

# DEHAYES

## CAPTIVE INSURANCE

### PROGRAM

A Business Health Insurance Solution  
from The DeHayes Group



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# YES.

- Insurance is a significant cost.
- We'd like more control over our benefits.
- We want to put our premiums to work.
- Our company needs to share the risk if we self-fund.
- Traditional plans don't offer the specific coverage we want.
- We need to do something about insurance ...



Discover the benefits of working with The DeHayes Group.

# A new solution for your health insurance needs.

Captive insurance is an option that, until recently, eluded many small to medium-sized businesses. Self-funding an insurance plan without a way to broadly distribute the risk was simply too ... well, risky.

The DeHayes Group is helping to change that. We're creating a pool of businesses who are seeking the benefits of a self-funded insurance program. This group of like-minded employers is forming a coalition to provide affordable, long-term medical benefits to their most valuable resource: their workforce.

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## THE SPECIFICS

- The captive is designed for employee groups of 20 to 750.
- The stop loss insurance carrier is rated A+.
- The collateral payment is 10% of stop loss premiums or 3% of fully insured premiums.
- Employers must implement a group wellness program.
- Employers must carry a \$20,000 specific deductible.
- Losses to an individual employer above the deductible and below the group-specific reinsurance are paid by the group of employers on a pro-rated basis.

### ON AVERAGE, 2012 PARTICIPANTS

performed **20%** better than the expected cost (or more than 20% better than the fully insured renewal) and **35%** better than the maximum cost\*



\*Based on an existing captive chosen as a benchmark for The DeHayes Captive

We're an independent agency, so our goals are your best interests—we

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## MANAGE RISKS

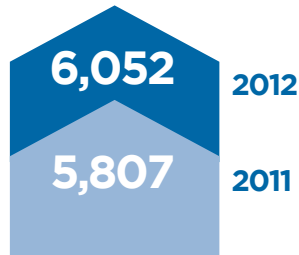
Pooling reduces the impact of large claims for an individual employer. Grouping companies in a single self-funded plan spreads the risk for smaller employers throughout the pool, minimizing volatility.

Gain control of the benefits you wish to offer and the care centers from whom you wish to offer them. *It's your choice.*

**COVER GAPS** in traditional insurance, whether because what you need is unusual, not offered or prohibitively expensive.

### THE NUMBER OF LICENSED CAPTIVES

worldwide increased to  
**6,052** at the end of 2012  
from 5,807 a year earlier\*



\*According to the annual Business Insurance survey of captive domiciles reported in 03/2013.

Tailor coverage so that you have as much coverage as you need in each area where you need it. **Nothing more, nothing less.**



# HOLD THE UPPER HAND

Having a captive can give you negotiating power with traditional insurance providers for your other needs.

When used with traditional insurance, a captive can allow you to **raise** deductibles, **lower** coverage limits or **increase** exclusions in traditional insurance for the best cost/benefit ratio.

**90%** OF FORTUNE  
500 COMPANIES  
ALREADY HAVE  
CAPTIVES\*

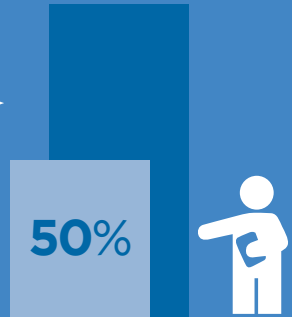
\*According to a 2012 report from Capstone Associated Services Ltd.

Improve **cost stability** and **predictability**. A captive is not subject to the wide swings of commercial insurance pricing.

Generate **income**. Profits are a percentage of reinsurance premiums and can be distributed to the owners of a captive company under favorable income tax rates as dividends or long-term capital gains.

Alternative risk-transfer vehicles, including captives, represent roughly **50%** of the U.S. insurance market\*

\*Wilmington Trust Corp., 2011.



**U.S. INSURANCE MARKET**

and tight security measures; customer service 24/7; and an annual review to

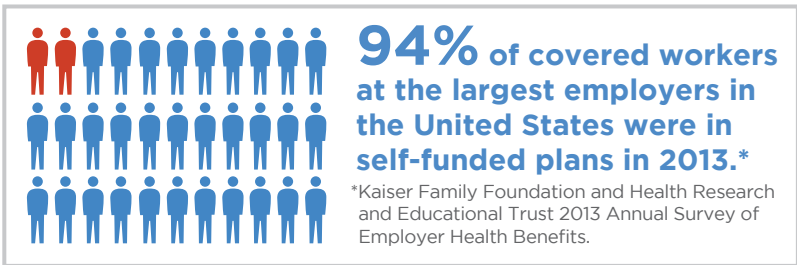
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## OUTSIDE THE BOX

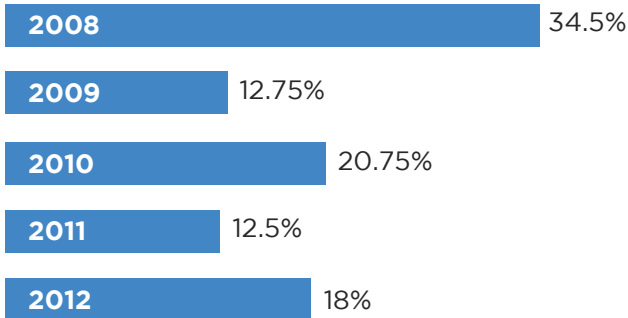
A captive allows you to expand insurance coverage to nontraditional or affiliated employees.

There are incentives for **loss control** measures such as wellness programs.

**RETAIN THE SURPLUS** from underwriting profits within reserve accounts.



## PAST UNDERWRITING PROFITS



\*Profits are a percentage of reinsurance premiums, based on an existing captive chosen as a benchmark for The DeHayes Captive.

make sure we're meeting your unique and changing insurance needs,

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# NAVIGATING NEW TERRITORY

The Affordable Care Act has changed the structure of the costs, taxes, plan offerings, coverage options and health and wellness benefits that the middle-market employer has been accustomed to for 20 years. But The DeHayes Group recognizes that many of these changes do not apply to self-insured plans. Self-insured plans are not required to comply with the medical loss ratio or the essential health benefits rules that apply to some fully insured plans ... which makes captive insurance more appealing.

The DeHayes Group can help your company navigate this territory, ensuring that the plan has adequate capital; that prices for premiums are set by a reliable actuary; that only realistic risks are insured; and that there is true risk distribution.

Quarterly reports and meetings to update captive members about current year performance mean you remain informed and in control.

“We’re in the business of managing risk, freeing you to manage your business.”

*- William A. Rush*

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# LEARN MORE

about how captive insurance can benefit your business.  
Schedule a conversation today.

(260) 424-5600  
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www.dehayes.com



*Exceeding Expectations ... Beyond Insurance.*

The DeHayes Group is one of the largest privately owned insurance agencies in northern Indiana. We began in 1982 as a commercial property/casualty insurance agency; since then, we have expanded into personal insurance including auto, home, health and life; retirement and financial services; farms and agricultural business; and group benefits. We represent more than 40 multiline insurance companies and insure more than 1,100 business and 1,700 households.

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possible. We're exceeding expectations every day. That's the DeHayes way.