

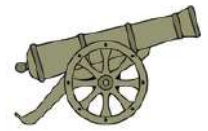
Greengate Risk Solutions

CAPTIVE MADE EASY

The ART of Simple
Alternative Risk Transfer.

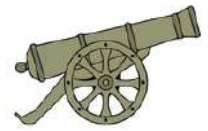
greengate
risk solutions





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What Is Captive Insurance?

A captive insurance company is a subsidiary established to underwrite the risks of its parent or related companies, allowing the group to self-insure rather than rely on third-party insurers.

This structure enables the company to retain premiums, underwriting profits, and investment income within the group.



Why Establish a Captive?

Companies form captives to gain greater control and flexibility over risk management and insurance costs, driven by strategic and financial advantages.

Cost Control and Savings

Strong risk-managed businesses can reduce premiums through a captive, retaining underwriting profits and investment income while mitigating exposure to insurance market volatility.

Tailored and Accessible Coverage

Captives enable coverage for complex or hard-to-insure risks, offering tailored policies that address the parent company's specific needs beyond the traditional market.

Improved Cash Flow and Earnings

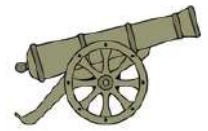
Premiums are retained internally until claims occur, enabling investment income that helps offset overall risk costs.

Greater Control

The parent company retains full control over underwriting, claims, and investments, enabling proactive risk management and direct benefits from strong claims performance.

Direct Access to Reinsurance

A captive provides direct access to global reinsurance markets, enabling more competitive terms and pricing beyond its risk capacity.



Types of Captives

There are several captive structures available, each tailored to address different business objectives and risk profiles.

- **Pure Captive**

The most basic form, this is a wholly owned subsidiary that only insures the risks of its parent company and its affiliates.

- **Group / Association Captive**

Owned by multiple, unrelated companies, typically within the same industry, to insure their similar risks.

- **Agency Captive**

Owned by a licensed insurance agency or broker, formed to reinsure the risks of its clients.

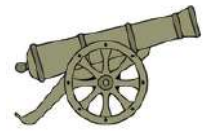
- **Master Rent-a-Captive**

A captive structure that offers facilities and services to other captives is known as a 'subsidiary rent-a-captive.' It functions as a master entity, allowing other businesses to access its capital and licence without the need to establish their own captive

- **Protected Cell Company (PCC) Captive**

A single legal entity with a central 'core' and multiple segregated 'cells' is known as a cell captive. Each cell is financially and legally independent, enabling different companies to participate without being exposed to the risks of other participants

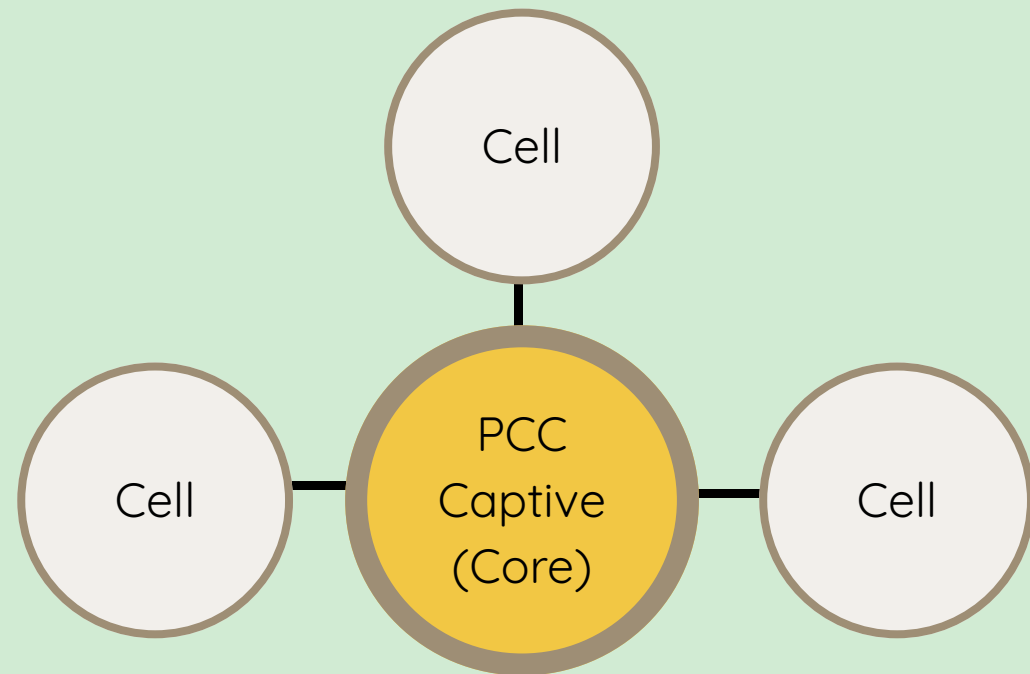




PCC Core & Cells

Uniqueness Of PCC

- The PCC structure is an evolved form of the master rent-a-captive model, designed to accommodate diverse captive needs. It is an ideal structure for managing a variety of business risks.



PCC

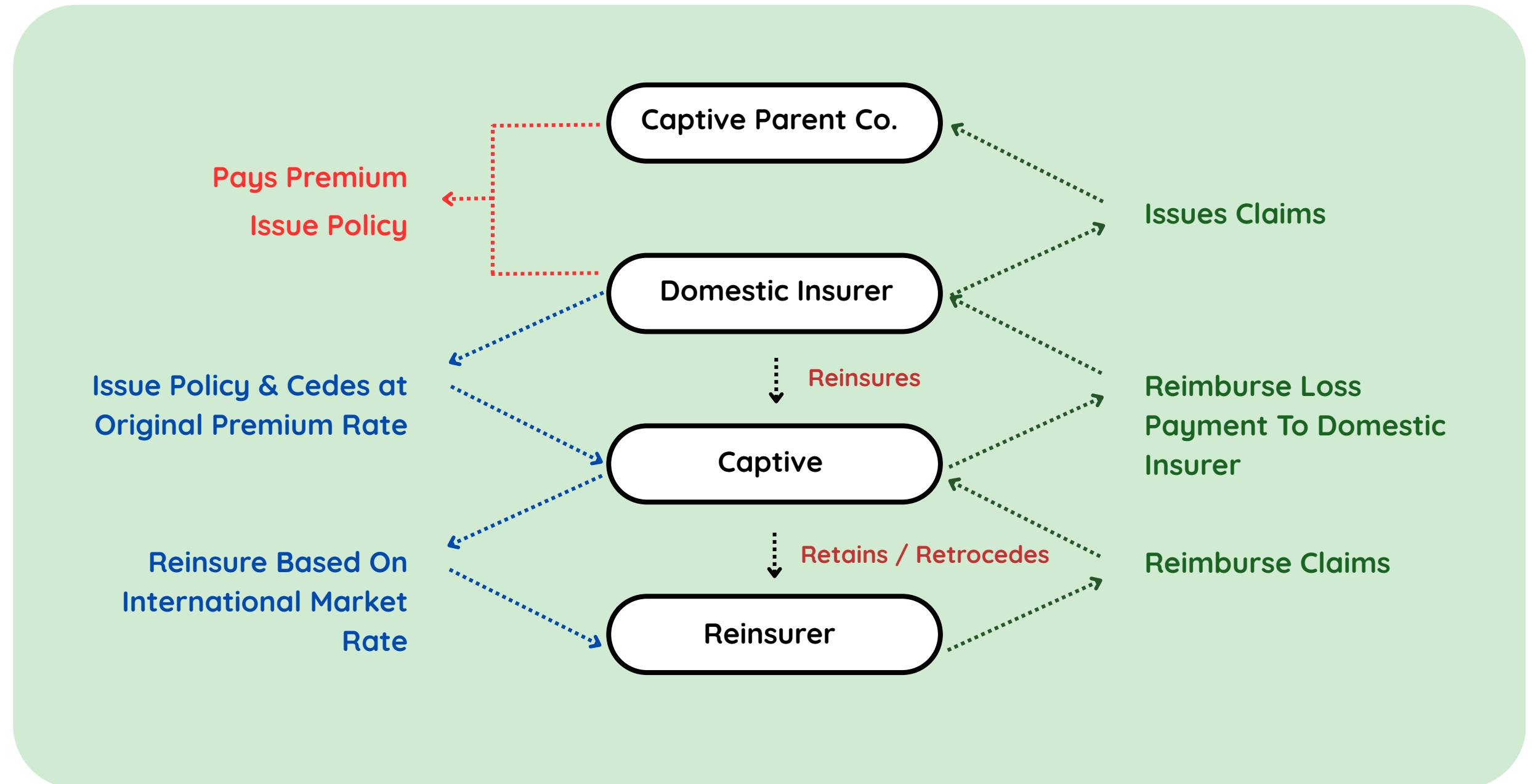
- ✓ **Bankruptcy remote** structure from one cell to the other
- ✓ Assets/liabilities **ring-fenced** between cells and core
- ✓ **Statutory / legal protection** ie. PCC legalisation

Cells

- ✓ **Combined advantages** of a wholly owned captive and cost advantages of a rental captive
- ✓ Cell can operate **different business lines or rented / owned by different risk owner**



Captive Placement





Thank you



Get In Touch With Us

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