



Alternative Risk Transfer Insurance for Non-Traditional Risk

- 1) Third-party carrier and premium financing creates additional layers of risk capital.
- 2) Businesses can utilize this additional risk capital to invest or manage inflation risk.
- 3) Unused claim amounts are returned in the future; when future tax obligations come due, it is likely that dollars will be worth less due to inflation.*

Alternative Risk Transfer insurance is NOT Captive Insurance.

Asset Risk Transfer insurance coverage includes:

1. Regulatory Changes, and/or Business Litigation,
2. Supply Chain Interruption, and/or Business Closure,
3. Loss of Revenue from a Breach of Contract,
4. Brand or Reputational Damage (Cancel Culture Coverage), and/or Key Man.

			Calculate Your Increased Gain
1	Projected 2022 Income	\$1,000,000	1.) Calculate Projected Income in 2022
2	Additional Risk Capital Layer Created	\$500,000	2.) To calculate the Additional Risk Capital Layer, multiply half of the Total Income figure by state and federal tax rate (assumed 50% combined rate here).
3	Inflation Hedge Cost	\$150,000	3.) The Total Program Cost is determined on an underwritten premium amount. In this example, the Total Program Cost is illustrated as 15% of Income.
4	Net Increase in Cash Flow	\$350,000	4.) Estimated Increase in Cash Flow is the difference between the Additional Risk Capital Layer and Total Program Cost. <input checked="" type="checkbox"/> Take the Estimated Increase in Cash Flow and project an annual rate of return for 5 years.
5	Deferred Tax Obligation in Today's Dollars	\$277,500	5.) In 5 years, plan on a future tax obligation based on claims experience. This example assumes a 92.5% refund.

*Please read all disclosures. The program is offered through an excess and surplus lines insurance carrier which offers non-traditional risk coverage. Return of premium amount subject to claims. Contact your tax professional regarding any tax consequences. For illustration purposes only and may be different based on your facts. We make no representation regarding your ability to generate any rate of return. This program is intended as a risk management tool to hedge against inflation risk.

Are You Eligible?

- ▶ Do you or your business anticipate a gross profit of \$1,000,000 or more in 2022 ?
- ▶ Is your business a sole proprietorship, partnership, LLC, S-Corp or C-Corp?
- ▶ Is your business is facing uncertainty or experiencing economic conditions in which an inflation hedge makes sense?