



A Guide for InsureTech Practice Groups

FAQ

How do captives support innovation within InsureTech companies?

Captives provide InsurTech firms with the ability to create and insure new products and services quickly, without the constraints of traditional insurance markets, fostering innovation and competitive advantage

Can captive help InsurTech startups manage their operational risks?

Absolutely. For startups, captives offer a cost-effective way to manage operational risks, including cyber risks, professional liability, and intellectual property risks, which are critical for their growth phase.

What is the process for an InsurTech firm to establish a captive with SRS?

SRS guides InsurTech firms through the entire process, from feasibility analysis and domicile selection to captive formation and operational management, ensuring the solution is tailored to their innovative business model

Are there regulatory advantages for InsureTech firms using captives?

Yes, captives can offer regulatory efficiencies, especially in managing cross-border risks and compliance, by centralizing the risk management of diverse operational activities within one entity.

How do captives enhance the value proposition of InsurTech firms to their customers?

By using captives to underwrite unique risks, InsurTech firms can offer more personalized and competitive insurance products, enhancing customer satisfaction and loyalty.

Delivering Outstanding Service

InsurTech companies are at the forefront of transforming the insurance landscape through technology. They face unique challenges such as rapid scale-up, regulatory compliance in diverse jurisdictions, and the need to innovate continuously while managing risks. InsurTech firms might consider forming a captive or pursuing alternative risk transfer strategies include: 1) aligning their risk management strategies with their fast-paced growth, 2) accessing bespoke coverage that matches their innovative business models, and 3) capturing underwriting profits as a revenue stream to reinvest in technology and growth.

SRS Approach

SRS supports InsurTech companies by designing captive solutions that are as innovative as their business models. Our services include the development of captives that can quickly adapt to the InsurTech's evolving risk landscape, regulatory support across jurisdictions, and the creation of proprietary insurance products to serve their unique needs. This approach not only secures comprehensive coverage but also aligns with the InsurTech's ethos of innovation and disruption.

Benefits and Outlook for 2024

InsurTech firms working with SRS can expect to leverage their captive insurance solutions to achieve significant cost savings, enhance their product offerings, and improve investor appeal through innovative risk management strategies. Key metrics for success include a reduction in the Total Cost of Risk (TCOR) and an increase in Speed to Market for new products. Looking ahead to 2024, the InsurTech sector is poised for continued rapid growth and innovation, making it an opportune time for these companies to solidify their risk management foundations with SRS's captive solutions.