

Help take care of
your people and
business together



Release the true value of your captive

Captives have long helped large multinational companies to finance and manage their non-life risks more efficiently. Until recently, the exposure of captives to life risks has been limited. Today, however, more and more corporations are beginning to see the many benefits of adding these risks to their existing non-life captive programs.

As a leader in non-life captive programs with in-depth experience in life captives, Zurich is uniquely placed to help corporations take advantage of a single, consistent solution for their captive needs.



Set up to insure the risks for its parent company, a captive can provide cover that the parent may not be able to find elsewhere. Captives can also bring financial benefits through reduced premiums and other financial benefits, and offer greater risk visibility and control.

More and more corporations are seeing the benefits of using captives to manage human capital risk alongside property and casualty risks. Research shows that the last five years has seen a doubling of companies combining life and non-life risks in a captive, with a further doubling anticipated over the next three to five years.

Zurich supports all aspects of risk transfer to a captive

- Life – inclusion of life, disability, medical and accident into a captive creates a platform that allows for closer control and improved risk management possibilities.
- Non-life – we help you realize the benefits of single-parent, agency or program captives with fronting, consultancy and captive management services.
- Combined – with Zurich's service portfolio, which includes captive fronting, management and strategic risk management, you can protect both corporate assets and people through a single captive.



Captive helps to improve employee health and well-being

A large multinational organization operating in more than 70 countries and with 80,000+ employees started using a captive over five years ago to gain better control of its benefit plans outside the U.S.

The company found that the medical claim data* it receives through its captive is one of the biggest benefits of moving from its previous multinational pooling solution. The global benefits manager commented that the captive provides the ability to link medical claims data on a quarterly basis, compared to the previous annual in arrears reporting. This accelerated the provision of crucial management data in some cases by more than a year.

This access to real-time data allowed the company to design local plans more efficiently. It also highlighted areas where wellness and absenteeism programs could be implemented to improve the health and wellbeing of its employees and lower the long-term costs of these benefits.

** Please note that sharing of medical data may be subject to restrictions under applicable data protection and privacy laws.*

Using a captive brings valuable benefits for multinational companies

Cost control. By creating a single, holistic platform for risk management, captives can improve cash flow management and investment returns, and offer overall premium cost savings.

Better decisions. With a consistent overview of exposures and risk information, you can make more informed strategic risk management decisions.

Broader knowledge.

Captives can help you increase awareness and knowledge of your risks, in particular regarding governance and compliance issues around the globe.

Zurich captive services for employee benefits

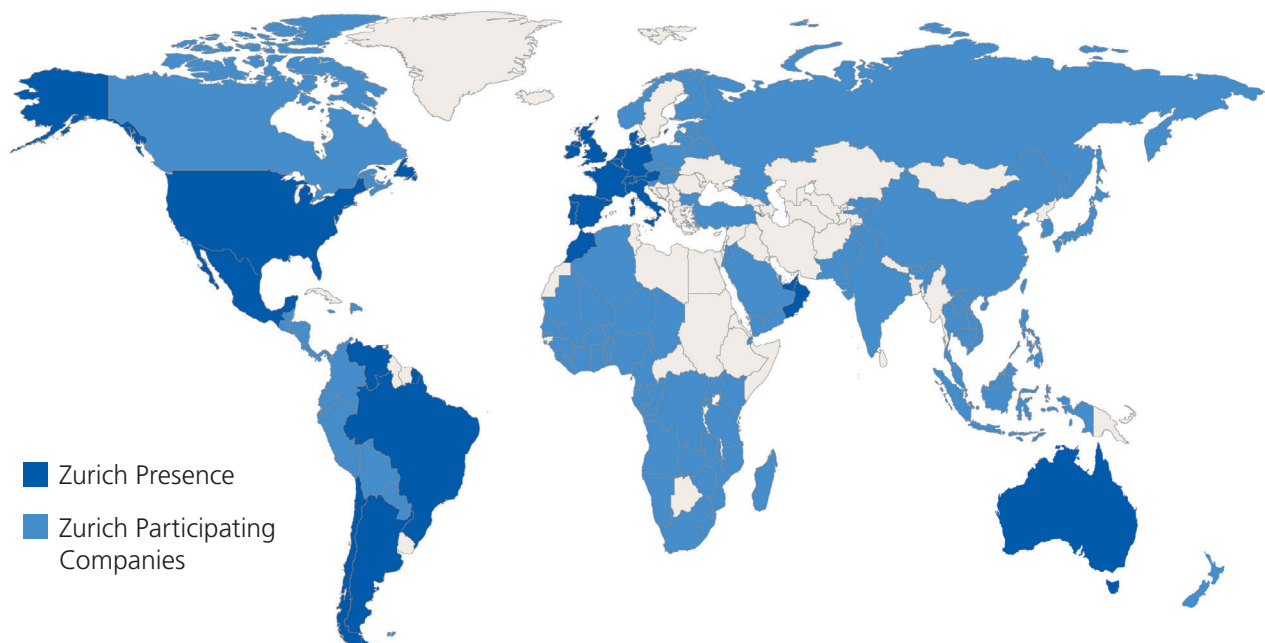
Zurich provides captive services for international employee benefits plans through the Zurich Employee Benefits Network. The Zurich Employee Benefits Network has a wealth of experience implementing captive programs and has been involved in employee benefits captives for three decades.

How it works

The Zurich Employee Benefits Network is a global network of market-leading insurance companies offering products and services in over 100 territories. It consists of Zurich-owned companies and top-quality local insurers in countries where Zurich does not have a local presence. Regardless of ownership, all participating companies in the network share a common purpose: to offer competitively priced, high-quality products and services.

The Zurich Employee Benefits Network partners issue local policies based on market practice in each country and retain a portion of the premium at the local level for expenses. The remaining premium is ceded to the Zurich Employee Benefits Network for consolidation and onward transmission to the captive. The captive assumes financial responsibility for the funding of claims, and should a customer decide to limit the captive's risk, we can also offer several forms of reinsurance to help tailor risk accordingly.

There is no minimum premium requirement to establish a captive for employee benefits. However, transferable annual risk premiums of at least USD 1.5 million are necessary to achieve meaningful cash flow advantages and savings, and to justify the time and expense of implementation and administration.





How captives for life risks can meet today's challenges

Regulation. Captives are an effective way to create the high standards of transparency and risk management demanded by today's regulations.

Control. Captives give you more control over employee benefits programs. For example, a captive allows the company to offer customized local programs and improved underwriting conditions that may not be available in the wider market, such as long-term disability coverage for top executives or the elimination of specific exclusions.

Improving profitability. Bringing life risks into an existing captive makes it possible to capture additional underwriting profits, for example when employee benefits programs are reinsured to a captive.

Benefits of captives for life risks

Using a captive for life risks provides a reporting framework that allows better control of employee benefit programs and improves the overall risk management process. The benefits can be summarized as follows:

Risk management benefits

- Centralized cash flow management for benefit programs
- Increased program cost-effectiveness
- Improved savings by managing risk charges and other frictional costs
- Accelerated tax deductions for plans which might currently be self-insured
- Diversified captive risk exposure
- Reduced claims volatility of the captive
- More efficient use of capital aggregate protection for life and non-life on overall risk exposure

HR benefits

- Allows customization of benefits
- Improved governance of benefits globally
- Global data warehouse for all programs
- Centralized portfolio review of key data, such as:
 - Claims data
 - Premiums
 - Types of service used
 - Provider usage for medical
 - Medical diagnosis
- Better oversight and control of benefit programs
 - Up-to-date claims data to monitor design effectiveness and efficiency

Types of employee benefits that can be added to a captive

- Basic and supplemental life
- Long-term disability
- Medical
- Workers' compensation
- Accidental death & dismemberment
- Business travel accident

Zurich captive services for non-life risk

Whether yours is a single-parent, group or protected cell captive, Zurich offers a full range of specialized services to help you realize the benefits of your captive. We can cover a wide range of non-life risks within a captive – financial, operational, market and strategic.

Captive Fronting

- Access to Zurich's global network
- Access to captive reinsurance contracts
- Reinsurance administration

Captive Management

- Board meeting
- Monthly review of insurance technical accounting
- Management information
- Rent-a-captive administration
- Interaction with regulatory authorities
- Review insurance contracts and statistics

Captive Consultancy Services

- Feasibility studies
- Deal structuring
- Assessment of capital requirements
- Formation of captives in Europe and overseas
- Loss portfolio transfers

Quantitative Risk Analysis

- Quantify insurance risks
- Quantify volatility
- Identify alternative captive structures
- Determine feasibility of a captive

Captive fronting

Legislation in most countries requires that insurance coverages are provided by a locally admitted carrier. As most captives are licensed only for reinsurance, they are typically unable to issue local policies, the risks are initially underwritten by a licensed local direct insurer. Subsequently, the risks assumed by the direct insurer are passed on to, or "ceded to", the captive on a reinsurance basis. This process is usually referred to as "fronting".

Zurich offers the full range of fronting services through our international

insurance network across over 200 countries. Currently, Zurich services over 200 single parent captives customers involving around 350 fronted sessions. Our customized fronting solutions can support traditional Property & Casualty risks as well as Financial Lines and specialty risk such as supply chain, environmental, cyber, trade credit and other risk.

Zurich's established "state-of-the-art" fronting process includes legal, regulatory and tax compliance checks for every captive reinsurance session.

All relevant data and documentation is captured and administered in Zurich's proprietary captive IT system. Based on these capabilities, Zurich can support our customer's holistic or Enterprise Risk Management (ERM) approach to risk management while fully leveraging their captive program. A central view and transparency and greater cost efficiency, are just a couple of the benefits Zurich can bring to our captive customers.

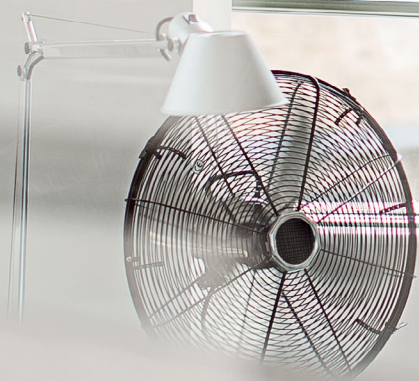
Captives – A Powerful Tool

- Holistic risk management
- Risk awareness
- Risk identification
- Risk incident recording
- Risk analysis
- Risk handling, mitigation
- Risk transfer – Insurance
- Re-insurance
- Internal/external reporting
- Transparent reporting



Types of non-life products that can be added to a captive

- Property
- Casualty
- Motor
- Financial lines
- Marine
- Specialty lines
- Others



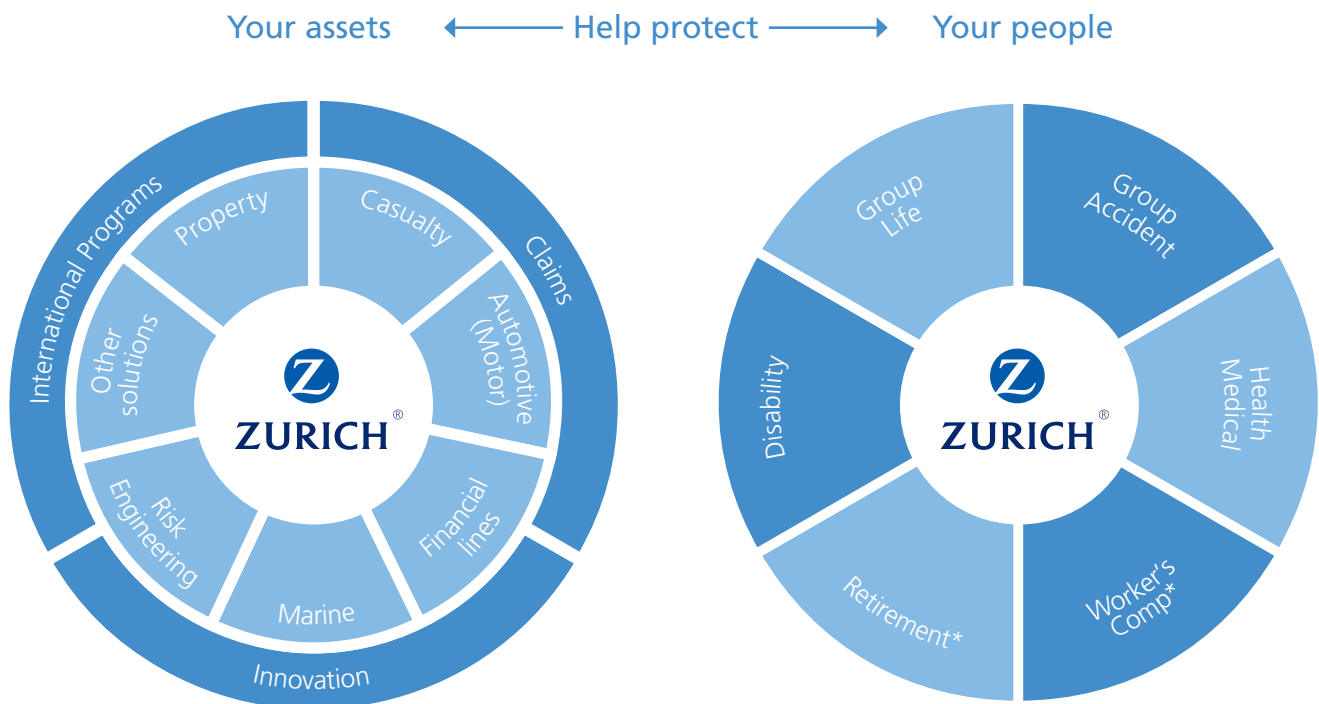
Strategic risk management

Zurich offers a range of services to support efficient risk management within your captive.

- Enterprise Risk Management (ERM) diagnostics provide an initial gap analysis of your risk management framework and highlight practical solutions for improvement.
- Zurich Multinational Insurance Application (Zurich MIA): one of the global insurance industry's most comprehensive tax and insurance regulatory information tools, Zurich MIA aims to help our customers monitor and achieve global compliance.
- My Zurich is an online portal providing 24/7 access to information about your international insurance program, including a risk dashboard, claims overview, and policy and invoice issuance monitoring across countries.
- Captive Dashboard and ERM software to help you facilitate, continually monitor and manage risks and relevant metrics within your captive or across the enterprise.
- Supply Chain Risk Assessment & Insurance helps diversify your captive portfolio by securitizing supply chain risks, increasing access to reinsurance capacity, freeing up premium allocation, providing reliable supplier data to aid in securing necessary Contingent Business Interruption (CBI) limits, funding supply chain risk assessments with captive cash flow, and increasing your understanding of supply chain exposures.
- Total Risk Profiling® is a systematic way to identify and prioritize risk for more effective risk management of your captive and its parent.
- Business Continuity Management helps you protect profitability when serious and unexpected interruptions occur to you or your critical suppliers.

Zurich combined captive services

When you engage Zurich for combined captive services, you are taking advantage of experience and specialization that is based on years of experience managing captive programs around the world.



*With restrictions depending on location of the original risk

Zurich integrates multiple risks to create a holistic approach to risk management. With Global Captive Practice specialists around, we can provide local captive contacts and seamlessly collaborate and deliver for you across product teams and insurance functions.

With our broad portfolio of products and services you can provide insurance protection through a single captive program.

Benefits

This integrated approach to risk management allows for tangible financial and non-financial benefits:

- More capital available for core business operations
- Lower cost of risk
- More centralized cost control
- The ability to leverage corporate purchasing power more effectively
- Vendor consolidation
- Single global contact point for life and non-life Zurich teams
- Global compliance view on insurance and re-insurance
- Access to reinsurance captive and reinsurance markets
- Proactive, strategic risk management



The Zurich difference

Expertise in diversified captives

Zurich's long track record working with global captive customers has given us the insights and experience needed to help our customers realize the potential of combining life and non-life risks in a captive.

Global network

With a network covering 200 countries, Zurich is strongly positioned to help with the needs of complex global captive structures.

Dedicated team

We assign a single point of contact who brings together a cross-functional team that matches your international footprint and coverage needs.

Compliance

Zurich is strongly focused on compliance with the laws of various local jurisdictions. This means risk managers and senior executives can have greater confidence insurance programs will not contravene local laws.

For more information:
zurichna.com/captives



US Captive Services Awards 2014
Captive Insurance Services



US Captive Services Awards 2013
Collateral Services Provider of the Year



US Captive Services Awards 2013
Customer Service in Fronting

This is intended as a general description of certain types of insurance and services available to qualified customers through subsidiaries within the Zurich Insurance Group Ltd. including, in the United States, Zurich American Insurance Company, 1299 Zurich Way, Schaumburg, Illinois 60196, and, in Canada, Zurich Insurance Company Ltd, 100 King Street West, Toronto ON M5X 1C9, and, outside the US and Canada, Zurich Insurance Plc, Zurich House Ballsbridge Park, Dublin 4, Ireland, Zurich Insurance Company, Mythenquai 2, 8002 Zurich, Switzerland, Zurich Australian Insurance Limited, 5 Blue Street, North Sydney, NSW 2060, Australia and further legal entities, as may be required by local jurisdiction. Your policy is the contract that specifically and fully describes your coverage. In contrast, the description herein gives a broad overview of coverages and programs and does not revise, amend or constitute a policy or program. Certain coverages are not available in all jurisdictions. Some coverages in the U.S. may be written on a non-admitted basis through licensed surplus lines brokers. Employee benefits insurance coverages issued in the US in all states except New York are issued by Zurich American Life Insurance Company, 1299 Zurich Way, Schaumburg, IL 60196, and in New York are issued by Zurich American Life Insurance Company of New York, 150 Greenwich Street, New York, NY 10007. Outside the US, employee benefits coverages are provided by Zurich Life Insurance Company Ltd, Austrasse 46, 8045 Zurich, Switzerland (and its branches), Zurich International Life Limited, Athol Street 43-51, Douglas, Isle of Man, IM99 1EF (and its branches), Zurich EuroLife SA, 37, rue du Puits Romain, 8070 Bertrange, Luxembourg, Zurich Assurance Ltd, The Grange, Bishops Cleeve, Cheltenham, Gloucestershire, GL52 8XX, UK and further local Zurich entities or network partners, as required by local jurisdiction. Certain products, contract terms and services may not be available in all jurisdictions or may vary by local jurisdiction.