

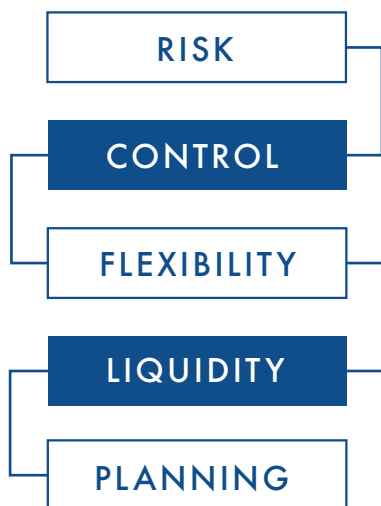


Montpelier Advisors specializes in the intentional design, collaborative structuring, and focused oversight of captive insurance solutions for middle market companies.

We provide thought leadership, strategies, knowledge transfer and access to navigate business owners and their advisors through the complete lifecycle of a captive insurance company.

**Montpelier is your trusted
captive team leader.**

TOP OF MIND FOR OUR CLIENTS...



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OUR
SOLUTIONS
ARE

INNOVATIVE

INTEGRATED

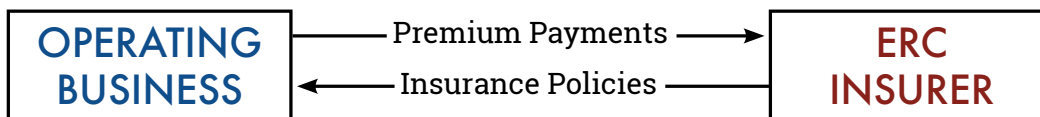
COLLABORATIVE

TAILORED

What is an Enterprise Risk Captive?

An Enterprise Risk Captive (ERC) is an ideal structure for owners of middle market companies. An ERC is a property & casualty insurance company formed by the operating business owners to insure risks that are specific and unique to their operating business — a formalized form of self-insurance. The ERC takes the 831b election to receive specific benefits.

- * Manage risks generally not addressed by the commercial market
- * Insure low frequency high severity risks
- * Underwriting profits are exempt to tax when annual premiums are less than \$2.2 million per year (indexed for inflation)
- * Taxed only on investment earnings
- * Creating a pre-tax contingency pool of assets to enhance the operating business' financial position



SOME OF THE RISKS COVERED

Reputational and Cyber
Administrative Actions
Loss of Key Client, Account
Litigation Expense Reimbursement
Contingent Business Interruption
Directors and Officers

EXAMPLES OF INDUSTRY EXPERIENCE

Manufacturing
Contractors
Distribution
Professional Services
Real Estate Developers

BENEFITS

- Tax efficient build up of contingency \$\$
- Improved risk management
- Customized coverage for hidden risks and risks that are difficult to insure
- Potentially reduces and stabilizes costs paid to commercial insurance providers
- Access to Reinsurance
- Enhanced cash flow
- Customized ownership opportunities

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