

# From Safety Nets to Power Plays: How Captives Leverage Structured Reinsurance

**2025 Client Symposium**

# Presenters



**Tom Keist**

Senior Structurer & CCO  
**SRS Altitude**

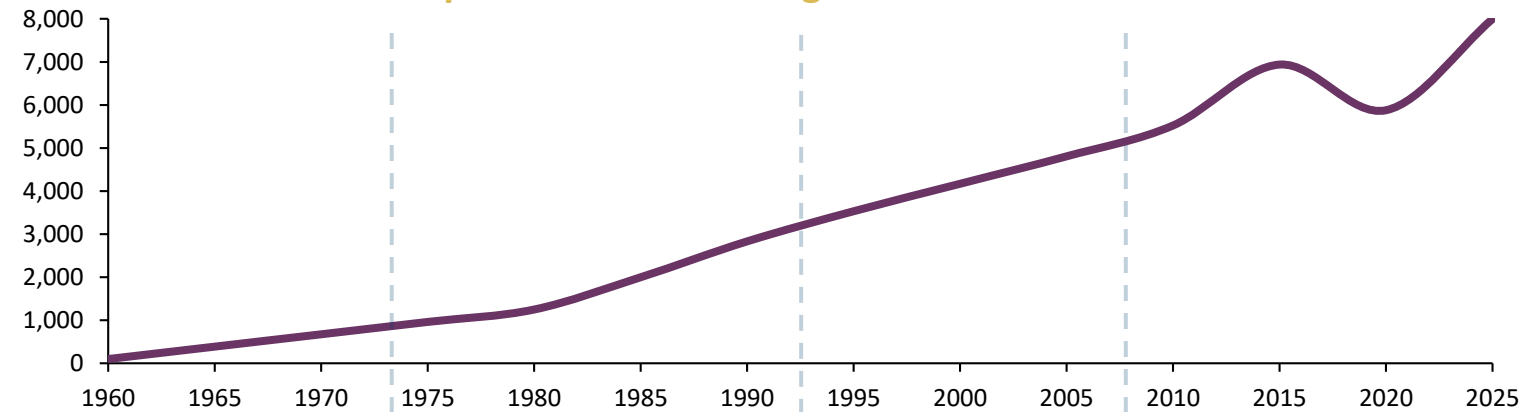


**Kristen Peed**

Head of Corporate Risk  
**Sequoia One PEO LLC**

# The Evolution of Captives: Growth and Motivations for Establishment

Captive establishment growth since 1960



## Early Stages

Captive for Risk Pooling and alternative to separate accounts

- IBNRs for insurable risks as a safety net

## Tax Era

Captive as Tax Optimization Vehicle

- Arm's Length Pricing

## Arbitrage

Captive as Risk Transfer Arbitrage Vehicle

- Access to Reinsurance market

## Present Day

Captive as widely accepted TCoR Management Entity

- Risk-data based decision making with captive at the heart of RM organization

# Power Play on Reinsurance – Capital Substitution



Surplus strain relative to optimal retention strategy

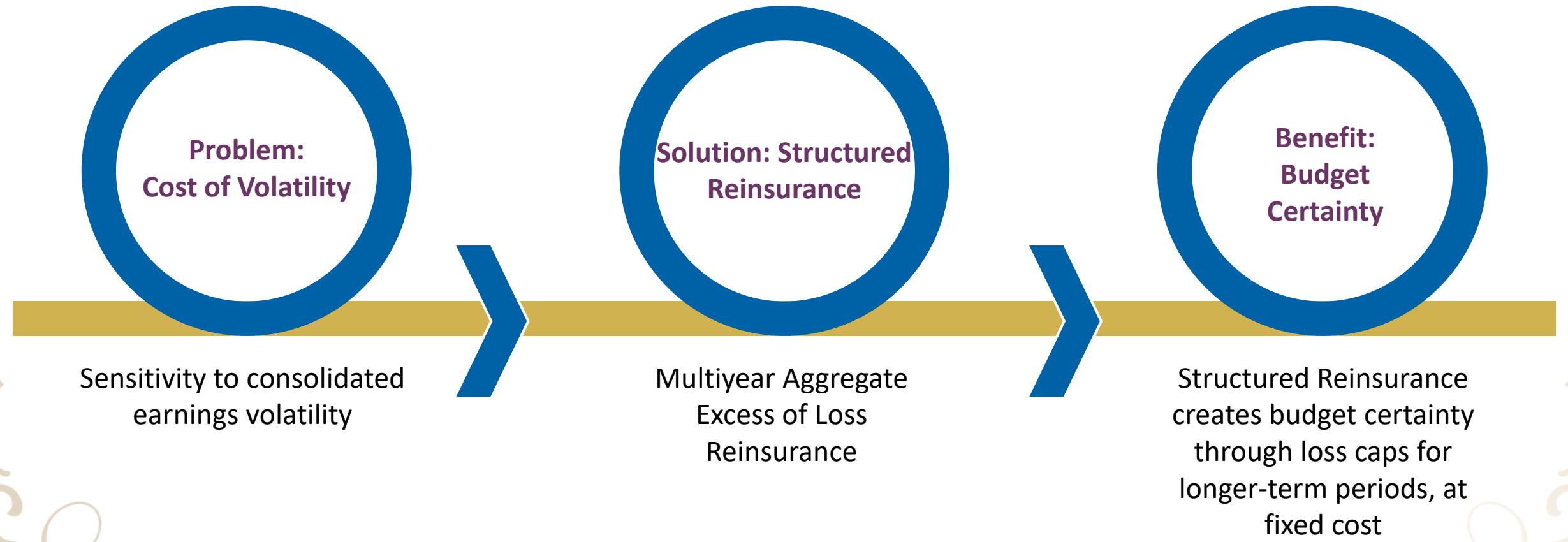


Multiline Aggregate  
Excess of Loss  
Reinsurance

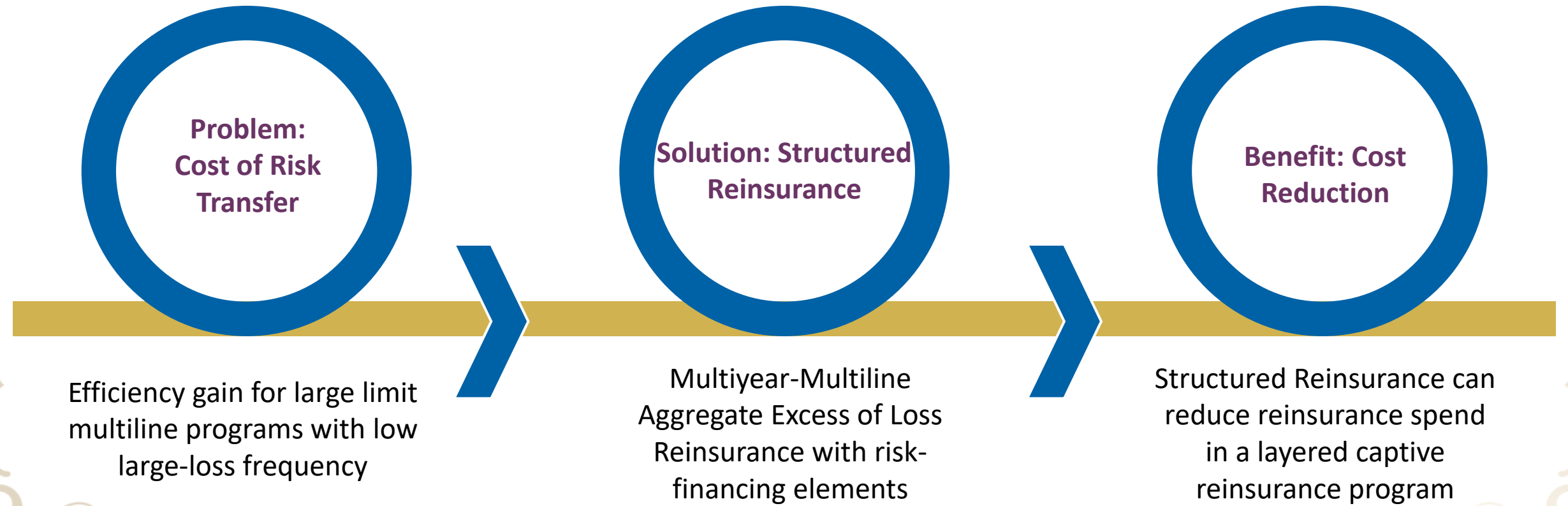


Structured Reinsurance  
can act as efficient capital  
surrogate

# Power Play on Reinsurance – Earnings Stability



# Power Play on Reinsurance – Reducing Risk Transfer Cost



**Problem: Cost of Risk Transfer**

Efficiency gain for large limit multiline programs with low large-loss frequency

**Solution: Structured Reinsurance**

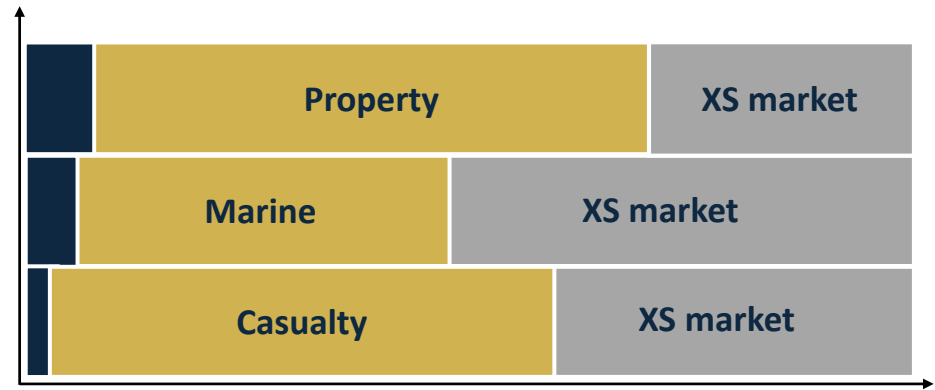
Multiyear-Multiline Aggregate Excess of Loss Reinsurance with risk-financing elements

**Benefit: Cost Reduction**

Structured Reinsurance can reduce reinsurance spend in a layered captive reinsurance program

# Alternative Risk Transfer in Action with SRS Altitude

Companies' insurance program including captive



- Deductible
- Captive Annual Retention
- XS Market Participation

Defining the appropriate Multiyear protection



*Term Aggregate Limit < Annual Aggregate Limit x 3*

- Captive Annual Retention
- Annual Aggregate Limit



**Thank You!**

For questions, please reach out to  
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# SRS Altitude Team Members Onsite to Answer Your Questions



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