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Benefits of Group Captive Insurance Plan by [Jennifer Boerio](#)

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Of late, many businesses are moving into alternative insurance plans such as Group Captive. These have become increasingly popular among companies in recent years. The highlight of this program is that two or more companies join hands to provide insurance to their employees. You and many more join hands and own the company that insures you. It helps you fund workers' compensations, commercial liabilities, and other damages. It is a good idea for businesses that work in same domain and are searching for alternatives to usual insurance programs.

Traditionally, insurance premiums have been fluctuating often. Markets keep on changing trends and so do the premium costs. A group captive insurance program is comparatively stable. It considers many factors while deciding premium rates. The member company's loss history is also considered as a factor. The premiums paid to the captive are kept as reserves. The claims are disbursed through these funds.

A group captive covers the risk of a number of people or businesses. Each insured owns equity in the group; hence the profits and losses are borne by all. You can get insurance coverage that may not be either available or affordable through traditional insurance packages. You have more control over the company and additionally, you get the benefits when the captive is in profit. Unused premium amounts are returned to each member after the claims of a year are resolved. This improves the cash flow for the members.

Unlike traditional insurance programs, you have minimum obligations. The group captive company manages the program, functions, claims, accounting, etc. If your business has seen loss or your premiums exceed a certain value, e.g. \$150,000, and then you should consider a group captive.

In short, here are some benefits of a group captive:

- You have a greater control of your insurance program through a group captive. You own the insurance company that owns your insurance program.
- Reduced overall costs of insurance. Stable premium rates compared to conventional insurance plans.
- Since you hold equity, you earn a profit when the captive is in profit. Thus, you have an additional source of income.
- Premiums are not based on market averages, but on your loss history.
- More control over claims handling and settlement.
- Exchange of business ideas with other business owners of the group. Professional networking opportunities with other business owners.
- Renewal premiums are calculated 30 days before the renewal deadline, hence there are no last minute quotes unlike conventional plans.

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Roundstone Management, Ltd. (â€œRoundstoneâ€•) based in Westlake, Oh [Captive Insurance Company](#) focused on the development, underwriting and servicing of alternative risk products, including captives, rent-a-captives and specialty a [Captive Insurance Programs](#). Roundstone offers intermediaries and buyers an expertise in the captive marketplace utilizing the facilities of Roundstone Insurance, Ltd

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