

Captive Grant Programs

*Strengthening the
Bonds Between
Insureds and Captive*

November 11, 2016



Agenda

- Introduction of a grant program
- Goals of the program
- Addressing common issues
- Examples of grants
- Questions

What is a Grant program?

A defined program that makes captive funds available to the parent. Key points:

- should not be an alternative to the capital budget
- should be promoted and discussed throughout the organization
- staff understanding and participation should be encouraged

Captive Grant goals

Primary Goals of a Grant Program

- Promote loss control
- Reduce losses
- Engage staff in risk management process

Captive grant goals

Loss Control Goals: Key Points

- Loss control is key to effective risk management.
- Non-risk management staff may not fully understand the term, “loss control.”
- An appropriate name for the program should be chosen.

Captive grant goals

Loss Reduction Goals: Key Points

- The activity or project must address an area of concern.
- The impact of the project needs to be measurable.
- These facts may need to be explained to staff not working in finance or risk management.

Captive grant goals

Staff Engagement: Key Points

- The proposed project needs management/executive support.
- Support should be as broad as possible.
- Support from the C-suite is critical for success.

Addressing common issues

- There will be “capital” requests.
- Confusion may exist regarding the scope of the grant—it is limited.
- Arguments will be made that funds can be spent elsewhere.

Addressing common issues

Issues Related to Capital

- Likely to see departments try to use these funds for normal purchases.
- Some circumstances will warrant using captive funds.
- Grants with capital requests should be considered carefully.

Addressing common issues

Key Program Steps Should Be Followed

- Develop formal guidelines.
- Promote the program within the organization.
- Develop a formal application for grant monies.
- Identify a single person/department responsible for the program.

Addressing common issues

A “Textbook” Grant Has Specific Features

- A loss trend is identified.
- An employee/staff member has an idea for preventing these losses in the future.
- This person(s) submits an application to the board.
- All of this happens organically.

Examples of captive grants

- Funds for physician office practice EMR
- A safe patient handling assessment, and policy development
- Combined grant with Quality Department to purchase equipment for safely “wasting” medication
- Enterprise risk assessment

Questions?



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