Sharefield

MEMBER-OWNED GROUP CAPTIVE INSURANCE

Captive Owner Case Studies

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Sharefield is the Trade Name of QCS Insurance Company, an Arizona domiciled association captive.

Case Study 1 - Founding Member/Owner

RISK PROFILE:

Large manufacturing facility with extremely complex, quality sensitive process to produce product that is a critical component in products of others. 300 plus employees, over 20 million in payroll, and a heavy fleet.

CHALLENGE:

Traditional carriers were excessively pricing their program due to lack of knowledge of their business, poor claim management leading to excessive claim costs and upset employees, and an overall lack of resources to help them improve where needed.

THESIS:

By pooling risk with other like-minded companies that were part of their group purchasing organization, they could buy with more scale, be truly individually underwritten, and exercise significantly more control over the claims process.

RESULT:

The Founders have realized tremendous cost savings against the growth of the business, paying a 56% lower workers compensation rate from 2011, with fleet liability rates increasing only 12.37% over the same time period (a rapidly hardening market). They also have significantly more employee satisfaction and less loss of productivity when the now rare employee accident does occur. Accidents have dropped off significantly due to loss control resources intimately familiar with their operation working on their behalf. Estimated savings over last 10 years of $ 1,200,000.

Case Study 2 – Member entering 5th year of group captive membership

RISK PROFILE:

Multi-state manufacturer with 200 plus employees, over 15 million in payroll, and a consumable product well represented in food service and grocery across the US.

CHALLENGE:

Member was stuck in the rut of a traditional insurance placement approach; marketing occasionally, taking unwarranted rate increases, and receiving minimal help from their broker or carrier with loss control and claims.

THESIS:

By joining a group captive, they could quickly save on front end premium by being priced based on their claims and not the carriers entire book of business. With additional resources, they could better prevent accidents leading to back-end savings via distributions.

RESULT:

Without factoring in significant distributions likely to be paid, Member has saved $ 1,450,000 in premiums against FLAT rates carried forward since 2017. Since joining the captive in 2018 they have also achieved significant revenue and payroll growth, compounding the benefit. Distributions will likely be substantial due to excellent loss performance, further improving their net cost savings.

	2017	2018	2019	2020	2021
Premium at Flat Rate	805,788	659,621	766,587	913,314	905,439
Captive Premium	N/A	381,925	450,922	504,960	447,558
Cumulative Savings	N/A	277,696	593,291	1,001,644	1,459,525