



# 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. business models. Additionally, with the changing dynamics of how work gets done, tech companies will continue to harness artificial intelligence, contingent workers and innovative workplaces.

## 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

[wtwco.com](http://wtwco.com)

## 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

