

# Strategic Business Plan Outline

## A. PURPOSE

- **Introduction and Background**
- **Plan of Operation**
  - Expected Premium
  - Premium to Surplus Ratio (Pure Captive 5:1, SBU 3:1)
  - Ability to cover a full limit loss

## B. CAPTIVE OVERVIEW

**Legal Business Description** – Company name, legal form of the business, home office location and principal place of business.

**Board of Directors** – Provide a summarized list of all directors.

**Management Team** – Provide a summarized list of the management staff and descriptions of their responsibilities.

**Captive Manager** – Role and responsibilities.

**Outside Support** – Identify individuals and/or firms that will provide services to support the Company's operations and describe the services that will be provided.

**Organizational Chart** – Illustrate the Company's operations including subsidiary, affiliate and/or contracted operations, lines of authority within departments, if applicable and corporate responsibilities either within the Business Plan or as a separate document.

## C. MARKET ANALYSIS

**Market Definition** – Define the principal risk transfer needs of participants in the market segment that will generate business for the Company. Describe how these participants will benefit from the Company's insurance program(s).

## D. RISK ASSUMPTION/RISK TRANSFER

### Coverage and Reinsurance

- List all direct or reinsurance assumed or ceded lines of Insurance coverage that will be initially written. Please include descriptions and policy limits. The lines of coverage listed should be consistent across the application, business plan and actuarial feasibility study.
- Describe Pool or Reinsurance Arrangement.

## E. FINANCIAL PROJECTIONS

**Capitalization** – List total amount of initial Capital & Surplus for captive by asset form. Please specify the type of asset or assets that will be held at all times. The amount of initial capital specified will become the required minimum Capital & Surplus amount.

**Pro Forma Assumptions** – Projections by line of business for premium, loss and loss adjustment expenses and underwriting expenses. Describe treatment of policyholder dividends and all tax obligations. Provide five-year financial projections in the separate required projection report.

**Actuarial Feasibility Study** – Provide overview of the actuarial opinion and analysis to support the risk assumptions and financial projections that are in a separate report.