

# THE TEAM WITH THE BEST PLAYERS

WINS..... Jack Welch

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*Independent Captive Associates, LLC, 6900 Jericho Turnpike, Syosset, NY 11791  
www.independentcaptiveassociates E-mail address [promano@independentcaptiveassociates.com](mailto:promano@independentcaptiveassociates.com)  
Offices located in Boca Raton, Florida; Richmond, North Carolina; Simsbury, Connecticut; Syosset, New York*

## Happy Holidays

By William York, VP of Marketing



Most of our clients already know that we assisted Santa Clause Inc. in forming its first Captive Insurance Company, **SLEIGH BELL INSURANCE, INC.** years ago. This year Santa Clause Inc. will be paying their annual premiums into **SLEIGH BELL INSURANCE INC.**

The formation of **SLEIGH BELL INSURANCE, INC.** was developed when the toy delivery operation determined a need to overhaul its approach to risk management with the goal of protecting the enterprise well into the future.

Owner and CEO, Santa noted that “we use to have elves making simple toys and all deliveries by sleigh...but like many businesses, our operation has grown and become far more complex, necessitating a new approach to our risk management.”

Santa made it exceedingly clear that, “We can’t let unexpected events shut down our operation...millions of children are counting on us!”

**SLEIGH BELL INSURANCE, INC.** insures operational and strategic risks. When discussing operational risks, Santa pointed out that, “Surgeons insure their hands, athletes have enormous disability policies, and singers insure their voices. I haven’t been able to find an insurer that will cover Rudolph’s nose... in fact; none of them will return my phone calls.”

Other operational risks that are insured include property & casualty deductibles, administrative actions, insurance, business interruption insurance, supply chain insurance, terrorism and cyber insurance. Santa remembered when The Federal Aviation Administration and Homeland Security almost shut down Santa Claus, Inc. completely after 9/11. He pointed out that a captive would have made it easier to pay for the interventions necessary to sustain operations post 9/11.

Supply chain insurance has become particularly important with the advent of digital toys, games and devices. Santa lamented that, “the Elves just can’t make a lot of the toys and gadgets children wish for these days...we now have an extensive supply chain operation to source digital devices.” Moreover, we cannot have the newly enacted tariff legislation effect the supply chain.

Cyber insurance has also been maligned by “old guard” types in the commercial insurance market. When questioned about his need for a large cyber insurance policy, Santa bristled and became red-faced. “Are you kidding me...did you see what ISIS did in bombing a Russian plane in Egypt?” Santa retorted. “Crazies like them would like nothing more

than to shut our operation down... the last thing ISIS wants is smiling, happy children around the globe...this is why our terrorism insurance is so critical.

As previously noted, **SLEIGH BELL INSURANCE, INC.** also insures strategic risks. "Reputational damage is a big one for us," Santa pointed out. "Every few years an imposter at some mall does something offensive or shows up drunk." Santa Claus, Inc. has spent millions of dollars over the past centuries combatting negative press, when embarrassing incidents occur. "Ever since the invention of the printing press and wide-spread news reporting, reputational risk has been a reality for us... from now on, we are filing losses through our captive."

In our continued conversation on strategic risks facing his operation, Santa noted, "another strategic risk that really scares me is global warming...our captive allows us to write a policy for it to cover the cost to move the entire operation to the South Pole...I'm not sure I believe in global warming, but a lot of scientists, world leaders and Independent Captive Associates do; if it's real...it would be curtains for Santa Claus, Inc."

Santa and Mrs. Claus chose **Independent Captive Associates** as their captive facilitator because ICA Services is the premier firm serving mid-size businesses. He noted that, "the principals and staff at Independent Captive Associates truly are business champions. They are creative in their approach to risk management and helped us apply this captive program model to improve the efficiency of our business. Mrs. Claus did her extensive research and came to the same conclusion. According to Mrs. Claus, "I did extensive research and read about **Independent Captive Associates** ... it was clear to me that they were far and away the best choice as a captive facilitator.

Santa and Mrs. Clause were extremely excited that they chose Independent Captive Associates They felt

comforted as they prepared to deliver the many toys around the world. Santa knew that his claims of supply chain distribution caused by "Samsung" phone fires years ago gave him the certainty he desired when he overhauled his risk management program in 2015. Santa was also excited to learn that ICA was in the process of reconstructing the Easter Bunny's Risk Management Program.

"In fact," Santa concluded:

*"We were slow to pursue owning a captive because we encountered confusing and contradictory information on the internet. ICA publications; text book, seminars and newsletters, helped us fully understand captives and move forward with confidence. Now, we have a far more powerful business risk management plan, more working assets and more peace of mind. When I wrote my premium checks to my captive this year, I said to myself, "HO! HO! HO!"*

Pamela Romano

Ph: 516-629-9045

Email:

[promano@independentcaptiveassociates.com](mailto:promano@independentcaptiveassociates.com)

Independent Captive Associates, LLC

6900 Jericho Turnpike, Suite 300

Syosset, NY 11791

[www.independentcaptiveassociates.com](http://www.independentcaptiveassociates.com)



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