How the Captive Works

Reinsurance (Risk Shifting) = For claims above $500,000 and 125% of expected, reinsurance is purchased.

Pool Premium (Risk Sharing) = For claims between $25,000 and $500,000, employers pool stop loss premiums and claims.

Reserves

Employer Claims Account (Risk Taking) = Each employer will self insure at least $25,000 of claims per member, per policy period.

$500,000

$25,000

Specific Claims →

Aggregate Claims →

Employer's Max Claims

The Pool's Max Claims