



Press Release

For Immediate Release

Leading Middle Market Organizations Save 29% in Claim Costs with Captive Insurance Programs

Mid-Size Employers Migrating from Traditional Insurance Plans to Captives with Positive Results

Nashville, TN, January 3, 2014 - Insurance captives have saved mid-size organizations 11% in total costs and reduced their number of claims by 46%, as reported by a recent ICS study of privately held companies who have participated in a captive for 5 years or more. These employers are seeking refuge from traditional insurance products, which have experienced significant cost increases over the years. Scott Insurance, a leader in captive insurance, launched its first captive initiative in 2001 and Scott's captives have returned more than \$20 million in distributions back to the participating employers.

In a member-owned captive, companies gain ownership and control of all aspects and costs associated with their insurance program. Unlike the traditional marketplace, a captive allows mid-size employers an opportunity to create their own insurance company. This offers stability, decreased volatility, and access to premium Fortune 500 solutions not ordinarily available to midsize businesses. "This financing vehicle is becoming increasingly popular, as organizations are looking for creative solutions to lower costs. With a captive, pricing is determined by how a company performs unlike traditional insurance plans where market increases drive price hikes," said David Sciortino, Vice President in Scott's Franklin office.

Employers open to this risk/reward model have found it to be a profitable risk funding solution. RJ Young, a document solution company located in Nashville, has seen stability and decreases in their rates since joining in 2010. Sam Shallenberger is RJ Young's CFO and a director of a captive based in the Cayman Islands. "RJ Young is growing continually thanks to an aggressive sales and acquisition strategy. Scott's risk professionals and our captive peer companies have helped us to keep our risk management costs flat during a period of substantial expansion. And because we continue to show better than benchmark performance as we build experience in the captive, our all-in risk management costs are declining."

"Captive members are not just buying insurance but are focused on controlling losses, managing claims, and maximizing profits. This shared goal creates camaraderie and synergy among members since they are, in effect, business partners --- and it feels collegial," notes Sciortino. "There are captive solutions for organizations across many industries with as few as 50 employees to those with employees ranging well into the thousands."

Scott Insurance, established in 1864, is the largest independent employee-owned provider in Virginia, North Carolina and Tennessee of Risk Services, Benefit Services, Bonds, and Financial Management. The company has offices in Lynchburg, Roanoke, and Richmond, Virginia; Greensboro, Raleigh and Charlotte, North Carolina; and Knoxville and Nashville, Tennessee, as well as Captive Insurance operations in the Cayman Islands and Vermont.

About the ICS Captive Insurance Study

Captive Insurance Study, conducted by Innovative Captive Strategies (ICS), examines privately held companies pre- and post-results of costs and claims over a 5-year period when transitioning from a traditional insurance plan to a captive insurance plan.

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