

**1. What is the advantage of a captive versus traditional insurance placements?**

There are several advantages, but the main one is control. With a captive, the owner has much greater influence on pricing and structure

**2. What are associated costs to a) set up, b) manage a captive, and c) pay annual regulatory fees?**

Develop a model to illustrate the efficiencies and savings against costs. Don't forget to consider the cost of an insurance manager and corporate secretary, as well as audit, accounting, actuarial, legal, regulatory, underwriting, and claims-management fees

**3. Do you have access to data to consider this type of risk-management tool?**

Data is key. You will need robust historic data (at least three years' worth, perhaps more depending on the type of risk your captive will write) to support your proposed captive model. Underwriting and loss models need to be stress-tested for worst-case scenarios impacting both underwriting and investment gain and loss/capital requirements

**4. What are the required capital requirements and regulatory overviews for your new captive, and which licence is the most appropriate for you?**

These factors vary significantly and need to be assessed carefully as part of your business-planning process

**5. What is the time commitment for implementation and governance of a captive structure (including risk management, treasury, legal, tax, accounting and finance considerations, plus c-suite involvement)?**

Ensure internal stakeholders have a realistic expectation of the time required, but use advisors to lighten the burden

**6. How does a captive expand its use beyond the initial business plan?**

Start considering next steps and new lines of business from the outset. That way, you'll ensure you include these considerations through formation and save having to revisit set-up in the future

**7. What are the benefits of a captive insurer in terms of accessibility to reinsurers?**

Access reinsurance markets from your captive domicile, if your brokers are able to. There are benefits in pooling the captive's risk across a number of coverages into an integrated programme and executing a reinsurance agreement

**8. What type of collateral or guarantee will be needed to support the captive?**

A fronting insurer ceding risk to the captive could increase collateral requirements depending on the financial strength of the captive and any guarantees provided by its parent

**9. How do I connect with other captive owners or my peers to share ideas, strategies, and benchmarking?**

Join the Bermuda Captive Owners Association (BCOA): [info@bcoa.bm](mailto:info@bcoa.bm)

**10. What are the advantages of domiciling the captive in Bermuda?**

As the leading captive domicile, and a major re/insurance market, Bermuda has globally respected regulation, a sophisticated infrastructure built over decades, skilled industry expertise, tax competitiveness, plus an accessible location served by direct flights and a convenient (Atlantic Standard) time-zone between major capital markets

**11. How do I access support from the Bermuda Monetary Authority?**

Your insurance manager or on-island counsel can connect you to the regulator

**12. How can I keep abreast of changes in the captive environment?**

Join the Bermuda Business Development Agency (BDA) e-news distribution via [bda.bm](http://bda.bm) — and receive updates, plus invites to related industry events in Bermuda and overseas