



A unique investment opportunity into a
captive insurance company

Introduction

Overview

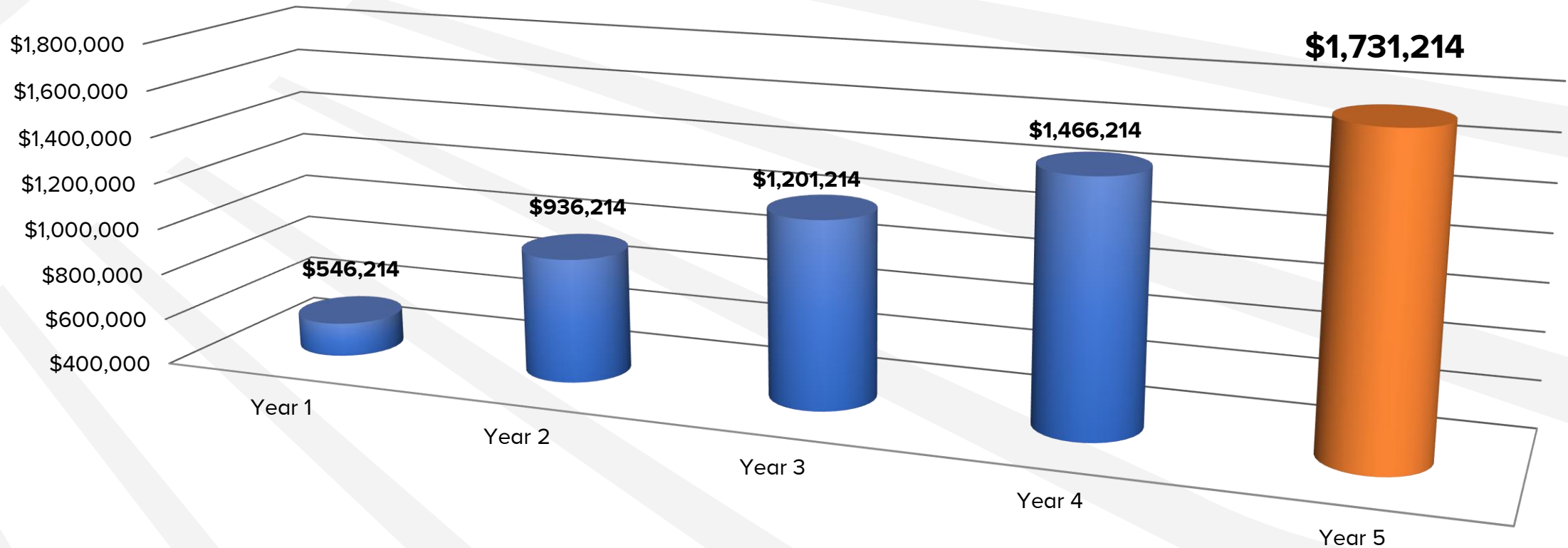
Request: Minimum \$2,000,000 in equity or debt.

Opportunity: Unique investment in a profitable, experienced captive insurance manager.

Situation: Need growth capital to leverage current opportunities and proprietary reporting system.

Strategy: Form partnerships with organizations, whose constituents will enjoy customized benefits, improved claims serves and focus on their specific needs, while the parent organization benefits from profit sharing and administrative control.

5-Year Company-Level Net Earning Projections



Captive Insurance

Professionally administrated insurance product
providing better coverage and profitability

Captive Insurance Company

- **Licensed insurance company(ies)** established by business
- **Provides insurance coverage** for business itself
- **Coverages drafted** to meet unique business risks
- **Benefits** to parent business:
 - Broader coverage
 - Reduced premiums
 - Possibility of profit
- **90% of Fortune 1000** companies use it

Widely Used and Proven Effective



Captives started
100+ years ago



Most of Fortune 500
companies use captives



1000s of small to mid-sized
companies use to manage
corporate risk



Domestic or international
domiciled, offering
specialized statutes for
captive planning



Congressional laws



Legal guidance

Broader Coverage / Reduced Premiums

Insure against expensive, hard-to-find risks such as:

Risks Historically Covered by Commercial Ins.

- Commercial General Liability
- Commercial Property
- Workers' Compensation
- Business Auto

Deductible Exposures

- Workers' Comp
- Commercial Property
- Auto Physical Damage
- Windstorm and Hail
- Environment Liability

Underinsured or Uninsured or Self-insured Risks

- Excess Liability
- Catastrophic Property Exposures
- Business Interruption (Non-damage)
- Cyber Risk
- Reputational Risk
- Trade Credit
- Workplace Violence

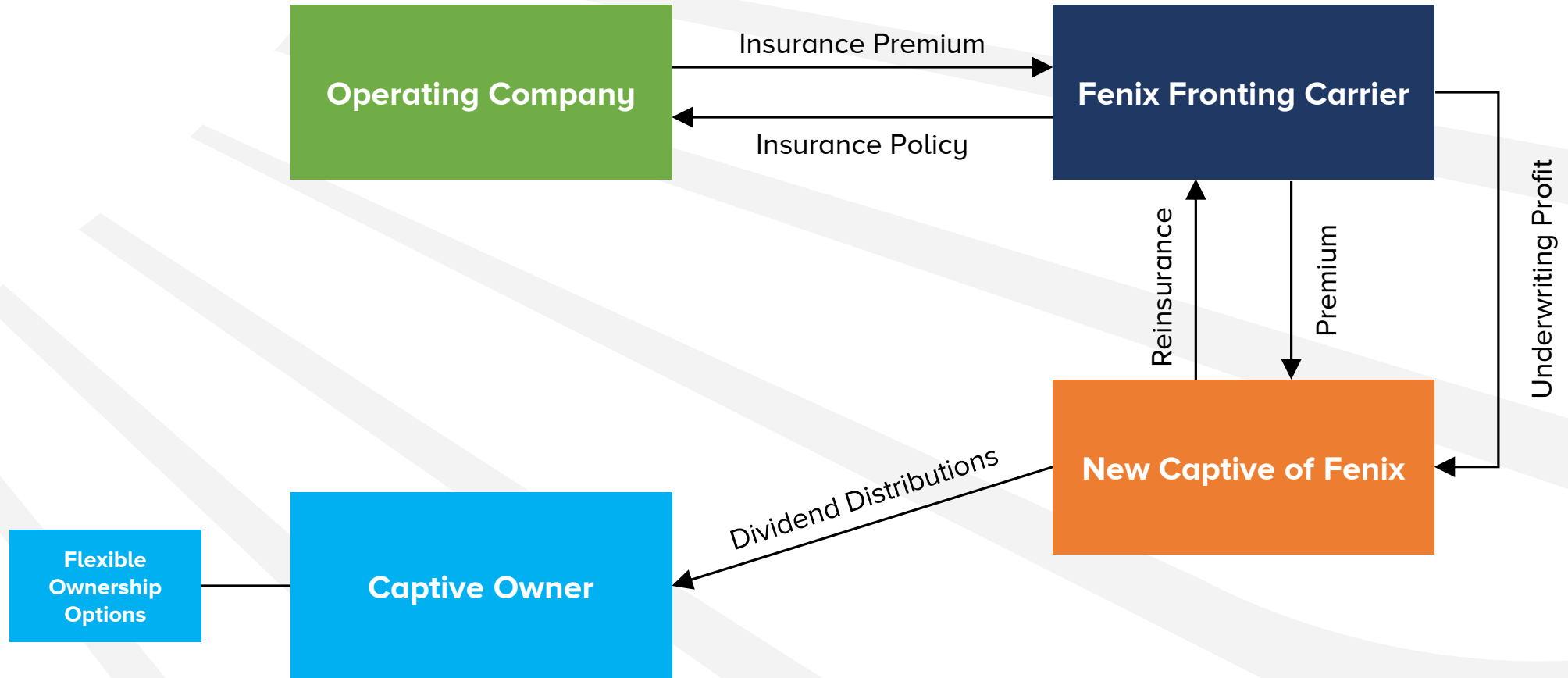
Potential Profit

- **As captive generates profit**, after adjustment for expenses and claims, those dollars belong to the captive, not a third party insurance company.
- **Profit and surplus may be invested** in reasonable manner, often accumulating excess reserves over time.
- **Subject to regulatory approval**, distributions to the owner(s) of the captive insurance company are generally treated as qualified dividends.
- **Upon liquidation or sale** of a captive insurance company, distributions may qualify as long-term capital gains.

Formation

1. **Review** of existing commercial property and casualty policies.
2. **Identify** all exposures, perils and hazards existing in organization by in-house or independent risk manager and insurance broker consider all aspects of organization's operations, and respective business and regulatory environments.
3. **Gather information** in risk identification process utilized in preparation of underwriting, feasibility study and business plan.

How Captives Work



Fenix Concepts

Elevated success through proper Risk Management

Company Overview

- **25+ years experience** in insurance products
- **Manages / facilitates** pooling of licensed insurance companies
- **Approved captive insurance manager** by the Montana Commissioner of Securities & Insurance
- **Clients** in diverse industries, including:

Agriculture
Auto Dealerships
Commercial Real Estate
Construction
Education

Manufacturing
Marketing/Advertising
Medical
Restaurants
Tech

Fenix Leadership

KATRINA BARRETT

Founder/Member

- 11+ years managing assets for captive insurance companies
- Owned Wall Street-based proprietary mutual fund company
- Holds FINRA Series 7 and Series 65 licenses
- Licensed in accident, health and life insurance, and annuities
- Education: B.A. in Business, University of Miami

DEREK J. BURDSALL

Founder/Manager/General Counsel

- Manages policies and procedures
- Oversees independent insurance service providers
- Prepares documentation and insurance policies
- Founded Burdsall Law, PLLC - background in corporate and business law
- Education: J.D., University of Arizona – James E. Rogers College of Law; B.S., University of Arizona

FRANK V. WHITEHEAD

Founder/Manager/Member

- 25+ years as Insurance Agent
- Manages vendor and client relationships
- Oversees banks/brokerage accounts under manage
- Licensed in accident, health, life, and property and casualty insurance, and annuities
- Education: B.S., Arizona State University

Fenix Responsibilities



Organization & Application

- Preferred domicile
- Legal
- Org. structure



Actuarial & Underwriting

- Underwriting risk review
- Actuarial study pricing reviews
- Actuarial reserve reviews
- Policy underwriting



Account Management

- Capital account
- Reserve account
- Funds withheld account



Claims Management

- Claim reporting
- Claims administrator
- Claims adjuster
- Reinsurance



Accounting & Reporting

- Annual reports
- Reserve account
- Funds withheld account



Internal Governance

- Board of directors
- Officer
- Manager

Proprietary Claims Reporting System

FENIX INSURANCE GROUP

Company A

- Division 1
- Division 2
- Division 3

SEARCH FOR CLAIM

Recently Updated | No Recent Activity

Grid View | List View

Division 1

PRIMARY CONTACT: Individual User Name

RECENT ACTIVITY

New Claim (6/1/18)

Claim No: 10648453154

Claim No: 746821

VIEW ALL CLAIMS

Division 2

PRIMARY CONTACT: Individual User Name

RECENT ACTIVITY

No claims have been updated.

VIEW ALL CLAIMS

Division 3

PRIMARY CONTACT: Individual User Name

RECENT ACTIVITY

No claims have been updated.

VIEW ALL CLAIMS

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FENIX INSURANCE GROUP

Company A: Division 1

BACK TO COMPANY LIST

All | New | Recently Updated | No Recent Activity | Archived

SEARCH FOR CLAIM

Grid View | List View

+ NEW CLAIM

NEW

CLAIM: Assign Number

STATUS: Fenix to Review

Plumbing broke at Camelback location.

Requested Amount: \$2,000

Last Updated: 2 weeks ago

Created: 7/18/18

VIEW CLAIM

RECENTLY UPDATED

CLAIM: 10648453154

STATUS: Accepted

Cleaning crew injury after hours.

Requested Amount: \$2,000

Last Updated: 2 hours ago

Created: 12/6/17

VIEW CLAIM

CLAIM: 746821

STATUS: Division 1 to Review

Car accident in underground parking spot

Requested Amount: \$35,645

Last Updated: 3 hours ago

Created: 1/25/18

VIEW CLAIM

CLAIM: 61246513424

STATUS: Company A to Review

2nd floor printer broke

Requested Amount: \$500

Last Updated: 2 days ago

Created: 1/25/18

VIEW CLAIM

NO RECENT ACTIVITY

CLAIM: 843845348711

STATUS: Division 1 to Review

Tree damage to building

Requested Amount: \$1,300

Last Updated: 1 month ago

Created: 2/15/18

VIEW CLAIM

CLAIM: 15487725482

STATUS: Division 1 to Review

Damage to multiple laptops

Requested Amount: \$6,000

Last Updated: 6 months ago

Created: 3/22/17

VIEW CLAIM

+ NEW CLAIM

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FENIX INSURANCE GROUP

Company A: Division 1

RETURN TO DASHBOARD

General | Activity | Messages | Files

Last Updated: Today a minute ago

ADD CLAIM NUMBER:

Save

STATUS: Fenix to Review

CHANGE STATUS

Plumbing broke at Camelback location.

Claim Amount: \$2,000

ACCEPT CLAIM

REJECT CLAIM

Claim Submitted: 7/18/18

Integer est ipsum, faucibus non ornare nec, varius sed diam. Suspendisse at vulpate odio, aegestas bibendum ligula. Ut luctus tellus sed lobortis congue. Maecenas ornare non arcu non imperdiet. Phasellus ultrices, turpis et mollis lacinia, enim fella feugiat metus, sed luctus turpis nulla dignissim enim. In urna eros, scelerisque ut fella eget, cursus convallis mauris.

Attachment1_Name.pdf

Attachment2.pdf

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Financial Summary

Pro Forma Income and Expenses

5-Year Cash Flow Projections

	Year 1	Year 2	Year 3	Year 4	Year 5	CUMULATIVE
REVENUE						
Feasibility	\$ 100,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 300,000
Formation	250,000	125,000	125,000	125,000	125,000	750,000
Management	426,000	876,000	1,101,000	1,326,000	1,551,000	5,280,000
Sub-Total	776,000	1,051,000	1,276,000	1,501,000	1,726,000	6,330,000
P&C Pooling	139,614	289,614	364,614	439,614	514,614	1,748,070
Healthcare Pooling	75,000	90,000	105,000	120,000	135,000	525,000
Sub-Total	214,614	379,614	469,614	559,614	649,614	2,273,070
TOTAL	990,614	1,430,614	1,745,614	2,060,614	2,375,614	8,603,070
EXPENSES	(444,400)	(494,400)	(544,400)	(594,400)	(644,400)	(2,722,000)
EARNINGS	\$ 546,214	\$ 936,214	\$ 1,201,214	\$ 1,466,214	\$ 1,731,214	\$ 5,881,070

This Pro Forma should be used solely for hypothetical purposes, and is based on following assumptions:

- (1) Current projections carry forward, into Year 1;
- (2) 10 new participants are formed during Year 1, and 5 are formed each Year thereafter;
- (3) Each new participant pays Feasibility Fee of \$10,000.00 and Formation Fee of \$45,000.00, and Management Fees of \$45,000.00 each year after formation;
- (5) Healthcare reimbursement risk pool is established, has 10 participants in Year 1, and 2 additional participants join each year thereafter;
- (4) Each new participant cedes \$500,000 to P&C risk pool, where such amount is subject to a ceding commission equivalent to 3% of such amount;
- (6) Each participant in healthcare reimbursement pool is subject to fee of \$7,500 per year with respect to participating in the healthcare program;
- (7) Total expenses are based on projections, beginning with those projected for the ensuing calendar year; and
- (8) No preexisting or new clients terminate business relationship with FNX Concepts, LLC during hypothetical 5-year period shown.

Past performance does not guarantee any future results.



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