

Captive Management



Overview

AIG Captive Management provides a wide range of advisory services regarding the feasibility, structuring, formation, and management of captives with an in-depth understanding of each captive domicile's regulatory requirements and local business practices. Our global portfolio includes single parent insurance and reinsurance captives, group captives, protected cell captive facilities and segregated account structures.

AIG Captive Management Advantages

- Part of AIG's holistic North America Captive Solutions platform that is a leading provider of Captive Management, Fronting and Group Captives solutions to support clients at all stages of the captive lifecycle.
- Works closely with AIG's Fronting and Group Captives teams to develop customized programs for clients with an appetite for retaining some of the risk. We can also integrate AIG's traditional risk transfer capabilities to create even broader risk management solutions.
- Provides feasibility studies, captive structuring and formation advisory, and comprehensive captive management services including accounting, regulatory filings and in-domicile administration.
- Operates as a licensed manager in 12 global domiciles delivering local expertise including on-the-ground professionals in Vermont, Bermuda, Hawaii and Arizona.
- Sponsors and manages protected cell captive facilities in Vermont and Bermuda enabling clients to "rent" instead of forming their own captive.



Potential benefits of a captive structure

- Enhanced control over the insurance program
- Ability to address risks not covered by traditional insurance or financial products
- Opportunity to benefit from positive loss experience
- Supports programs to provide proof of insurance
- Reduced volatility of rate, capacity and coverage
- Possible tax efficiencies
- Facilitates cost-efficient access to reinsurance market
- Formalized risk finance structure for enhanced capital utilization in long run

Captive Feasibility Studies

Whether you are looking to form a new captive or optimize your existing program, our team can provide expert insight to help:

- Define the captive’s role in today’s insurance market.
- Assess advantages and disadvantages of a captive.
- Analyze proposed retentions and retained coverages assumed by the captive.
- Provide five-year financial projections including balance sheets and income statements.
- Guide structure, formation, and operation of captive insurance company.
- Compare domicile options with recommendation, including regulatory requirements.

Captive Management Solutions in Action

	 Property	 Professional Liability	 Excess Liability insured by Cell Captive
Issue	A multinational leasing company with property exposure at thousands of equipment rental locations globally, required an insurance solution as the property market hardened.	A well-established public accounting firm with favorable loss experience for years faced significant expense for professional liability coverage.	A US subsidiary for a large foreign global trading company encountered limited market availability and shortage of capacity for excess liability coverage.
Solution	Analyzed options and established a captive to provide primary layer property insurance coverage in excess of the underlying deductible.	Assessed alternatives and formed a captive to self-insure the most premium rich risk layer of its professional liability program.	Formed a cell captive to provide excess liability coverage combined with an AIG fronting solution to meet local regulatory requirements.
Benefit	The client was provided with a formal structure to retain additional risk enabling it to increase retention, prefund losses, and save on premiums.	Creating a captive allows client to participate in the risk above their Self-Insured Retention (SIR), effectively reducing total cost of risk (TCOR).	The captive fills a coverage gap on liability program and increases flexibility to deal with market capacity and pricing volatility.

For more information, please visit us today at www.aig.com/captives.

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