

CAPTIVE BENCHMARKING SERVICES

SOLUTIONS...DEFINED, DESIGNED, AND DELIVERED.

More and more companies are finding captives to be a strategically important corporate asset, one which serves as an effective risk and financial control tool and raises the visibility of risk management to the highest levels.

While each captive is unique, the questions that many of today's captive owners would like to know usually include: "How can my captive deliver more value? What are others doing with their captives? How can I make better use of this asset?"

Using more than 125,000 data points, Marsh Captive Solutions can help you answer these questions through our dedicated, web-based global benchmarking portal. Our 430 global colleagues can assist you with comparing your own program against others in the same or similar industry, region, or company size to ensure your captive program is delivering the best value for your organization. We can even build customized benchmarking reports for your specific captives, showing how they match up against your peers.

As the leading captive solutions provider, with more than 1,250 clients writing in excess of US\$42 billion in premium, we can deliver tremendous insights through our benchmarking portal that enable you to improve captive efficiency, identify additional areas of potential coverage, and provide data-backed recommendations to the C-suite.

OPTIMIZING FINANCIAL EFFICIENCY: CLIENT EXAMPLE

A client was seeking to ensure it was optimizing the financial efficiency of its captive. As a pre-qualifying step, the Marsh Captive Solutions team looked at the summary financial information, including key ratios, of the client's existing captive compared to aggregate industry results. This comparison of results objectively reinforced an assertion the team was investigating: that the client might be able to increase investments in loans to affiliates as a means of more effectively using its captive assets.

After a discussion of the benchmarking portal findings and the team's recommendation, the client decided to formally assess a change in its investment mix. This led the client to engage outside counsel and Marsh Captive Solutions' advisory colleagues in a project to evaluate structural changes that would enhance the net present value (NPV) advantage of its captive, which resulted in preliminary indications of more than US\$5 million per year of NPV improvement.

Key Features of the Portal

With our new benchmarking portal, Marsh Captive Solutions colleagues now have the ability to provide you with:

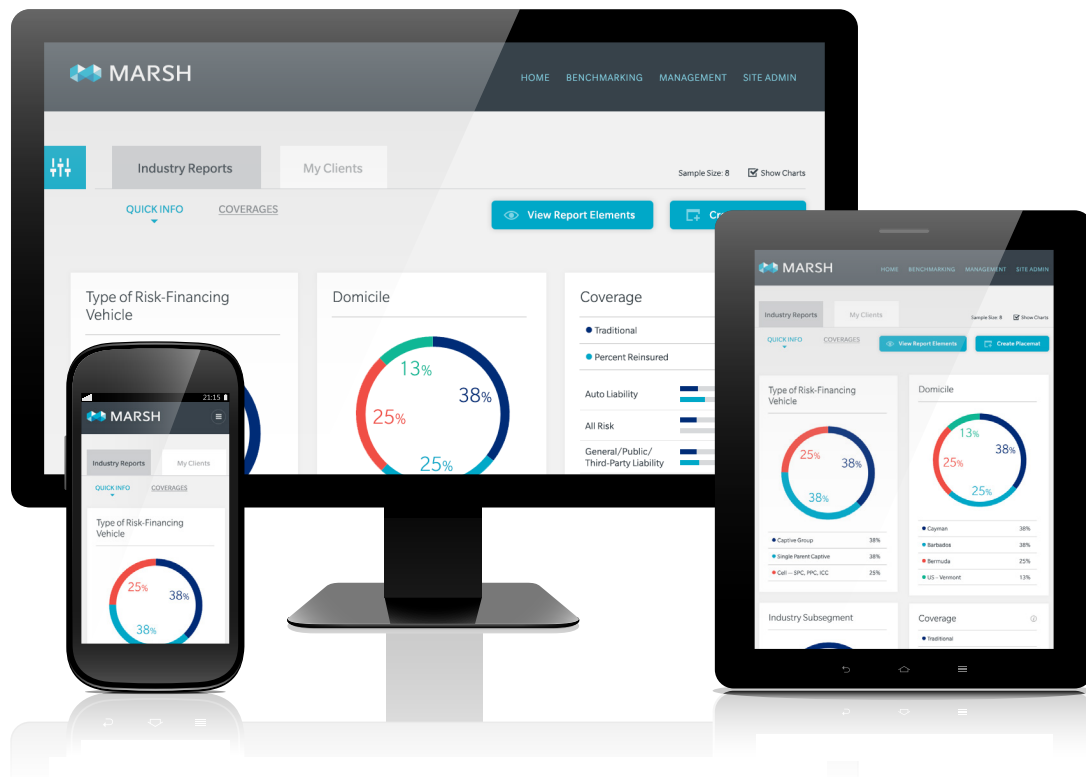
- Key benchmarking metrics with industry reports.
- Printable “placemat” reports that can be used with your management teams.
- Tables, graphs, and charts for presentations and board meetings.
- Comparison of your profile data against your industry.
- Comparison of your financial data and ratios against industry averages.
- Data that has been filtered precisely based on any custom questions needed from the benchmarking data.
- Insights on variances against the Marsh Captive Ratio Analysis (MACRA) model.
- Evaluation and interpretation on all of the above to help you improve the value of your captive.

Company Confidentiality in the Portal

Client confidentiality is of the utmost importance. Here are some of the ways Marsh Captive Solutions’ benchmarking team protects your information:

- Data access restrictions prevent unauthorized access.
- Benchmarking reports and analysis require a minimum of three peers, ensuring clients a level of anonymity.

One-in-five captives worldwide are managed by Marsh and 2015 marked the largest net increase in use of captives ever. Is your company among those taking full advantage of the opportunities captives afford?



For more information about our Global Benchmarking Services and other solutions from Marsh Captive Solutions, visit marshcaptive.com, or contact your local Marsh representative.

Marsh is one of the Marsh & McLennan Companies, together with Guy Carpenter, Mercer, and Oliver Wyman.

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