

## Experience & Flexibility

IGP can tailor a captive arrangement to address the specific needs and objectives of our multinational clients. Depending on the size of the account, the local contracts and the needs of the client, IGP offers the flexibility on a contract-by-contract basis, to ceding risk only or to cede risk and transfer risk premiums to the Client's Captive.

### Captive Reinsurance With Risk Ceding Only

IGP can cede all or part of the risk on life, disability and medical coverages to the Captive in most countries. In some countries, there are statutory or regulatory restrictions in place.

#### General Requirements:

- Fulfil criteria of an IGP self-experienced account
- No outstanding deficit in the associated IGP pooling account

An annual settlement procedure simplifies administration by netting out premiums and other inflows with claims and other outflows into one single transaction. The advantage of this approach is that the administrative burden on the Captive is minimal.

### Captive Reinsurance With Risk Ceding and Premium Transfer

IGP's Captive product can also include the transfer of net risk premiums associated with reinsured life, disability and medical coverages.

#### General Requirements:

- No outstanding deficit in the associated IGP pooling account
- >2,000 lives insured with IGP Network Partners and included under the captive arrangement
- >USD 1 million annual net ceded risk premium included in the captive arrangement
- Collateral equal to 110% of the actual transferred premiums and reserves
- For premium transfer contracts, a minimum of USD 25,000 net ceded risk premium to be paid annually in advance where feasible

John Hancock transfers the premium, net of IGP retention, local taxes, and commissions to the Captive after the premium has been paid to the IGP Network Partner by the subsidiary.

Claims will be paid and increases in reserves will continue to be accounted for by IGP Network Partners as they are incurred. IGP will send a request for claim reimbursement to the Captive at the end of each quarter.

A final settlement will take place at the end of the year, which will capture any claims that were incurred and reported in the last quarter, as well as any outstanding amounts due to premium adjustments resulting from changes in the insured population, local dividend payments, and so on.

### Data Needed to Prepare a Captive Exhibit

#### Minimum Information Required

- Reinsurance percentage to be assumed by the Captive
- Desired risk limitation at local level, if any
- Desired risk limitation at international level, if any
- Indication of which lines of business are to be considered
- By line of business for each country:
  - Premium
  - Number of insured employees
  - Commissions
  - Local profit sharing
  - Level of claims to be assumed in the exhibit

#### Additional information that will be requested for contract(s) not currently insured by an IGP Network Partner

- Mode of premium payment
- Claims experience by line of business by country
- Renewal dates
- Current insurer

### IGP: Your Best Choice for Captive Reinsurance

- IGP works with leading independent insurance companies. Each IGP Network Partner has been selected based on its reputation for providing local customers with the highest quality service for group employee benefits at competitive rates.
- Flexible solutions:
  - Individual and immediate per contract premium transfers, or combined via the quarterly settlement.
  - Tailored per contract solutions possible with a choice between risk ceding only (with or without quarterly reporting), or risk ceding & premium transfer
- Detailed reporting, in line with the Captive's wishes and requirements, with a strict delivery schedule. IGP delivers informative reports on the experience of each line of business, for each contract, in each country.
- Competitive & stable captive pricing
- Strong account management & captive team.
- One single Retrocession Agreement between John Hancock Life Insurance Company (U.S.A.) and the Captive.
- Different forms of collateral can be examined

### More Information

The implementation of a Captive arrangement for employee benefits involves many different areas of the Client's organization. The IGP Captive Specialist Team would welcome the opportunity to discuss the various issues that can arise with the members of Risk Management, Captive Management, Finance, Human Resources and Benefits areas, as well as with the Captive's appointed advisors.

*To find out more about this product as well as IGP's many other available products,  
please contact your IGP Account Manager or refer to [igpinfo.com](http://igpinfo.com)*



The International Group Program (IGP) is a registered brand name under John Hancock. IGP operates in the State of New York under JH Signature Insurance Agency, Inc., a NY licensed broker.

IGP Network Partners operating outside of the United States are not necessarily licensed in or authorized to conduct insurance business in any state in the United States including, the State of New York. The policies and/or contracts issued by a Network Partner to contract holders outside of the United States have not been approved by the NY superintendent of Financial Services, are not protected by the NY State guaranty fund and are not subject to the laws of NY or the laws and/or protections of any other state where the Network Partner is not licensed to do business.