



Captive Insurance for ESOP Companies

Chad Duke, Vice President/Risk Advisor, and Pim Jager, Vice President/Benefits Consultant, were recently featured on the ESOP Podcast discussing captive insurance and Scott Insurance's collaboration with the National Center for Employee Ownership (NCEO) to create two new captive programs exclusively for ESOP companies, OWN Health (health insurance) and OWN Risk (property and casualty).

Scott's long history as an employee-owned company – and as an industry leader in the development and support of captive insurance programs – has given us unique insight into what makes the captive model an ideal solution for ESOP companies. The majority of ESOPs are well-managed, collaborative and have better-than-average risk profiles. Additionally, based on the nature of the ownership structure, many employee-owned companies fall into the mid-market category and are often too small to self-insure. With these new, innovative captive programs developed in partnership with the NCEO, participating ESOPs will be able to experience cost savings and enjoy the many benefits of self-insuring but with minimized risk and volatility.

The Ideal Candidate for Captive Insurance

The ideal ESOP candidate for a captive has:

- 50 to 500 employees and/or more than \$25 million in revenue
- Good historical claims experience
- A strong focus on safety, risk management and employee wellness
- Strong corporate leadership that values employees and embraces health and risk management efforts

Why Should an ESOP Join the Captive Model?

Some of the benefits of the captive model include:

- Increased control and transparency over the insurance process
- Significantly reduced annual premiums
- Stabilization and reduction of insurance costs
- Earned investment income and underwriting profit which is returned to the company
- Accountability and shared best practices
- Access to Fortune 500 resources
- Asset protection and access to lower reinsurance costs

OWN Health and OWN Risk also have the added benefit of giving ESOPs the peace of mind that comes with knowing they are collaborating with likeminded organizations.

Learn more about Scott's work with these captive programs by listening to the [ESOP Podcast](#) and [ESOP Mini-cast](#).