Spring blooming

Spring Consulting's new captive is attracting interest from parties looking to fund medical stop-loss, although Karin Landry anticipates a healthy mixture of risks in the future

Karin Landry, Managing partner, Spring Consulting

What was the main driver behind setting up the Bloom Insurance Company, Spring Consulting's new series captive?

From the work we have done with our clients over the years, we saw a real market need for a turn-key captive solution that can be enjoyed by companies of all sizes that want the benefits of captive funding without the commitment and expense of starting one from scratch, particularly in the benefits arena.

How will the series captive work and what risks will it cater for?

Each company or group of companies that choose Bloom will rent a series within the captive structure. All series will share Bloom's pre-selected vendors including wellness, voluntary benefits, captive management and accounting services, which will save them significant administrative costs in the long run.

While we have seen the most interest in Bloom's early stages coming from companies looking to fund medical stop-loss, we anticipate a healthy mix of risks covered within the captive.

Are you seeing an increase in multinational pooling and captives being used to limit the cost of insurance employee benefits globally?

As captive consultants with an international client base, we are definitely seeing a movement globally to consolidate employee benefits portfolios among multinational employers by utilising pooling along with captive programmes.

Many global organisations have their own captives. For those that do not, a series or cell company is a possible solution.

Aside from the inherent cost and resource efficiencies gained in consolidating benefit plans, such a move also provides an employer with much better data and the ability to use the data to make more informed decisions.

Above and beyond cost savings, how else are captives being utilised to deal with employee benefits?

While cost savings are a big consideration in moving benefits to a captive, there are a number of additional areas that make such a funding structure desirable.

First and foremost is greater control over an employer's benefit plan design, data and funding arrangements after moving them to a captive.

An employer can create a plan structure that is most suited for their particular needs and has more direct access to their data, allowing them to make more informed decisions about the plan.

Additionally, captives offer an employer risk diversification and this includes benefit funding as well as property and casualty funding. CIT