**What is a Captive?**
A captive is an insurance company specifically established to insure the risks of its owners or participants.

**What is Fiat Lux Risk and Insurance Company?**
Fiat Lux is a non-profit pure licensed and regulated captive insurance company owned and controlled by the Regents of the University of California.

**What does Fiat Lux do?**
- **Insures** over 30 different Coverages for UC
- **Examines** data to find trending risks
- **Provides** money to pay claims under the UC deductibles
- **Buys** reinsurance for UC in London and Bermuda

**What are the benefits?**
- By strategic financing of risk, Fiat Lux allows the University to:
  1. Reduce premiums and the cost of loss
  2. Create greater financial stability
  3. Protects University people and assets

**How does Fiat Lux finance the University’s risks?**
1. **Identify**
   - Physical Risks
   - Operational Risks
   - Financial Risks
2. **Quantify**
   - Actuaries examine claims history to quantify how much money to set aside for the next year.
3. **Finance**
   - Fiat Lux pays UC for claims under their deductibles then purchases reinsurance for claims exceeding the deductibles in the London and Bermuda markets.
4. **Manage**
   - Risk Services and Centers of Excellence manage the day to day risk to keep claims low.