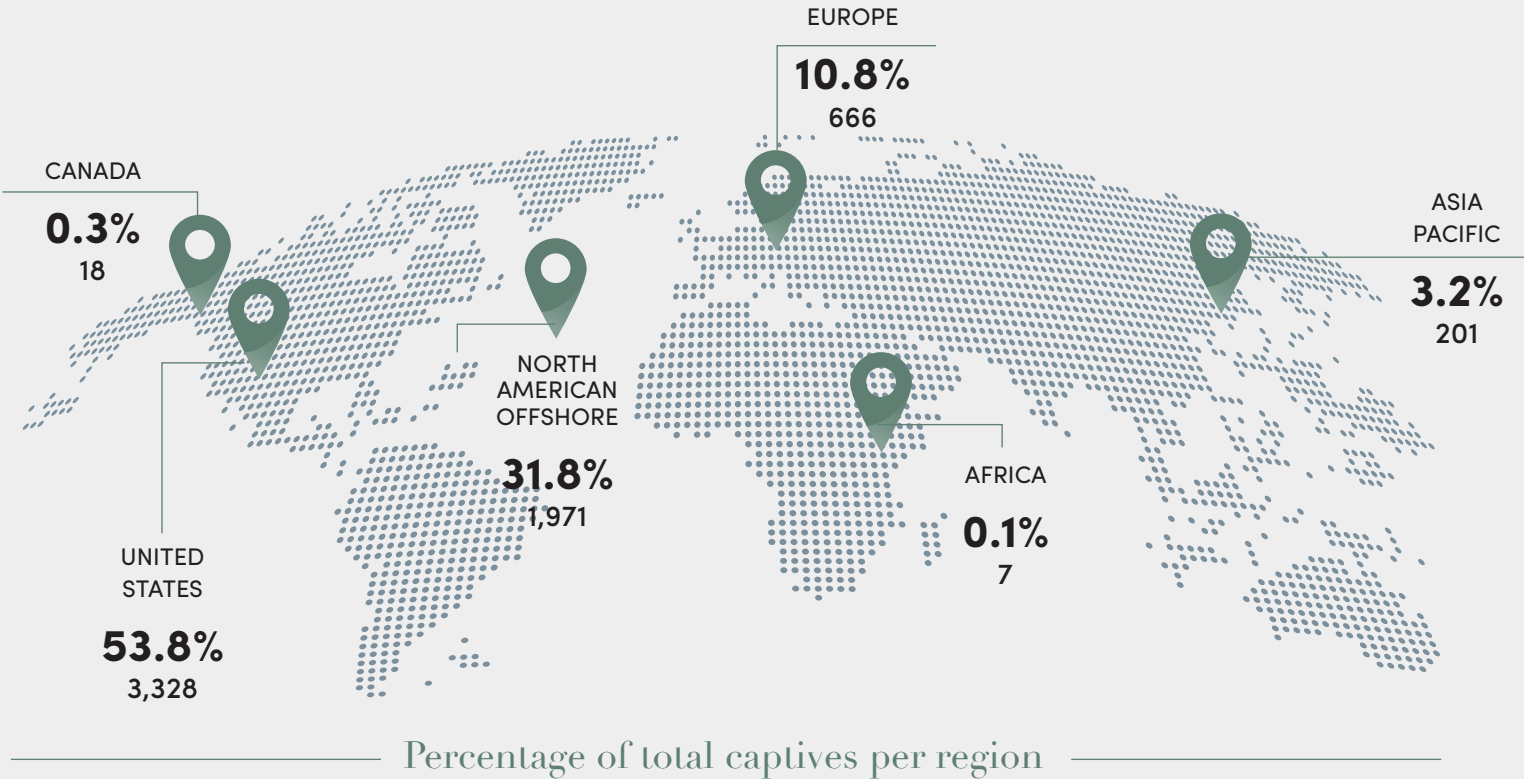


GLOBAL MARKET

ONSHORE / OFFSHORE BY THE NUMBERS

There were 6,191 captives in 2022, not including microcaptives, series captives or individual cells of cell members in protected cell companies.

Source: BI survey



ADVANTAGES & SIZE

Captive owners cite a number of reasons for maintaining a captive

Act as a formal funding vehicle to insure self-assumed risk

60%

Access reinsurance markets

42%

Design and manuscript own policy form

41%

Realize tax benefits

35%

Centralize global insurance program

27%

Allow subsidiaries to buy down corporate retentions

23%

Provide evidence of insurance to meet contractual or statutory requirements

19%

Write third-party business

12%

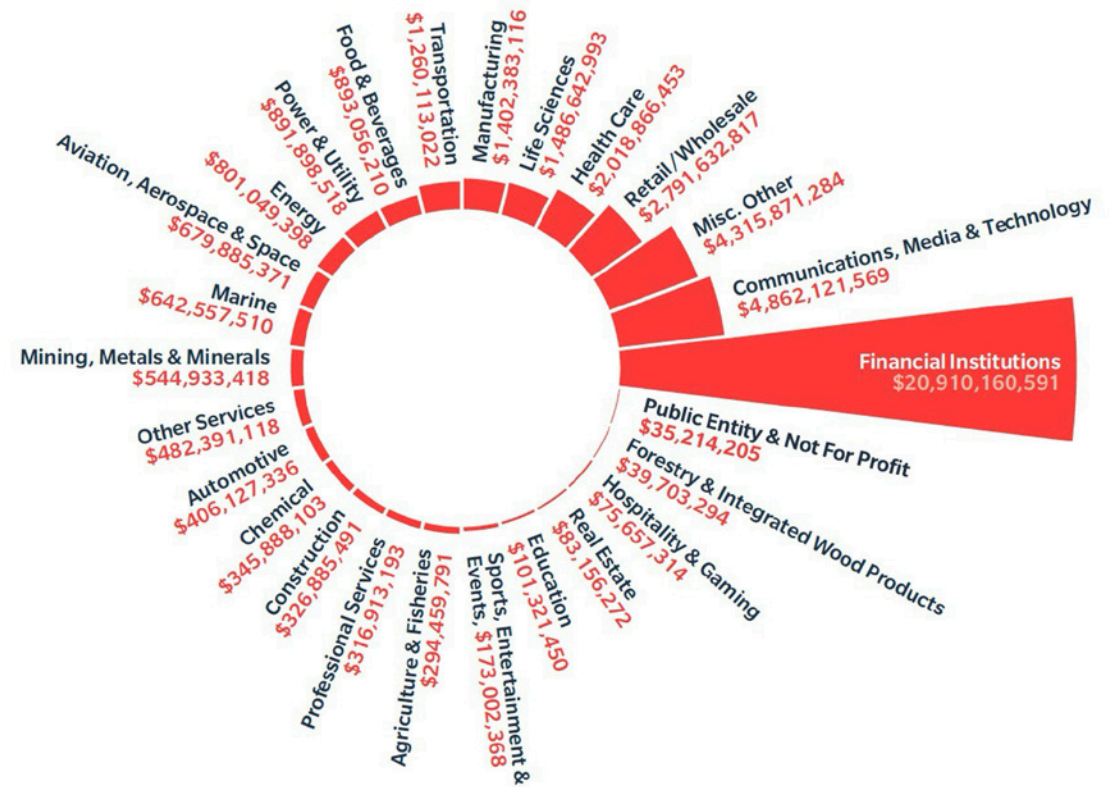
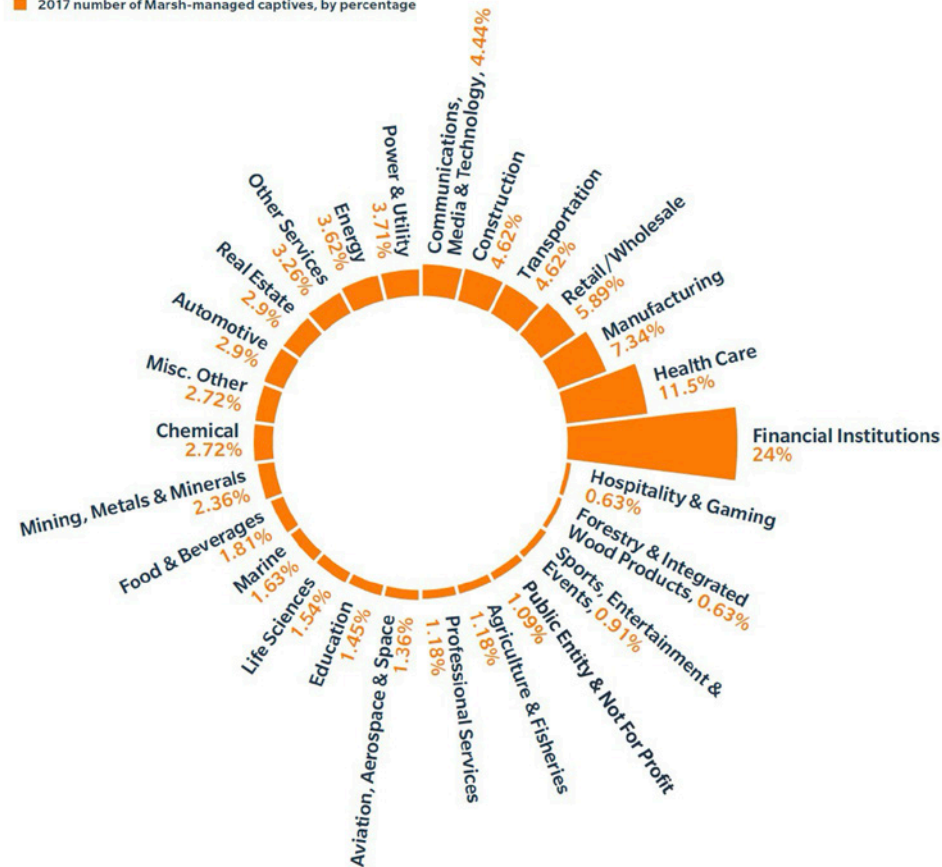
Small and midsize captives now most prevalent



Note: Percentages in a given year may not add to 100% due to rounding.

INDUSTRY BREAK DOWN

2017 number of Marsh-managed captives, by percentage



ADVANTAGES DURING THE PANDEMIC

Industries already using captives to mitigate pandemic-related losses include food, beverage, and hospitality; manufacturing; pharmaceutical and health care; and retail trade.

EFFECTS OF PANDEMIC	HOW A CAPTIVE CAN HELP	HOW A CAPTIVE CAN INCREASE LIQUIDITY
<div>Business interruption (BI)/contingent business interruption (CBI)</div> <div>Supply chain disruptions</div> <div>Event cancellations</div> <div>Loss of customers</div> <div>Furloughed or laid off workers</div> <div>Shifting to online transactions and delivery model</div> <div>Shifting production in response to shortages</div> <div>Inventory losses, waste, or surplus</div>	<div>Liquidity/cash flow</div> <div>Pre-loss risk funding pandemic coverage</div> <div>Protection of human capital, such as indemnity protection, voluntary employee benefits, and funding for telemedicine, among others</div> <div>Supply chain funding support</div>	<div>Dividends</div> <div>Intercompany loans</div> <div>Premium financing through discounts or "holidays" to policyholders</div> <div>Actuarial discounting of reserves</div> <div>Paying for risk control services/return to work planning</div> <div>Investment in less liquid assets of parent or affiliates in exchange for cash</div>



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