



THE AMETHYST CAPTIVE CHECK-UP

Vital Signs: On-going monitoring is key to a positive, healthy check-up. To stay on track there are always recommended courses of action.

Captives have life cycles with Vital Signs that change with maturity. If there is an active wellness plan in place, a captive's annual check-up (Board meeting, Audit, Exams, or Renewal) should have no surprises. Such a plan is simple with the right approach to management.

- **Blood Pressure** – Is your captive running lean and mean or is it suffering from time & energy sapping cost inefficiencies, accounting errors, communication delays, or poor decision making information? A well-run captive should be a smooth and efficient vessel to achieve risk finance goals. Sometimes all a captive needs to get back on track is to ask the basic question of why the owner(s) are in the business and how it should be run.
- **Heart Rate** – Trying to do too much or too little with your captive structure? Optimizing risk management, finance, legal and accounting can be tricky. Keeping a pulse on the captive can be as simple as hiring the right manager to track, organize and present benchmarking, and key trends in a dynamic process. No surprises, just straight forward relevant information with recommendations.
- **Height \ Weight** – How's the balance sheet looking? Change in size and composition of assets, liabilities and capital is normal. A team that plans for change can avoid crash diets and band-aides. You may find you just need a bigger pair of pants.
- **EKG** – Once you have established a baseline, you should perform a review every two or three years. Your manager should provide at least an annual comparative against established baseline criteria, if this is not being done have Amethyst take a look.
- **Blood Work** - Organization goals and measurement criteria are constantly modified. If it has been a while since your original study it may be time to run some tests to determine appropriate entity structure, balance of economic, financial, & administrative impacts, coverage terms, domicile, service providers, and compliance measures.

*** An Amethyst Check-Up may be overdue***

Why Perform A Captive Check-Up?

Captive owner business strategies will change over time. Well run captive(s) will change or at least have an operating framework to consider changes in strategy that align with owner goals.

Nearly, all growing or downsizing organizations experience structure and risk exposure changes since captive(s) inception.

Factors influencing such changes may include; market and competitive pressures, new products/services, increased risk reporting requirements and disclosures, change in owner(s) financial and economic profile, regulatory and compliance reporting procedures/requirements since establishment; business mergers and acquisitions.

The Key benefit of a Captive Check-Up is to provide the captive owner(s) with independent advice about the captive(s) effectiveness at:

- Providing cost effective coverage,
- Enhancing overall risk management operations
- Using owner\market capital, meeting internal rate of return requirements, utilizing efficient cash flow, alternative funding and capital options.

Captive operations and outcomes vary as widely as the differing needs of the owner(s) goals and objectives.

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