

Captive Utilization Review

Determining the continuing value of a captive insurance company for your organization. Captives are complex vehicles designed to help businesses meet their risk financing objectives. To accomplish this, a captive must respond to emerging and evolving insurance needs and align with corporate strategic and operational objectives, including group risk finance strategy.

A captive utilization review is designed to ensure your captive is being utilized optimally in support of the parent company's risk financing goals.

A utilization review is particularly well-suited to captives that have been in existence for several years, particularly where there has been program stability. In addition, a review should be considered whenever there are material developments to the parent's business profile (rapid growth, significant acquisitions or divestitures or changes in business direction) or when the insurance market cycle changes.

Key Benefits of a Captive Utilization Review

Aon's captive utilization review will help assess if your captive is being used optimally by examining the following areas:

- Strategic rationale – an examination of the continued relevance of the current captive program to developments in the parent company's business.
- Captive leverage – a high-level review of the financial condition of the captive to determine the potential leverage of its capital base to support expansion of the captive programs.
- Insurance market conditions – an overview of current insurance market conditions to identify particular issues that are likely to impact the role of the captive in the corporate insurance programs.
- (Re)Insurance program review – a review of the parent company's current (re)insurance programs to identify opportunities for new and expanded captive participation.

- Total Cost of Risk (TCOR) analysis – in conjunction with Aon's Actuarial & Analytics practice and insurance broking teams analyze the optimal level of risk retention and risk transfer of the identified insurance programs to minimize the Total Cost of Risk.

Aon's analysis will help to minimize the risk financing spend of the company and identify how the captive can play a pivotal role in achieving this objective. It will assess the value of any proposed changes and address the practicalities of implementing. It then serves as a benchmark against which future captive performance can be measured and provides the blueprint for the development of the captive.

About Aon's Risk Finance & Captive Consulting Team

Part of Aon Global Risk Consulting, Aon's multi-disciplinary Risk Finance & Captive Consulting team includes individuals with capabilities risk management, insurance, reinsurance, captives, actuarial science, underwriting, law, tax and accounting. Seamlessly working together and synthesizing expertise, the team assists clients with their insurance buying decisions, optimizing the balance of risk transfer and retention financing through comprehensive valuation and comparative analysis. We work in partnership with our broking colleagues to evaluate alternative risk finance options with commercial options. This maximizes risk program cost savings while ensuring coverage alignment.

We're here to empower results

Learn more about Aon's Captive Utilization Review approach from our experts.

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About Aon's Global Risk Consulting

In today's challenging global environment, business risks are no longer isolated by industry, geography or country. Economic slowdown, regulatory changes, cyber, crime, terrorism, increased competition, damage to reputation, and other critical risks are complex, inter-related and global in consequence. Aon's Global Risk Consulting is the world's leading risk consulting organization. With nearly 1,350 risk professionals in 50 countries worldwide, our consultants have the expertise and experience to recognize and address the unique challenges and opportunities that face our clients.

In close partnership with Aon's broking team, Aon's Global Risk Consulting provides comprehensive and tailored solutions through a consistent global approach backed by a panel of industry experts.

Our Risk Consulting business unit includes leading disciplines ranging from risk control and claims to actuarial & analytics, business continuity management, enterprise risk management, risk management outsourcing, risk finance, captive consulting and captive reinsurance.

Aon's Captive & Insurance Management practice is widely recognized as the leading captive manager, managing nearly 1,400 insurance entities globally with local capabilities in over 30 countries.