



CAPTIVE NATION

Captive Insurance Management

WHAT IS CAPTIVE INSURANCE?

A Private Insurance Company Owned by the Business Owner to Manage Risks and Protect Profits

WHAT DOES IT DO?

PROTECT BUSINESS

Protect the Business You've Built

Integrates with Your Traditional Commercial Insurance to Lower Costs

Insures Revenue Streams and Covers Expense Exposures

Access to Policies Not Available Commercially or Too Expensive (Custom)

DECREASE TAXES

Keep More of What You've Earned

Premiums are Tax Deductible for the Business

Premiums are Tax Free for the Captive

Distributions are Taxed at Lower Rates (Capital Gains)

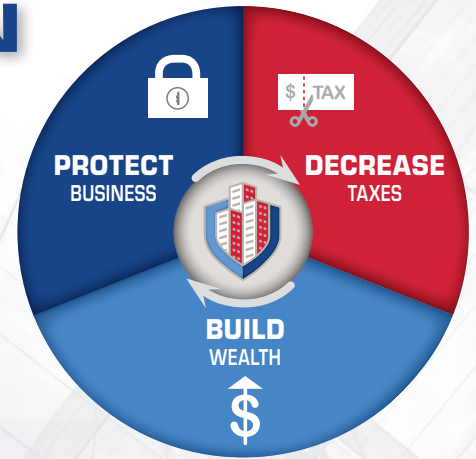
BUILD WEALTH

Improve Your Cash Flow

Premiums are Retained, Investable, and Reinsured

Captive Corporations are Creditor Proof

New Profit Center - Offer Warranty/Insurance Program



*We Serve
All Industries*

*With Gross Revenue
of \$1M or Greater*

- Manufacturers
- Construction
- Real Estate
- Physicians/Health Care
- Oil & Gas
- Transportation
- Wholesale
- Retail
- Auto
- Professional Services

WHAT IS COVERED UNDER A CAPTIVE

Captives typically cover low frequency, high severity risks. Below is a partial list of coverages.

TOP INSURED RISKS

- Business Interruption**
- Collections/Receivables**
- Commercial Limits/Exclusions**
- Coronavirus/Pandemics**
- Cyber Risk/Data Loss/Ransomware**
- Deductible Reimbursement**
- Loss of Key Client/Contract**
- Loss of Key Employee**
- Loss of Key Supplier**
- Product Warranty/Recall**
- Regulatory Change**
- Rental Income Replacement**
- Sexual Harassment/Discrimination**

- Audit Liability
- Builders Risk - "2-10" Warranties
- Commercial Property/Inland Marine
- Construction Delay & Defect
- Consumer Boycott
- Contractual Liability
- Directors & Officers
- Embezzlement
- Eminent Domain Insurance
- Employment Practice Liability
- Environmental Liability
- Errors & Omissions
- Fiduciary Liability
- Foreign Operations Insurance
- Government Action Liability
- Independent Distributor's Liability
- Inventory/Cargo Loss
- Kidnap/Ransom/Extortion Liability
- Labor Cost/Strike
- Litigation Expense
- Loss of Key Referral Source
- Malpractice Liability
- Mechanical Breakdown
- Medical Stop Loss
- Owner Financed Sale
- Patent/Copyright/Trademark
- Property & Natural Disaster
- Reputational Risk
- Subcontractor Default
- Unfair Competition Liability

WHY CHOOSE A CAPTIVE?

Protect Your Business...Decrease Taxes...Build Wealth

WITHOUT A CAPTIVE

Uninsured

YOUR BUSINESS

\$500K Profit
- \$200K Tax
\$300K Keep

NOT COVERED

- ✗ Business Interruption
- ✗ Collections/Receivables
- ✗ Deductible Reimbursement
- ✗ Loss of Key Client/Contract
- ✗ Regulatory Change
- ✗ Other Policies

WITH A CAPTIVE

YOUR BUSINESS → YOUR CAPTIVE

\$500K Profit → **\$500K Profit**
- \$200K Tax → **- \$0 Tax**
\$300K Keep → **\$500K Keep**

PROTECT BUSINESS + \$10M-30M Insurance

DECREASE TAXES + \$200K Taxes Saved

BUILD WEALTH + \$500K Profit Kept
+ \$50K Investment Income

- Business Interruption
- Collections/Receivables
- Deductible Reimbursement
- Loss of Key Client/Contract
- Regulatory Change
- Other Policies

✓ **Financially Ahead**

✓ **Business Risks are Covered**

CAPTIVE CASE STUDIES

PROTECTING YOUR BUSINESS:

REGULATORY/POLICY CHANGE - INCOME LOSS

A medical group provided care to a long term care facility. Insurance companies changed their policy from paying the physicians 20 days/month to 4 days/month. The medical group filed a captive insurance claim and received \$1.5M in loss revenue.

Income Recovered: \$1.5M
Additional Protection: \$5M-\$15M

TAX PLANNING:

CAPTIVE VS. 179 TAX DEDUCTION

A construction company purchased \$700K worth of equipment (that they really didn't need) to avoid taxes. The next year a new CPA suggested a \$700K captive instead of buying equipment. The owner saved the same amount of taxes, but now has an asset that APPRECIATES (investments) instead of DEPRECIATES (equipment) and received millions in business protection insurance.

Taxes Saved: \$280,000
Additional Protection: \$10M-\$30M

OUR TURN-KEY SERVICES

Captive Nation, Inc. provides turn-key services in captive insurance formation and day-to-day management. Founded by a CPA, Captive Nation ensures that your captive insurance company is in compliance with all state and federal regulatory requirements. **Simply put...we do it all.**



www.CaptiveNation.com
Contact@CaptiveNation.com
888.944.5588



GO ONLINE OR CALL TODAY FOR A FREE FEASIBILITY STUDY!

"90% of Fortune 500 companies have a captive insurance company. Now small to mid-sized companies can, too."
Ken Huffman, CPA and Captive Manager

CAPTIVE FORMATION STEPS

