



# Priority Pension Services, Inc.

## **What is a Captive Insurance Company?**

A Captive Insurance Company (CIC) is a property and casualty insurance company established to provide coverage primarily for a parent company and its affiliated entities. It can be a valuable risk management tool, which allows businesses to more effectively manage corporate risks of all kinds. Captives often are set up to provide unique coverage or coverage not available through commercial property and casualty insurance companies. In many cases, the owner of the parent company is also the owner of the captive; however, the arrangement may be alternatively structured so the captive is owned directly by the operating company, another person, entity, or trust. The captive insurance company must act as a legitimate business entity and must remain in compliance with all insurance regulatory provisions and Internal Revenue Service requirements.

## **How Can I Find Out if a Captive Insurance Arrangement is Right for Me?**

In order to make a determination if a captive insurance arrangement is desirable, U.S. Captive Partners & Associates will facilitate the preparation of a feasibility analysis. This is an analysis, which includes input from actuaries, attorneys and risk managers. The purpose is to analyze the parent company's risk profile and financial position to determine the appropriate type of insurance policies to underwrite along with an analysis of the legal environment for the proposed captive domicile and financial projections for the captive that the company is forming.

Priority Pension Services, Inc.

Main Office: (516) 522-2638 Website: [www.PPSAFI.com](http://www.PPSAFI.com)

Address: 626 RXR Plaza, Uniondale, NY 11556