

The CapAlt Risk Solution™ Quickly Summarized

If you're a successful small to mid-size business owner, a **CapAlt Risk Solution**, or **CRS**, has the potential to dramatically improve your financial life.

The idea behind the **CRS** surfaced in 1955 when Frederick Reiss created an private insurance company called **The Steel Insurance Company of America**. It existed for one reason only which was to provide insurance coverage for the **Youngstown Sheet and Tube Company**. It was wholly owned by the parent company. This revolutionary concept became known as a **captive insurance company**, or **CIC**, in that it was "captive" to the "parent" company which was also its only "customer".

Today, almost 70 years later, the idea has grown and evolved to where most Fortune 1000 companies have a CIC, or its evolutionary follower. The idea then, and now, is to gain business and tax advantages, to promote good internal risk management protocols, and to create additional equity for business owners over time.

Your enterprise is not yet as large and/or public as a Fortune 1000 company and may never be. But it is realistic for you to think a **CRS** could benefit you personally and your company.

Your first step is to meet or exceed a gross annual revenue threshold of \$2M annually before you get serious about the idea. Less than that and the cost to implement and maintain a **CRS** should be questioned.

However, if your enterprise does have gross annual revenue of \$2M or more, then the following bullet points will help you evaluate your potential benefits. The list reflects the features and benefits to be gained by **anyone** adopting a **CRS**:

- Unlike some insurance policies you may own, a **CRS** has an insurance cycle of roughly 16 months. This includes a 12-month year plus as many as 4 months to make sure any or all claims are processed and satisfied. You should expect this term period to remain valid even if zero claims are made.
- At the end of every insurance cycle, insurance premium dollars spent by your enterprise and **not** used to satisfy claims made **belong to you**, or

others you so designate, such as an IRA or trust, at the end of each insurance cycle.

- At that point, those funds are considered surplus funds which can be recovered at a time of ***your*** choosing, since they are now considered ***your*** surplus insurance assets.
- By the end of any insurance cycle, the reasonable assumption is a financial outcome equal to or better than the revenue needed to pay the premiums by your insured enterprise. We are seeing clients with a 100% first year return on capitalization amounts.
- Proactive efforts made by you to manage operational risks will likely increase your net return, all the while receiving the same tax and accounting benefits as any commercial insurance company.
- Included on our websites are documents that list the specific insurable risks appropriate for your enterprise, as defined by which industry to which it belongs. You may also decide in any given year to insure against additional risks, assuming they are legitimate risks to which you are exposed. This has the effect of increasing the ultimate surplus for your use.
- Any or all funds accumulating as surplus from prior years can be invested by ***you*** personally or by investment advisors you select.
- ***At the end of the day, the idea allows you to ultimately retire with more money in your pockets, if that's one of the outcomes you're looking for.***

Here in the 21st Century, the rules and regulations are very different from what they were in 1955. However, the design and application of the concept as conceived in 1955 are very much alive today.

[CapAlt Risk Solutions ~ Professional Edition](#) is our recently published comprehensive and detailed eBook about the **CRS** program. It's intended for professional advisors charged with evaluating the idea for the benefit of the enterprise owner or owners. Please remember, the goal is to dramatically improve the enterprise owner's financial well-being over time.

In our opinion as professionals in this industry, the benefits to the owners of small to mid-size privately owned business enterprises are enormous. Your challenge is to adopt the idea for the right reasons and to do it correctly.