

GROUP CAPTIVE

MEMBER CASE STUDY

COMPANY DESCRIPTION

Heavy Civil Contractor

Joined Captive

Mid 2017

Captive Highlights: 2016-2023

54%

Reduction in Workers'
Compensation
composite rate per \$100
in Payroll.

45%

Reduction in General
Liability composite rate
per \$1,000 in Payroll.

39%

Reduction in Auto
Liability composite rate
per power unit.

\$623K

in dividends earned.

GROUP CAPTIVE EXPERIENCE

This success story highlights a heavy civil contractor that exemplifies a commitment to workplace safety and risk control that's fundamental to achieving maximum success in our group captive model. Before joining the captive, the company felt it was overpaying for insurance in the conventional market despite its diligence in maintaining robust and effective safety programs. The data supports this sentiment:

Risk Control Assessment Score

*The company's initial ***RCA** score was higher than average of the captive – comprised of other best-in-class construction companies – which indicates the strength of its existing programs.*

Loss History

The company had an exceptionally good loss history across coverage lines in the five years prior to joining the captive, including several policy years with no losses.

Since conventional insurers lean heavily on industry-wide loss experience, statutory requirements, and other factors to determine premiums, rather than individual loss history, this best-in-class company felt it was essentially subsidizing less diligent organizations and contributing to its insurance carrier's profits to the detriment of its own bottom line.

***RCA Definition:** A Risk Control Assessment is an in-depth review of risk control policies and procedures compared to industry best practices used to identify areas of strength and opportunities to improve.



THE GROUP CAPTIVE DIFFERENCE

The company explored alternative solutions and discovered Captive Resources' group captive model. Being a member of one of the group captives we support delivered significant competitive advantages for the company, including:

LOWER TOTAL INSURANCE COSTS

Since our group captive model uses each member's individual loss history to determine premiums, the company's insurance costs were more reflective of the true risk posed by its operations.

EVEN BETTER SAFETY PERFORMANCE

*The company harnessed the resources of the captive to take its already excellent safety programs to the next level. Since joining, the company has improved its RCA score from above average to the **top 10% of all members in the captive.***

EQUITY ACCUMULATION AND DIVIDENDS

*Since the captive is 100% member-owned, the company has built **\$2.1 M in owner equity** and earned **\$623K + in dividends** since joining. Combined, the owner equity and dividend returns amount to almost **one-third** of the premium dollars the company has paid into the captive.*

SAVINGS TO REINVEST

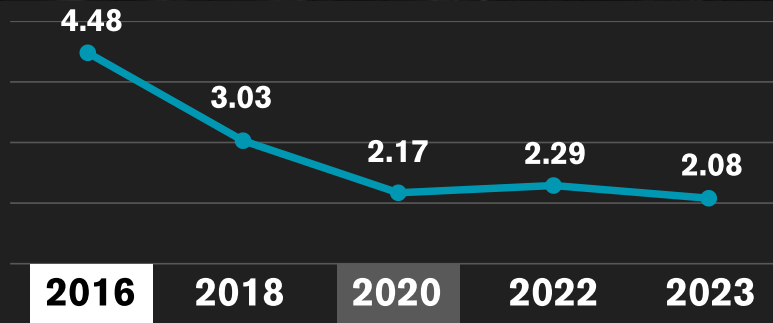
The company has reallocated the cost savings from joining the captive for strategic purposes like hiring more employees, acquiring update equipment, and bidding for jobs more competitively.

SUCCESS STORY DATA

WORKERS' COMPENSATION

54%

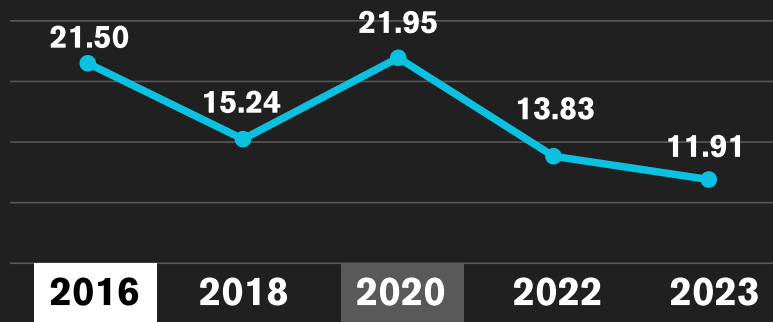
Reduction in composite rate per \$100 in payroll.



GENERAL LIABILITY

45%

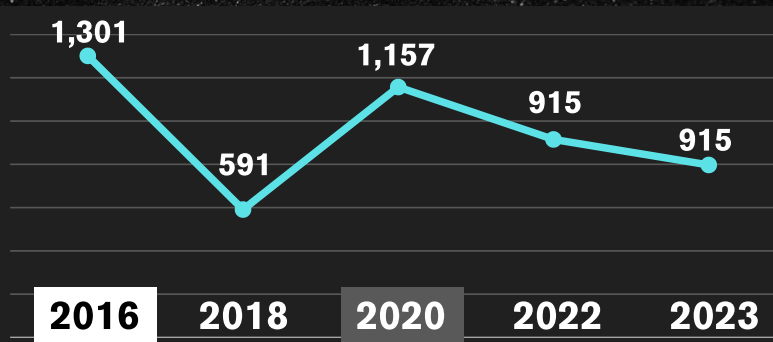
Reduction in composite rate per \$1,000 in payroll.



AUTO LIABILITY

39%

Reduction in composite rate per power unit.



- 2016 is the last full year in a traditional program. Company joined captive in mid-2017.
- Limits doubled to \$2M in 2020-2021 for General Liability and Auto Liability.

Want to learn how your company can improve your safety culture and lower your total cost of risk by joining a Group Captive?

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