Delaware Series LLC and Series Business Units ("SBU")

The Delaware Limited Liability Company Act (the “LLC Act”) provides options to create a SBU which comprises a single limited liability company. Each such SBU may have separate rights, powers or duties with respect to specified property or obligations of the limited liability company or profits and losses associated with specified property or obligations, and any such SBU may have a separate business purpose or investment objective. In addition, the LLC Act provides that the records maintained for any such SBU account for the assets associated with such SBU separately from the other assets of the limited liability company, or any other SBU thereof. Further, if the limited liability company agreement provides, and if notice of the limitation on liabilities of a SBU as referenced is set forth in the certificate of formation of the limited liability company, then the debts, liabilities, obligations and expenses incurred, contracted for or otherwise existing with respect to a particular SBU shall be enforceable against the assets of such SBU only, and not against the assets of the limited liability company generally or any other SBU thereof. Unless otherwise provided in the limited liability company agreement, none of the debts, liabilities, obligations and expenses incurred, contracted for or otherwise existing with respect to the limited liability company generally or any other SBU thereof shall be enforceable against the assets of such SBU. The Insurance Department of Delaware allows for the formation of captive insurance companies by a series limited liability company. Tours Insurance Company, LLC which is affiliated with Active Captive Management LLC, is licensed by the State of Delaware as a captive insurance company. Under rulings from the IRS each SBU will have a separate tax identification number and will be responsible to file its own income tax returns. The operating agreement of Tours Insurance Company, LLC provides that there is no sharing of assets or liabilities between the SBUs of Tours Insurance Company. Tours Insurance Company is a licensed captive insurance company in the State of Delaware. Tours is authorized to create separate SBU upon approval of the business plan of the respective SBU.

The Active Captive Domestic SBU Advantage

Ultimately a Captive Insurance Company owner benefits from the ability to assume risk and manage exposure and costs, without dependency on the commercial insurance market. “Captives” may be formed in a variety of designs, the simplest being an SBU, which insures the risk of the operating business. As a cost effective Risk Management Solution, Company capital is expensed to a subsidiary rather than a commercial insurer. ACM believes that Captive Management Services require the perfect combination of experienced talent necessary to deliver an alternative risk solution that is fiscally sound, creative in insurance program design and regulatory compliant. The Active Captive team provides expertise in all capacities essential to structure, implement and manage a viable Captive.

▲ Capital Preservation
▲ Access to the Reinsurance Market
▲ Eliminate Coverage Limitations
▲ Lower Insurance Costs
▲ Improved Cash Flow
▲ Risk Retention
▲ Risk Management
▲ Control and Manage Insurance Costs
▲ Applicable to any industry

▲ Tax Advantages
▲ Estate Planning Options
▲ Increase Deductibles
▲ Owner Financed Risks
▲ Custom Designed Coverage for specialty Risk
▲ Customize Allocation of Deductibles for
▲ Self Insurance Retention
▲ Manage Claims and Administration
▲ Capture underwriting profit and investment Income
Active Captive Domestic SBU program

The Series LLC – SBU structure is a cost effective risk management strategy.

▲ Treated as single entity
▲ Single premium tax
▲ Legal Separation of SBU's
▲ Reduced Administrative and general expenses
▲ Flexibility in Economics & Governance
▲ Consolidated Accounting

SBU Program Characteristics

The Series Business Unit design provides an alternative to larger captive structures that require greater capital expenditure while delivering alternative risk financing alternative to reduce exposure.

▲ Single Legal Entity
▲ The SBU may be managed by a majority interest of its members, or by a manager
▲ The SBU may have the same members or different Members, all with the Same Interests or different
▲ Liabilities of one SBU will not be attributable to the other SBUs or the Series Organization
▲ The SBU may have voting or non-voting members or both, authorized in formation documents of the Series Organization
▲ Premium Tax is Imposed at Series Core LLC Organization Level
▲ Creditors of one SBU may not reach the assets of other Cells or the Core organization