



A YEAR IN THE LIFE OF A REINSURANCE CONTRACT

Course Description

The programme will provide participants with a full understanding of the technical issues and processes involved in managing both proportional and non-proportional reinsurance contracts from the day they are conceived until the final claim is settled or the contract is commuted.

Target Audience

Anyone new to reinsurance underwriting, claims handling, or contract and contract wording preparation / checking or those who are already experienced in one area but wish to see the “wider” picture

Course Objectives

On completion of the course delegates will:

- Understand the functions and processes of reinsurance
- See how each part of the process of reinsurance links to the next, enabling a greater understanding of their part in the process and how it impacts on the whole.

Course Format

The course will be presented by a lecture, discussion, exercises and case studies.

Course Content

Step 1 - Pre-Placement

- Information required to make a Professional Decision
- The Importance of the Risk Profile – what is needed and why?
- The Retention – Deductible Decision Making Process
- The Impact of the Account being protected on Cover and Style of Cover Needed
- The Types of Reinsurance that are most likely to be effective

Step 2 - Preparing for the Placement

- Preparing the Information Schedule and Offer Contract
- Terms, Conditions, Exclusions e.g. Jurisdiction, Special Cancellation, Hours and Reinstatement Clauses

Step 3 - Underwriting the Risk

- What price and terms would you expect / want / get?
- What is meant by cost / price of reinsurance?

Step 4 – Reinsurance Security

- What Security has been used?
- Is it acceptable?
- Some simple things to look out for

Step 5 – Documentation

- Checking and preparing the Wording

Step 6 – The Accounts Process

- The items - presentation and calculation
- Excess of Loss
 - Deposit Premium
 - Adjustment
 - Losses
 - Reinstatements
 - Burning Cost
- Proportional
 - Quarterly Accounts
 - Portfolios
 - Reserve Deposit
 - Profit Commission

Step 7 – Risk Bigger than Normal – What to do?

- Facultative Excess of Loss - Proportional
 - The differences
 - The different accounts processes

Step 8 – Preparing for the Renewal

- Updating Information
- Statistics

Step 9 – Three Years On!

- What might still be happening on some of these reinsurances?
- Losses
- Adjustments to Burning Cost
- The Impact of Incurred but NOT reported losses (I.B.N.R.) on the treaty results

Step 10 – Five Years or More On - Commutation

- Is it a necessity?
- Is it a possibility?
- The issues to consider

