

Employee Benefits Captive Utilisation

Centralised governance, cost transparency, & pricing stability

Why Do Organisations Place Employee Benefits Risks into Captives?

✓ Cost Savings & Pricing Transparency

- EB captives commonly deliver in excess of 10% savings by internalising underwriting profit, reducing insurer margins, and improving claims management efficiency.
- Companies seek transparent, experience-based pricing and less volatility than commercial carriers can offer.

✓ Improved Governance & Control

- Strong central governance is now one of the primary drivers for EB captive adoption, particularly in uncertain markets where organisations want consistent renewals and greater control over plan design.
- Captives provide central oversight of global benefit structures, standardised reporting, and unified data quality.

✓ Flexibility in Plan Design

- Captives allow companies to tailor benefits globally, remove outdated exclusions, and create consistency across markets.

✓ Strategic Risk Financing & Diversification

- Adding EB programmes to a captive diversifies risk and can improve portfolio stability.

The EB Captive Placement Process

1

Data Collection & Validation

Collect global policy, premium, exposure, and claims data; validate completeness and accuracy

2

Feasibility Analysis

Assess risk profile, loss ratios, volatility, and capturable lines; quantify expected savings

3

Structure & Domicile Review

Select captive type (single-parent, cell, or group) and evaluate domiciles for regulatory, capital, and tax requirements

4

Financial Modelling & Projections

Develop actuarial models and financial scenarios comparing captive vs traditional insurance

5

Governance, Compliance, & Reinsurability

Review local regulatory requirements, reinsurability constraints, and alignment with global strategy

6

Implementation & Market Engagement

Fronting carriers issue terms, reinsurance agreements executed, and local policies transition with minimal disruption

What Changes — & What Stays the Same

What changes

- Premiums priced based on the company's own claims experience—not carrier profit loadings.
- Improved negotiating position with fronting carriers. It can also help in selecting the providers of medical services, provide dedicated training to the employees, and support the HR strategy.

What stays the same

- Local policies, local compliance, and local claims handling remain unchanged.

Why Now?

- **Over 10,000 captives now operating worldwide; \$62bn+ in premiums** - Demonstrates a mature, proven risk-financing model with established regulatory, actuarial, and reinsurance support—reducing execution risk and increasing confidence for first-time EB captive adopters.
- **Surge in EB captive interest driven by inflation in healthcare, specialty drug costs, and demand for pricing control** - Enables employers to regain control over benefit cost trends, stabilise renewals, and directly benefit from favourable claims experience rather than absorbing insurer margin and volatility.
- **Strong growth in cell structures, enabling mid-market employers to participate** - Lowers capital and operational barriers to entry, allowing organisations to access captive benefits—governance, transparency, and savings—without establishing a standalone captive.

Why SRS?

The partner of choice for successful captive sales

Global Industry-Leading Expertise

- SRS is the world's largest independent captive manager with 1,300+ entities under management.

Technical & Underwriting Support

- SRS delivers underwriting analysis, actuarial modelling, loss analysis, and pricing support.

Reinsurance, Fronting, & Programme Setup

- SRS supports fronting negotiations, reinsurance structuring, and collateral placement.

End-to-End Programme Management

- SRS provides end-to-end regulatory compliance, governance frameworks, and board reporting.

Don't Just Manage Risk. Leverage It.

Better Insurance. Better Future.