



COTTINGHAM & BUTLER

Captive Programs



"The captive has helped us become a much safer workplace than we would ever have accomplished on our own."

Mark Kasper, President & CEO
Amerhart, Ltd.



Code	Product	Price	Total
T0001	RICE	120	1200
T0002	PORK	100	1320
T0003	CORN	85	750
T0004	PEANUT	150	900
T0005	CHICKEN	100	600
T0006	COCONUT	150	2500
T0007	MANGO	70	840



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T0001	RICE	120	1200
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T0004	PEANUT	150	900
T0005	CHICKEN	100	600
T0006	COCONUT	150	2500
T0007	MANGO	70	840

Code	Product	Price	2014	2015	2016
T0001	RICE	120	1200	1320	1440
T0002	PORK	100	650	750	850
T0003	CORN	85	850	900	700
T0004	PEANUT	150	300	600	900
T0005	CHICKEN	100	2000	2500	2800
T0006	COCONUT	150	600	750	900
T0007	MANGO	70	700	840	770



Cottingham & Butler
captives provide
best-in-class companies
a competitive advantage
by rewarding
great performance.

More than
\$220 MILLION

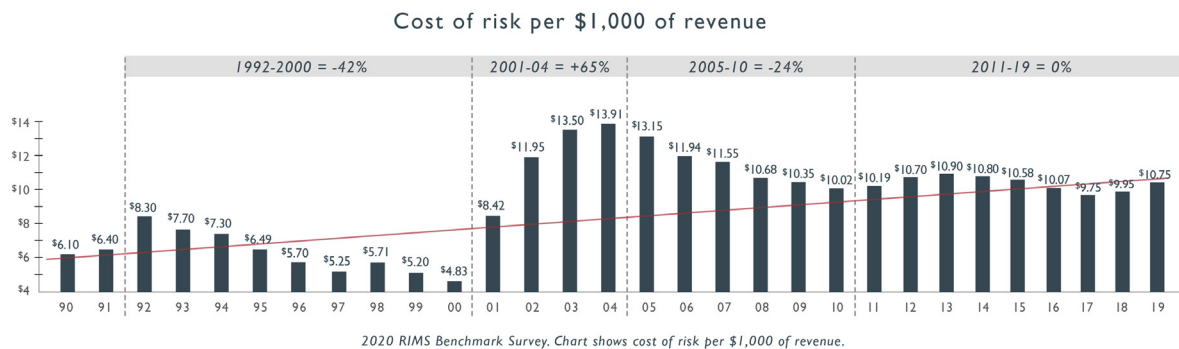
in dividends returned to members over the last 25 years.

The Standard Market Dilemma

For many companies, traditional insurance is their only option for managing risk. The challenge, is that the standard market offers little control over pricing and how your claims are handled. However, best-in-class companies are choosing solutions outside the standard market leaving many companies at the mercy of;

- Fluctuating insurance costs regardless of their claims experience
- Market swings outside of their control
- Little to no control of claims management
- Last second renewals

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



A photograph of two men in business attire sitting at a desk. The man on the left is wearing a white shirt and a blue tie, looking intently at a document. The man on the right is wearing a dark suit and a dark shirt, smiling slightly as he looks at the same document. They are in a bright, modern office setting with large windows in the background.

A Better Option for Managing Your Risks

The Cottingham & Butler captive model allows 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 can retain a portion of the underwriting profits. 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 in order to continue to drive down the cost of insurance over time.

2

LESS MARKET VOLATILITY

With the group captive's long-term stability, there is less exposure to market fluctuations.

3

CONTROL OVER CLAIMS

Captive members have significant control over how claims are resolved. Our in-house claims professionals understand what your expectations are and work towards the most cost effective result for the member.

4

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 in 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.



A Retention Rate You Can't Refuse

Captives will change the way you view your insurance and risk management program and turn your insurance program into a profit center.

- Safety that literally works for YOU
- Control and input over YOUR claims
- Premiums based on YOUR losses
- Ability to control YOUR long-term total cost of risk (TCOR)

AVERAGE FIRST YEAR EQUITY AS
A PERCENTAGE OF PREMIUM IS

24%

FOR MEMBERS JOINING
IN THE PAST 3 YEARS

REDUCTION IN WORK
COMP CLAIM FREQUENCY BY

15%

OVER THE PAST SIX YEARS



“The more in tune we get with the captive, the more we realize we were just scratching the surface on the potential of our safety program.”

Brian Buresh, President
Buresh Building Systems, Inc.

Member Story

Established in 1856, A.Y. McDonald Manufacturing Company is a leading manufacturer of water works brass, plumbing valves, pumps and water systems, and high pressure gas valves and meter bars. **The company has distinguished itself with a proud tradition of quality and reliability, and firmly believes in the statement 'the customer is the boss.'**

As a fifth generation business owner, Rob McDonald has always understood the importance of safety. Being a large manufacturer, their products have not changed significantly over the years, but the technology that they have had to embrace to manufacture the products has changed considerably. A.Y. McDonald has always had to stay on the cutting edge of machine tools and processes to ensure the safety of their employees.

Since joining the captive in 2015, John Schmidt, CFO of A.Y. McDonald, has seen many financial benefits. Additionally, A.Y. McDonald has been exposed to a variety of fellow captive members. While these members may not be in the same industry, each of them have a very in depth knowledge of their businesses. These interactions and discussions of Workers' Compensation, employment and risks with other captive members have helped them move A.Y. McDonald forward.

“We did a fairly extensive search of captive providers and ultimately Cottingham & Butler came out on top, both in terms of price and expertise. Cottingham & Butler is a unique provider in terms of what they deliver in the captive arena, and I think they clearly out-pace the rest.”

John Schmidt, CFO
A.Y. McDonold

COTTINGHAM & BUTLER
CAPTIVE CLIENTS PAY

35% LESS

PER WORKERS' COMPENSATION
CLAIM THAN THE INDUSTRY AVERAGE



Qualified Members Only

ONLY A SMALL PERCENT OF COMPANIES QUALIFY FOR THE CAPTIVE.

There are several criteria used to determine which companies qualify, including: They include 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?

The Captive Experts

Offering Group
Captives Since 1993

Largest Trucking
Captive in the Country

360+ Captive Members

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 insurance brokers in the country. We began offering group captives in 1993 and now offer 11 captives with more than 360 captive members.

Our captives have experienced a renewal retention rate of 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.

Cottingham & Butler Captives



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.

- **Established:** An established program should have lower fixed costs compared to a start up.
- **Large Numbers:** The more members, the greater the risk is spread.
- **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 your financial requirements and risk.
- **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.

Speak with current captive members and attend a Captive Risk Control Workshop.

3

Receive a formal captive proposal including firm pricing.

Cottingham & Butler
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