

Homestead Group Captive Program



A Group Captive is a vehicle that can replace existing Property & Casualty programs with a group purchasing structure involving some risk retention. The client benefits from positive underwriting results, but has risk transfer insurance for adverse losses.

Group Captives at WTW

Homestead Insurance Company IC is a heterogeneous group captive fronted by The Hartford for primary Casualty lines, utilizing a segregated, protected cell within the existing WTW captive, Encore PCC. The use of Encore PCC creates a more affordable upfront cost option for companies to become members. Homestead is specifically designed for well managed risks to achieve more stability in any market condition.

Target member criteria

- Minimum premium requirement of \$250k of guaranteed cost primary casualty premium
- Favorable 5-10 loss history, under 50% loss ratio
- Excluded classes include Ground-up Construction, Residential Real Estate, Public Entity, Trucking, Healthcare, and PEO/Temp Staffing

Program structure

- Fronted by The Hartford
- Individual members retain primary \$125,000 of risk
- Captive members share in risk between \$125,000 and \$350,000
- The Hartford provides insurance excess of \$350,000 per loss up to \$1,000,000

Why a Group Captive?

Cost Containment

- Creates more efficient way to purchase insurance and transfer risk
- Affords members the opportunity to participate in underwriting profits by way of dividends
- Well controlled risks recognize greatest benefits



Efficient

- Allows for greater impact and efficiency in handling of claims
- Shared losses across members alleviating sole burden of a severity loss on a single member
- Pricing stability and predictability results in less frequent need to market




Tailored

- Coverage terms are customizable to meet specific individual member needs
- Individual member performance contributes greatest to individual underwriting profits
- Members make all administrative decisions as a Board



Why Homestead is better than other captives

Feature	Homestead Group Captive	Standard Group Captive
Collateral Requirements	125% of Loss Pick	200% of Loss Pick
Reach back of shared layer to primary	No	Yes
Ability to offer deductibles	Yes	No, not standard
Increased limits available	Yes, up to \$2M	some availability
Years work together to minimize assessment	Yes	No
Limited to Broker Partners	Yes	No
Domicile	United States	Mostly off-shore



The Willis Towers Watson team is pleased to offer a unique and innovative Group Captive solution for clients. For more information, please contact: captive.homestead@wtwco.com



About WTW

WTW (NASDAQ: WLTW) is a leading global advisory, broking and solutions company that helps clients around the world turn risk into a path for growth. With roots dating to 1828, Willis Towers Watson has 45,000 employees serving more than 140 countries and markets. We design and deliver solutions that manage risk, optimize benefits, cultivate talent, and expand the power of capital to protect and strengthen institutions and individuals. Our unique perspective allows us to see the critical intersections between talent, assets and ideas – the dynamic formula that drives business performance. Together, we unlock potential. Learn more at wtwco.com.




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