

Captive Insurance Company (CIC) Benefits

Business Owner: Increase and protect your Wealth by insuring your business(es) with your own insurance company.

Save extra **\$40K to \$500K every year** in a CIC, compared to no CIC.

Eliminate wasteful payments to conventional retail insurance companies. With regular retail insurance, 35-50% of your premium pays for the insurer's profit, overhead and administration.

Get better insurance coverage.

Reduce federal and state income taxes.

CIC replacement for "self-insurance": A CIC can build an emergency ("rainy day") fund using no-tax dollars. Example: Without a CIC, to put \$100K in an emergency reserve, a business needs about \$165K before federal and state taxes. With a CIC, the equivalent substitute might cost \$115K.

CIC builds a **"nest egg"** for its owners. CIC profits accumulate over years, insulated from liabilities of the operating business(es).

At least 39 states and D.C. have passed captive insurance statutes (e.g., Colorado, Delaware, Vermont, New York). Forming a CIC offshore, however, is often just as easy, and also avoids state taxes on CIC investment income.

CICs enjoy federal tax benefits under IRC 831(b).

Qualifying Criterion for forming a CIC: Annual gross revenues of at least about \$2.5 million in one or more businesses in the same "economic family".

CIC pays for itself, including "Turnkey" management service: Initial evaluation, CIC formation, licensing, ongoing management, actuarial analysis, policy underwriting, reinsurance, claims management, auditing, accounting and tax compliance.

Owner(s) can retain control of CIC accounts and assets.

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DETAILED INFORMATION AVAILABLE UPON REQUEST

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