

2024 EDITION

COTTINGHAM & BUTLER

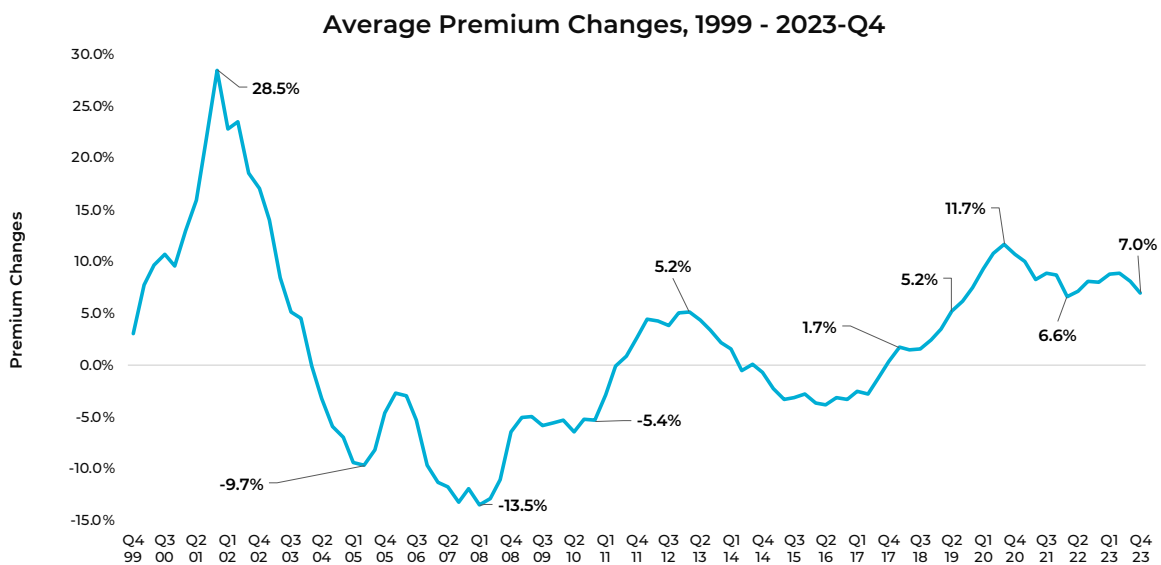
Transportation Captive Programs



The Standard Market Dilemma

For many trucking companies, the traditional insurance marketplace has been their only option for managing risk. Consistent increases, marketplace instability, poor communication, last minute renewals, and pricing that doesn't reflect loss activity are some of the struggles they've experienced. However, best-in-class companies are choosing solutions outside of the standard market and opting to take control of their insurance program.

The standard insurance market has significant pricing swings due to factors outside of your control.





A Better Option for Managing Your Risks

The Cottingham & Butler captive model allows trucking companies to break free from the standard market, take control of their insurance program, reduce costs and invest in themselves.

WHAT IS A GROUP CAPTIVE?

A group captive is a group of best-in-class companies who join together to form their own insurance company. The captive is controlled by its owners, who are also the principal insureds.

Cottingham & Butler Captive Advantage

Cottingham & Butler captives provide trucking companies a distinct advantage – offering a greater degree of control over their insurance program and substantial rewards for running a first-class company. Specific benefits include:

- 1 RETURN OF UNDERWRITING PROFITS**
As owners of the captive, members receive a portion of the underwriting profits.
- 2 INVESTMENT INCOME**
Captive members can retain a portion of the investment income the captive generates. Investment income accounts for most of an insurance company's profit.
- 3 ACCESS TO THE REINSURANCE MARKETS**
The captive allows members direct access to the reinsurance market - a more cost efficient way of securing insurance. The buying power of the group is greater than the individual.
- 4 LESS MARKET VOLATILITY**
With the group captive's long-term stability, there is less exposure to market fluctuations.



“We are hands down a safer, smarter, more efficient and profitable carrier through our experience with this program.”

ALAN HEYL, CEO & PRESIDENT

HEYL TRUCK LINES, INC.

5

CASH FLOW MANAGEMENT

Premiums fund future claims - providing a stable payment versus large deductible programs where the entire claim is paid at the time of settlement.

6

LOWER NET PREMIUM COST

By taking ownership and control of their insurance program, members are able to generate significant equity that would otherwise be kept by insurance companies in the traditional marketplace. This equity provides additional incentive to invest in safety, further driving down the cost of insurance over time.

7

CONTROL OVER CLAIMS

Captive members have significant control over how claims are resolved. Our in-house dedicated adjusters handle your claims from start to finish and work alongside you to achieve the most cost effective result.

8

COMPANY SPECIFIC LOSS CONTROL

The old underwriting adage that frequency leads to severity is taken seriously by captive members. All captive members go through an annual Safety Assessment and are ranked against other best-in-class companies within the captive. The focus is on what factors are driving your claims so that additional resources can be allocated to reduce them. Every claim occurrence that is eliminated greatly impacts the employees, operations and results of the members.



Member Story

All Truck Transportation Co., Inc. is a regional trucking company with over 300 power units. As the company continued to grow, so did their potential risks and the need to control costs.

All Truck joined the captive in 2004 and since has been able to effectively manage their risk exposures, control how their claims are handled and reduce their net cost of insurance.

STANDARD MARKET CHALLENGES

- Insurance carriers inconsistent with their claim settling philosophy
- Claims were being settled within the deductible layer with little to no regard for All Truck's input.
- Forced to retain more risk than desired on workers' compensation coverage due to the market

CAPTIVE ADVANTAGES

- Members are assigned a dedicated claims adjuster and have complete control over their claims
- Captive program includes an aggregate so each member knows their maximum financial responsibility for each underwriting year

SINCE JOINING THE CAPTIVE

- Auto liability rate per 100 miles is down 67%
- Workers compensation rate per \$100 in payroll is down 16%
- Physical damage rate per \$100 in value is down 65%
- Dividends to date, returned from 9 policy periods, exceeds \$2 million

“Joining the captive seemed like a big move, but once Cottingham & Butler outlined the benefits, it was a no-brainer and is one of the best decisions our company has ever made. They delivered on what they promised.”

ALL TRUCK TRANSPORTATION CO., INC.

Qualified Members Only

ONLY A SMALL PERCENT OF COMPANIES QUALIFY FOR THE CAPTIVE.

There are several criteria used to determine which companies qualify - including, financial strength and stability, prior loss history, safety policy and processes and management's commitment to operating a safe and profitable company.

IS A GROUP CAPTIVE RIGHT FOR YOU?

- Are you paying too much for what your insurance company is providing?
- Would you like to have more input and control in how your claims are handled?
- Do you want to be part of a group where owners are focused on improving their business?
- Is your insurance provider's safety and loss control services making you better?
- Are you willing to bet on yourself for the opportunity to get a part of your premium back?

Are you willing to bet on yourself?

over

\$300 Million
in dividends returned to
Cottingham & Butler Captive Clients

Cottingham & Butler Captive Profiles – AS OF APRIL 2024

There are thousands of captive programs in the market but not all are built equally, and we'd be happy to use our experience in the space to help you make the best decision for your company.



TRAFFIC INSURANCE LIMITED

www.trafficinsuranceltd.com

YEAR EST.	MEMBERS
1993	61

“Through our collective commitment to industry leading safety practices, embracing technology, claims management and highly selective underwriting criteria, the captive continues to be a great insurance solution for best-in-class trucking companies.”

MARK WALKER, TCSI-TRANSLAND, INC. • CAPTIVE PRESIDENT



TRUCK INSURANCE LIMITED

YEAR EST.	MEMBERS
2001	41

“Over the years, we've discovered the immense benefits our Truck Captive brings to Long Haul Trucking, effectively insulating us from the fluctuations of the open insurance market. Beyond the financial benefits, it has provided unparalleled networking and safety education opportunities that are second to none.”

JASON MICHELS, LONG HAUL TRUCKING, INC. • CAPTIVE PRESIDENT



SAFE TRUCKING INSURANCE LIMITED

www.safetruckingcaptive.com

YEAR EST.	MEMBERS
2004	38

“Each year I am more grateful for the opportunity of working with such great people. Becoming a Safe Trucking member is still the best decision I have made in trucking. The results speak for themselves.”

BRENT REDMOND, BRENT REDMOND TRANSPORTATION, INC. • CAPTIVE PRESIDENT



SPECIALIZED TRANSPORTATION INSURANCE LIMITED

www.stilcaptive.com

YEAR EST. MEMBERS

2009 38

“STIL continues to grow by adding companies that view safety as a priority. The financial dividends are great, but the true benefits continue to be networking with your peers and the sharing of ideas and best practices.”

BRIAN WANNER, PETER BROTHERS, INC. • CAPTIVE PRESIDENT



BIG RIG INSURANCE LIMITED

www.brilcaptive.com

YEAR EST. MEMBERS

2016 35

“The captive has proven to be an invaluable asset to our company through countless resources and collaboration with other captive members.”

JIMMY THOMPSON, THOMPSON TRANSPORTATION INC. • CAPTIVE PRESIDENT



DIAMOND INSURANCE LIMITED

www.diamondinsuranceltd.com

YEAR EST. MEMBERS

2019 16

“As Diamond continues to grow, we become a more financially stable company and we are able to maximize the investments our members make and the benefits that we extend to our members.”

KEVIN JACKSON, LIQUID CARGO, INC. • CAPTIVE PRESIDENT



PURSUIT INSURANCE LIMITED

www.pursuitinsuranceltd.com

YEAR EST. MEMBERS

2019 54

“I am confident that each member is committed to safety and to success. Cottingham & Butler deserves a big ‘Thank You’ for their contribution to the growth and for the expertise that they have provided us all in the Pursuit Captive.”

CRAIG TANKERSLEY, FREEDOM TRANS DEDICATED LLC • CAPTIVE PRESIDENT



NEW CAPTIVE LAUNCHED – 2024

OVERDRIVE INSURANCE LIMITED

The Trucking Captive Experts

Offering Group
Captives Since 1993

99% Retention Rates

In-House Claims
Administration with
Trucking Expertise

Safety Professionals
with Trucking Expertise

All Services from a
Central Location with a
Team Approach

Cottingham & Butler is one of the largest transportation insurance brokers in the country. We began offering group transportation captives in 1993 and now offer 8 trucking captives, with more than 280+ captive members.

We have placed more trucking companies in group captives than any other broker in the U.S., **and our renewal retention rate is 99%.**

We are successful because we have a dedicated team that understands the captive structure. Additionally, we are extremely selective in the companies we consider for a captive. Our in-depth captive knowledge and selectivity has made our loss ratios significantly lower than the industry average.

CHOOSING THE RIGHT CAPTIVE PARTNER

We understand that it can be challenging when you are qualifying the services of a captive provider. We believe that it is of the utmost importance to research the following about each captive and provider.

- **Experienced:** A long track record of successful captive management and the expertise to continue it.
- **Member Retention:** A good judgment of member satisfaction is renewal retention rates.
- **References:** This is a must. A good captive will have multiple members willing to provide references.
- **Integrated Claims and Safety Resources:** One firm handling all of your needs.
- **Risk Sharing:** Understand the historical risk sharing percentage of the group.
- **Quality of Members & Safety Scores:** Have a clear understanding of who you are partnering with.

Get Started

1

Speak with a Cottingham & Butler representative to learn if a captive is right for your company.

2

Submit data for captive consideration and schedule an on-site loss control evaluation with our certified safety expert.

3

Receive a formal captive proposal including firm pricing.

Cottingham & Butler
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