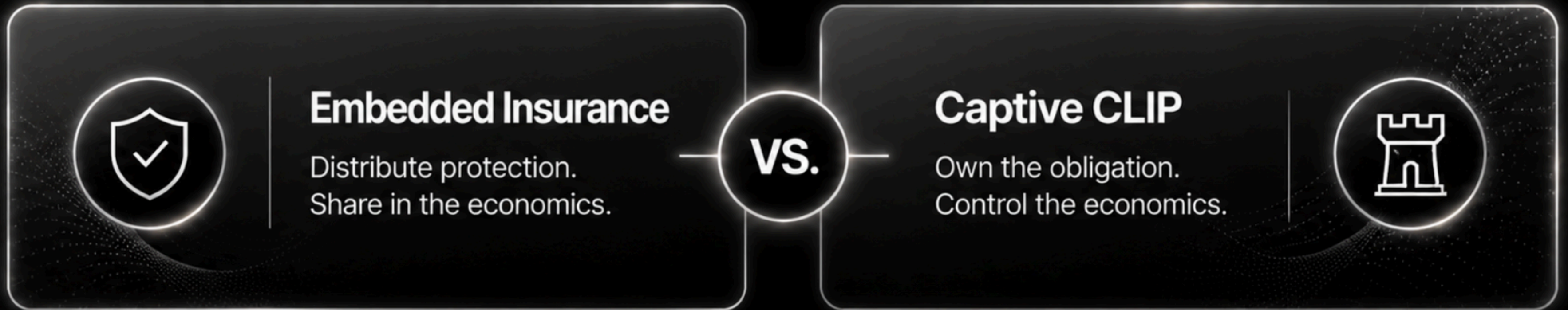



Embedded Insurance vs. Captive CLIP

Why the real strategic question is who owns the risk and the economics.

A practical guide to distribution, ownership, and long-term risk economics.



 **From distribution revenue to risk ownership.**

Embedded Insurance vs. Captive CLIP

The real question is not distribution. It is who owns the risk and the economics.



Embedded Insurance



Distribute a third-party product



Fast launch and low operational burden



Revenue through commissions or rev share



Carrier controls pricing, claims, and underwriting



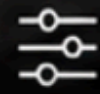
Captive CLIP



Back your own contractual obligation



Retain underwriting economics



Greater control over claims and product design



Turns risk into part of financial architecture



One model monetizes distribution. The other can monetize control.

Why the Difference Matters

Embedded insurance is often a distribution model. Captive CLIP is a risk-ownership model.



Control

Embedded insurance gives limited control. Captive CLIP can give more control over pricing, claims strategy, and product design.



Economics

Embedded insurance usually caps upside at fees or commissions. Captive CLIP may allow participation in underwriting profit.



Defensibility

A distribution model can be replicated. A structure built on data, risk discipline, and ownership can become a moat.



If you understand the risk, the bigger opportunity may be owning more of it.

The Regulatory Point Companies Cannot Ignore

This is where companies need to be careful.



Embedded Insurance Distribution Model

“We are selling insurance to our customers.”



Risk-Financing Structure

“We have insured our own contractual obligation.”

That distinction can affect licensing, marketing language, policy design, consumer disclosure, claims handling, and state-by-state regulatory analysis.

If the obligation is consumer-facing, warranty-like, multi-state, or marketed as insured protection, the legal and regulatory architecture must be built correctly.



A company cannot create an “insured guarantee” by adding those words to a website. The insurance structure has to support the promise.



Marketing language



Policy form



Issuing carrier



Claims process



Contract wording



This is not a cosmetic distinction. It is often the difference between a scalable structure and a regulatory problem.

Key Takeaways

What companies should remember when evaluating embedded insurance vs. captive CLIP.



Embedded Insurance

A strong starting point for speed, convenience, and distribution revenue.



Captive CLIP

A more advanced structure for companies that want greater ownership of risk economics.



The Strategic Question

Are you simply adding protection, or are you building insurance into your business model?



The Opportunity

For the right company, risk can become a profit center rather than a pure cost.

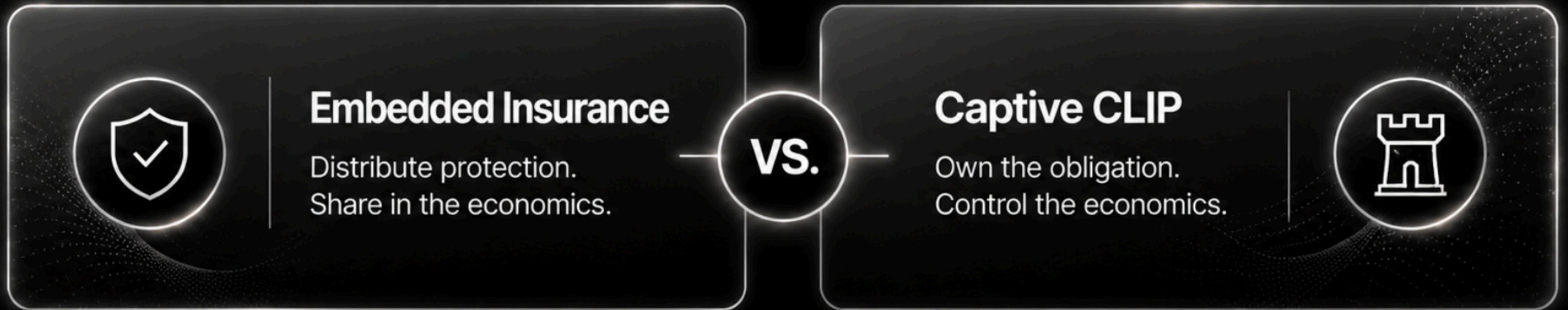



The deeper issue is not whether to offer insurance. It is whether to keep giving away the economics.

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Let's Talk

For companies evaluating embedded insurance, CLIPs, captives, and risk ownership strategies.



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Structure matters. So does who owns the economics.

