



# ROUNDSTONE

## CAPTIVE DEDUCTIBLE REIMBURSEMENT PROGRAM (DRP)

**PROGRAM SUMMARY:** An Insurance mechanism that will smooth the peaks and valleys of corporate expenses. Insurance expenses are more predictable when claims within the Self Insured Retention layer are funded by a Captive Deductible Reimbursement Premium (DRP). The DRP offers the opportunity to reduce third party costs. Without a DRP captive, reserves are not expensed until the claim is paid. The DRP captive turns cash assets into tax deductible expenses years before payment. Opportunity to leverage Capital/Collateral to self insure additional lines.

### PROGRAM BENEFITS:

- Reduce third party insurance expenses
- Smooth cyclical insurance premiums
- Leverage capital and collateral to insure additional Insured liabilities
- Turn an idle asset (cash reserved to pay losses) into an expense (insurance premium)
- Gain control over services, frictional costs, and proactive risk management practices

### PROGRAM ELIGIBILITY:

- Risk-taking insured with history of risk retention
- Strong desire to retain a portion of own risk
- Desire access to reinsurance
- In business  $\geq$  5 years
- Average losses within self-insured layer of \$750,000

**ORGANIZATIONAL STRUCTURE:** Program administered by Roundstone. The Insured funds the required premium and collateral on a quarterly basis according to loss development modeling. Insured retains 100% of risk in the self insured layer.

**COMMISSION:** Negotiable

**PROPOSED POLICY FORM(S):** ISO based

**STATES AVAILABLE:** All

**REINSURANCE:** Program Participant assumes 100% of risk in the self-insured layer. Specific and Aggregate Reinsurance are placed according to program design.

### SUBMISSION REQUIREMENTS:

- Five (5) years or more of premium and loss history
- Copy of current policies
- Current Financial Statements

### PROGRAM QUESTIONS

**Roundstone @440.617.0333**

**COMPANY INFORMATION:** Roundstone is an insurance organization that provides captive and alternative risk program development and management to program managers, MGA's, agencies and brokers and other intermediaries. Other programs include all classes of P&C and A&H.