

EMPLOYEE BENEFIT CAPTIVES:

What Employers Should Know

Greater transparency • Shared risk • Long-term strategy

Why Employers Are Rethinking Healthcare Funding

Traditional funding models weren't built for today's cost pressures.



Rising Costs:

Medical and specialty drug costs continue to outpace employer budgets.



High-Cost Claims:

One catastrophic claim can move a renewal by double digits.



Limited Visibility:

Traditional models show what was spent, not what drove it.



Market Volatility:

Carriers price uncertainty into every renewal. Employers absorb it.

Traditional funding transfers risk to a carrier, but it also transfers away visibility and control.

What Is An Employee Benefit Captive?

What changes is the funding structure, not the plan itself.

What Changes

The financial structure behind the plan.

- Employers join a pooled, shared-risk group
- Claims performance directly impacts financial outcomes
- Favorable results stay within the program

What Doesn't

The benefits program employees experience.

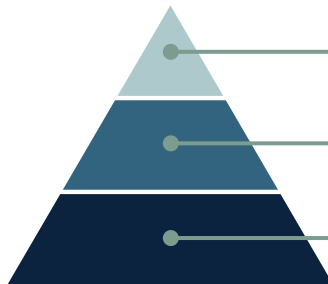
- Full control over plan design remains
- Existing carrier relationships stay in place
- The employee experience is unchanged

How It Works

How Captive Risk Is Layered

A captive doesn't eliminate risk. It organizes it.

This doesn't remove risk. It redistributes it, so no single event determines the outcome.



Catastrophic Claims: High-cost, high-severity events are pooled and absorbed collectively.

Shared Volatility: Mid-level, harder-to-predict claims are shared across the captive group.

Predictable Claims: Day-to-day claims stay within the employer's own plan.

Our Approach To Captive Evaluation

Helping organizations make informed captive decisions with confidence.

Independent,
objective guidance

Structured analysis
of financial and
risk factors

Transparent
evaluation of
captive structures

Alignment with
long-term
business goals

Ongoing advisory
and strategic
support

EXPERIENCE THE POWER OF PARTNERSHIP



Learn more about Henderson Brothers' approach to captives and explore additional resources by scanning the QR code.



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