

Protect & Grow

YOUR BUSINESS WITH A PRIVATE
INSURANCE STRATEGY



Why consider Private Insurance?

In their search for a way to stop paying expensive premiums and still have the risk protection they need, business owners, doctors, attorneys and even celebrity athletes are discovering Private Insurance. A Private Insurance strategy, which provides risk protection exclusively to its participants, is a wealth-building strategy Fortune 500 companies have used for decades.

PRIVATE INSURANCE WORKS MUCH LIKE TRADITIONAL INSURANCE

A Private Insurance structure works much like traditional insurance— determines risk, issues policies, accepts premiums and pays claims – but the similarities end there. In a Private Insurance structure, after claims and operating expenses are paid, the remaining funds continue to grow, often on a tax-advantaged basis.

USING PRIVATE INSURANCE, BUSINESS OWNERS CAN...

1. Reward effective risk management
2. Finance unfunded risks
3. Benefit from tax incentives
4. Build financial value for future growth

PRIVATE INSURANCE MAKES SENSE FOR COMPANIES WITH...



GROSS REVENUE
EXCEEDING \$3
MILLION

GROWTH PLANS
THAT WILL NEED
FINANCING

HIGH TAXABLE
NET INCOME

SUBSTANTIAL
UNFUNDED
"HIDDEN" RISKS

Introducing Private Insurance

Traditional 831(b) Captives have garnered a mixed reputation in the industry and the press. When Captive Alternatives launched the Private Insurance concept we knew that we were on to something different. Our Puerto Rico Segregated Assets Plans provide a modern, more efficient, non-831(b) solution to strategic risk management. Unlike traditional captives, an SAP structure does not issue direct insurance to the insured organization. Rather, the insured receives policies and coverage from an independent licensed insurance carrier, satisfying the dual requirements of risk shifting and risk sharing.

Because our model is so new, so different, and so much better, we use the description Private Insurance – a term that further differentiates us from the 831(b) captive space, and is more descriptive of what we do.

PUERTO RICO:
Ideal Location

CapAlt chose the Commonwealth of Puerto Rico, a U.S. territory, as the domicile of its Private Insurance structure and the use of Segregated Asset Plans because Puerto Rico is regulated by U.S. federal law, is a member of the National Association of Insurance Commissioners ("NAIC"), and has its own independent tax rules. In contrast to 831(b) captives, Puerto Rico-based Segregated Asset Plans have no limits on premium size or on ownership structures.

CapAlt's Puerto Rico International Insurer, Madison Re, I.I. (MadRE), provides an innovative, shared creation and management structure exclusively to clients of CapAlt. This single infrastructure provides management and regulatory oversight, increasing operational efficiency and statutorily protecting assets within each Segregated Asset Plan.

Get Started in Four Easy Steps

1

FIRST STEP

Complete the Self-Guided Risk Assessment Questionnaire to uncover unfunded risks.

2

SECOND STEP

Receive a Private Insurance Program proposal with full Actuarial analysis.

3

THIRD STEP

Execute CapAlt Engagement Agreement.

4

FOURTH STEP

Submit Private Insurance application forms, and provide Due Diligence materials to complete set up.

ATTRACTIVE TAX TREATMENT OPTIONS

Under Puerto Rico tax rules for International Insurers, your Segregated Asset Plan has no limit on premium size. Taxation is 4% on net income, but excludes the first \$1.2M each year.

Of course, all decisions on which type of Private Insurance structure to form, and appropriate tax treatments, should be made in conjunction with your tax and legal professionals.



DISCLAIMER: The illustrations and commentary contained in these materials are for illustrative purposes only. The facts and circumstances of a client's specific situation may differ from the illustrations provided. Individual results may vary. CapAlt does not provide tax nor financial advice. Prior to entering into a private insurance arrangement you should consult with your advisors, including attorneys, accountants and/or financial professionals.