

# LABUAN CAPTIVE INSURANCE: SELF-INSURANCE - A GROWING ALTERNATIVE RISK MANAGEMENT VEHICLE

## A

### INTRODUCTION

- A captive is an insurance entity that insures its owner's or related parties' risks
- It may be owned, either directly or indirectly, by one or multiple entities
- A captive is usually established as a long-term risk management entity
- Captives are suitable to a wide range of industries

## B

### WHEN TO CONSIDER ESTABLISHING A CAPTIVE?

- Entity is willing and has the capability to establish risk capital

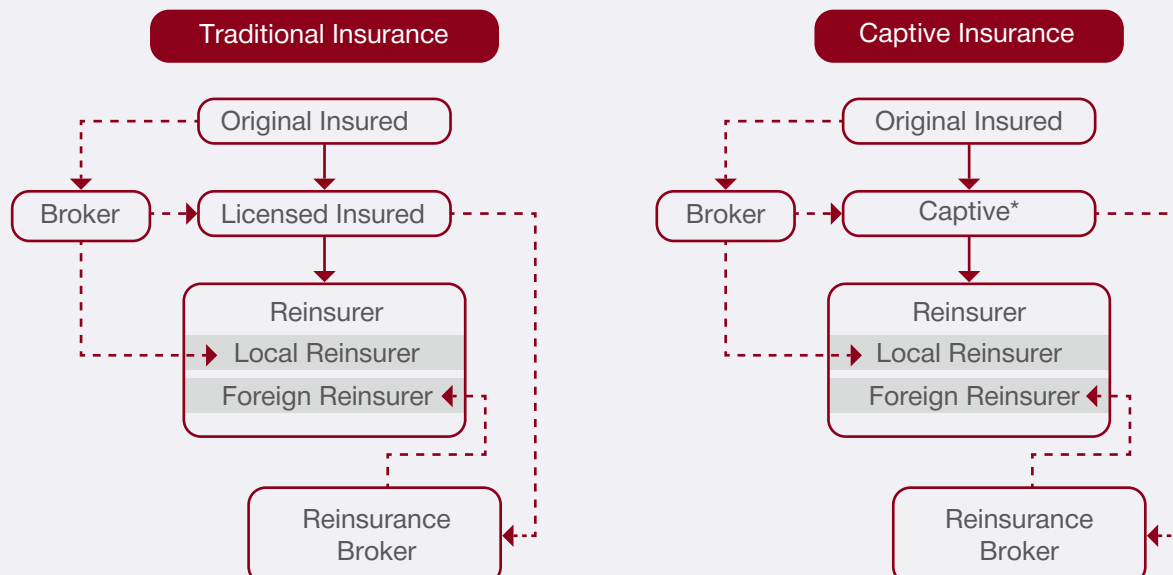
- Entity has specialised or unusual risks

- Entity has good & predictable historical loss experience

- Entity has significant premium size (generally more than MYR 1 million)

## C

### ROLE OF A CAPTIVE VS TRADITIONAL INSURANCE



*May require to engage a fronting insurer\**

#### Contact Us

Labuan IBFC Inc. Sdn. Bhd. [200801016303 (817593-D)]  
(The marketing arm of Labuan IBFC)

Suite 3A-2, Level 2,  
Block 3A, Plaza Sentral,  
Jalan Stesen Sentral, KL Sentral  
50470 Kuala Lumpur

www.labuanibfc.com  
info@ibfc.com  
Tel: +603 2773 8977  
Fax: +603 2780 2077

@LabuanIBFC



# LABUAN CAPTIVE INSURANCE: SELF-INSURANCE - A GROWING ALTERNATIVE RISK MANAGEMENT VEHICLE

## D

### BENEFITS OF A CAPTIVE

#### Cost efficiencies

- Able to customise and control coverage, with access to the global reinsurance market

#### Improves liquidity

- Complements the parent's investment strategies; builds up surplus as part of parent's company structure, dividends can be channelled within

#### Bespoke insurance coverage

- Customised insurance coverage for specialised business lines/risks; relevant for sectors with low claim history

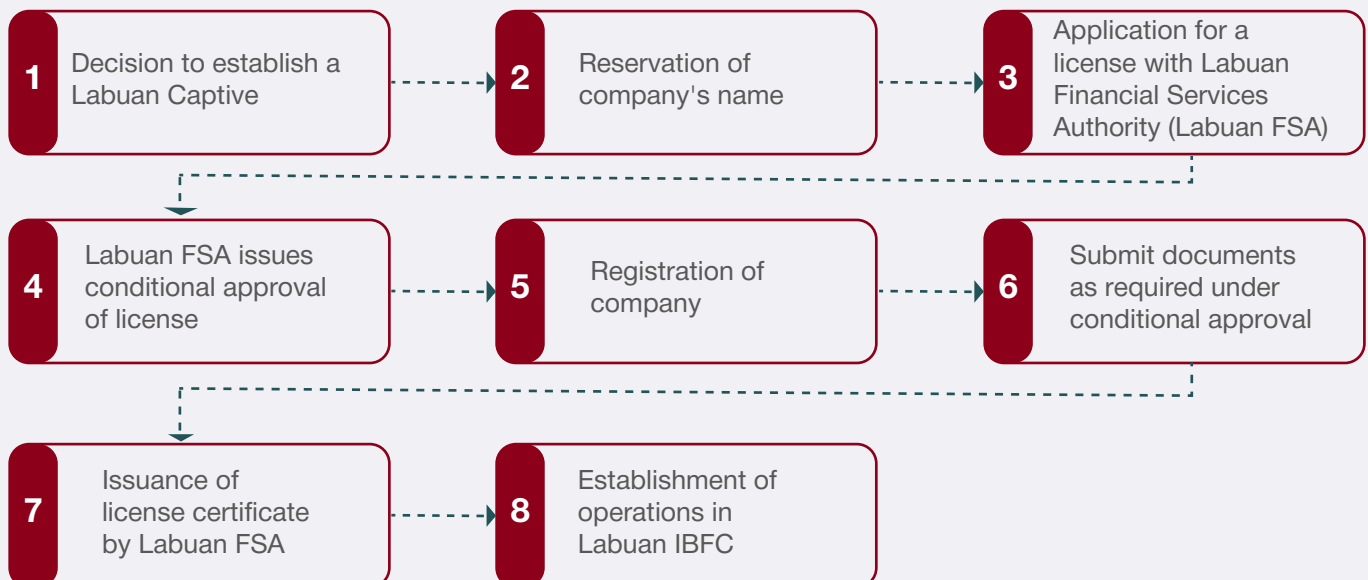
## E

### LABUAN IBFC'S AVAILABLE CAPTIVE STRUCTURES

- Pure/Single Captives
- Multi Owner Captives
- Intermediary Owned Captives
- Group/Association Captives
- Master Rent-a-Captives (MRAC)
- Protected Cell Captives (PCC)

## F

### ESTABLISHING A CAPTIVE IN LABUAN IBFC



*\*For further information on the formation process, please liaise with the licensed Labuan Trust Companies and Captive/Underwriting Manager of choice as the application process will involve both parties.*

#### Contact Us

Labuan IBFC Inc. Sdn. Bhd. [200801016303 (817593-D)]  
(The marketing arm of Labuan IBFC)

Suite 3A-2, Level 2,  
Block 3A, Plaza Sentral,  
Jalan Stesen Sentral, KL Sentral  
50470 Kuala Lumpur

www.labuanibfc.com  
info@ibfc.com  
Tel: +603 2773 8977  
Fax: +603 2780 2077

@LabuanIBFC

