

Potential Coverages in a Captive Insurance Company

COVERAGE	DESCRIPTION
Bankruptcy Legal Expense Reimbursement	Provides reimbursement for attorney fees, court related costs, accounting/audit fees, temporary operating costs, re-organization consulting fees, public relations consulting fees and travel costs associated with any bankruptcy filing.
Commercial Property Plus	Provides reimbursement for flood-related expenses associated with damage to building or contents at Replacement Cost. Coverage is provided in excess of any existing flood coverage (through NFIP or other entity).
Contingent Liability	Provides liability reimbursement for the unavailability of a required manufacturing material or substance, whether it is unavailable due to a natural event or an intentional act by a third party.
Contingent Liability - Weather Related	Provides for business interruption loss and additional expenses associated with a weather-related event.
Contract Dispute Legal Expense Reimbursement	Provides reimbursement of legal fees associated with disputes regarding Covered Contracts. Covered Contracts include but are not limited to agreements with customers, vendors, employees and lessors/lessees. Distributor agreements and franchise agreements are specifically excluded.
Corporate Disability Income	Provides a monthly benefit to the named insured in the event of the total disability of a covered employee.
Crime/Employee Dishonesty	Provides loss and expense reimbursement for the following covered causes of loss: a. Employee Theft b. Employee Theft of Client Property c. Computer Fraud d. Funds Transfer e. Criminal Defense Legal
Cyber Risk	Provides coverage for costs of data recovery and eliminating computer viruses. Also, coverage is provided for all expenses related to extortion by an individual with plans to damage software or data, expenses related to copyright and trademark infringement as a result of improper content on Insured's website, and loss of income for related event.
Deductible Reimbursement	Provides reimbursement for deductible losses paid on a specified commercially procured insurance policy.
Directors and Officers Liability Reimbursement	Provides reimbursement for losses incurred by the business as a result of actions or decisions taken by the directors and officers of the company, whether directors' and officers' actions were intentional or the result of negligence.
Employers Liability Expense Reimbursement	Provides reimbursement of liability expenses arising out of employee injury and not covered under any other workers compensation or employers liability policy.
Employment Practices	Provides coverage for any loss resulting from a wrongful act. A wrongful act includes any actual or alleged: a. termination of an employment relationship in a way that is against the law and wrongful. b. wrongful demotion, failure to hire, retaliation, misrepresentation, and interference of contract, which arise from a decision to employ, terminate, evaluate, discipline, promote or demote. c. defamation, infliction of emotional distress or mental anguish, humiliation, false imprisonment, invasion of privacy and other personal injury allegations which arise from the terminating, disciplining, promoting or demoting of an employee. d. breach of an implied employment contract and breach of the covenant of good faith and fair dealing in the employment contract. e. discrimination. f. harassment. g. retaliation or any actual or alleged response of the insured to a threat made by an employee to disclose an illegal act by insured.
Environmental Liability	Provides coverage for first and third party losses arising from environmental damage including bodily injury, property damage, clean up costs, legal defense costs and extra expenses required to cover remediation and/or removal of pollutants.
Errors and Omissions	Professionals Provides coverage for errors or omissions in the Insured's performance of services. Services are defined as activities undertaken by the Insured for a client.
Franchise Legal Defense Costs	Coverage for legal costs associated with loss or adverse amendment to a Franchise agreement.
General Liability Plus	Provides coverage for losses listed in the standard exclusions of the Insured's General Liability policy.

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Health Care Deductible Corridor Indemnification	A Major Medical deductible that provides for a deductible, or “corridor”, after the full payment of basic hospital and medical expenses up to a stated amount. In the event of further expenses, payment is on the basis of participation.
Injunctive Relief Defense Legal Expense Reimbursement	Provides injunctive relief defense legal expense reimbursement to the named insured for injunctive relief actions against the name insured.
Key Customer Expense Reimbursement	Provides reimbursement to the Insured for loss of a Key Customer occurring during the Policy Period only in the event total company Revenue in the current month decreases by at least the threshold compared to the same month in the prior calendar year.
Key Referral Source Expense Reimbursement	Provides monthly reimbursement of the overhead expenses associated with the revenue from a lost key referral source only in the event total company revenue in the current month decreases by at least the threshold compared to the same month in the prior calendar year and for no longer than 12 months.
Key Vendor Expense Reimbursement	Provides monthly reimbursement of the overhead expenses associated with the revenue from a lost key vendor only in the event total company revenue in the current month decreases by at least the threshold compared to the same month in the prior calendar year and for no longer than 12 months.
Liability for Nuisance/Frivolous	Coverage is excess to all other applicable policies (primary if no underlying coverage in effect) for any claim suit, demand or allegations from a third party for any reason concerning premises/operations or completed operations performed by insured.
Loss of Franchise	Provides reimbursement of the company’s legal fees associated with an attempt by the franchisor to cancel the franchise agreement with the company. Also provides coverage for overhead expenses associated with revenue lost as a result of the attempt to cancel the franchise agreement.
Loss of Key Talent Expense Reimbursement	Provides expense reimbursement to the Insured associated with the loss of a key and trained employee to create or join a competitor.
Mechanical Breakdown	This policy provides all risk mechanical breakdown coverage for the insureds’ inland marine equipment and livery vehicles. This policy does not provide any third party liability coverage. The insured is paid in the event there is a mechanical breakdown loss of any kind. This is an all risk policy, except for those losses specifically excluded. The payment shall be in accordance with the terms and conditions in the policy.
Professional Liability	Provides coverage for losses arising from the intentional acts of a professional during the course of employment. Coverage is extended to include design failure coverage.
Regulatory Changes	Provides coverage for compliance expenses and business interruption loss for 12 months as a result of a regulatory change that has an adverse effect on business. Regulatory changes include: a. any legislative changes effecting permits b. issuing of permits to competitors c. any changes to environmental, zoning, transportation or safety regulations d. any changes to import/export laws or tariffs e. any regulatory changes due to foreign political risk including the collapse of a foreign economy or government, freezing of foreign assets or war
Regulatory Investigation Defense Legal Expense Reimbursement	Provides regulatory investigation defense legal expense reimbursement to the named insured’s company for regulatory investigations by governmental units against the insured’s company.
Reputation Expense Reimbursement	Provides expense reimbursement to protect brands, corporate entities and advertisers against losses incurred from reputational crises. Coverage includes the cost of crisis remediation.
Subcontractor Default	Provides reimbursement to the Insured, as the General Contractor, for the costs resulting from a subcontractor’s default.
Subcontractor Dispute Resolution Expense Reimbursement	Reimburses the named insured for any costs resulting from having to initiate a claim or lawsuit as a result of the unsatisfactory completion or non-completion of contracted work, or failure to meet contractual specifications required of the subcontractor’s work, on any of the insured’s projects.
Supply Chain Interruption	Provides reimbursement of expenses due to the interruption of a supply chain to the Insured’s operations.
Tax Audit Defense Legal Expense Reimbursement	Provides tax audit defense legal expense reimbursement to the Insured.
Trade Credit	Provides coverage for corporate receivables in the event that debtors to the insured file bankruptcy or otherwise become insolvent.

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Trademark & Patent Legal Expense Reimbursement	Provides reimbursement of legal expenses to the named insured in the defense of legal proceedings for the infringement of copyrights, trademarks, and patents of the named insured and the infringement by the named insured of copyrights, trademarks, and patents.
Transportation Damages	Coverage provided for loss of income and additional expenses resulting from damages to packages in the care of the insured. Additional expenses include repair or replacement of the packages. Coverage only applies to those customers who constitute 10% or more of the annual revenue. This policy is designed for distribution/transportation companies.
Uninsured Legal Expense Reimbursement	Provides reimbursement for legal expenses not covered under any other existing insurance policies carried by the Insured.
Union Formation	Provides coverage for the expenses directly associated with fighting the formation of an employee union or related association.
Workmanship	Provides reimbursement of expenses associated with the services performed by the name insured given the services do not meet standard specifications.