

# UNDERSTAND REINSURANCE



Online Course



**ANZIIF**

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## Introduction

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This course introduces the fundamental concepts of reinsurance, including why insurers use reinsurance and the types and methods involved.

## Suitability

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This course is suitable for: -

- Reinsurers
- Underwriters
- Claim Teams
- Insurer Brokers
- Business Development and Sales Teams
- Risk and Compliance Officers
- Loss Adjusters and Risk Surveyors

## Learning Outcomes

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On completion of this course, you will be able to: -

- Define reinsurance
- Outline the types and methods of reinsurance
- Outline the categories used within treaty reinsurance
- Understand the reinsurance claims process



## Module One

### Outlining Reinsurance

At the end this module, you will have:

- Learned that reinsurance is insurance for insurers
- Looked at the roles of those involved in the industry
- Discovered the fiscal importance of reinsurance to insurers
- Learned about the global scope of the reinsurance market

### What is Covered

- What is reinsurance?
- The reinsurance players
- Reinsurance process
- Why have reinsurance?
- Balanced and unbalanced portfolios
- Balance in the portfolio
- The benefits of reinsurance
- The reinsurance market
- The global reinsurance market
- General principles of reinsurance
- Law and regulation
- Reinsurance management
- Reinsurance contracts
- Reinsurance terms

## Module Two

### Methods of Reinsurance and Facultative Reinsurance

On completion of this module you will have learned about: -

- The two main methods of reinsurance: proportional and non-proportional reinsurance and how these methods are applied, as well as their advantages and disadvantages
- The use of a broker
- Reinsurance placement and commission
- Pricing reinsurance
- The first of the two types of reinsurance, facultative reinsurance

## What is Covered

- Reinsurance overview
- Methods of reinsurance
- Proportional reinsurance
- Non-proportional reinsurance (excess of loss)
- Summary of proportional and non-proportional reinsurance
- Pricing reinsurance
- Types of reinsurance
- Facultative reinsurance
- Facultative reinsurance: proportional and non-proportional
- Facultative: advantages and disadvantages
- Using a reinsurance broker: facultative
- Facultative reinsurance placement
- Facultative reinsurance commission

## Module Three

### Treaty Reinsurance and Proportional Treaty Categories

On completion of this module you will have learned about: -

- Treaty reinsurance and how it can be transacted on either a proportional or non-proportional basis
- The advantages of treaty reinsurance
- The role and value of a broker when dealing with treaty reinsurance
- The three proportional categories of treaty reinsurance: quota share, surplus and facultative obligatory
- Event limits and proportional treaties.

## What is Covered

- Treaty reinsurance
- Insurance classes
- Treaty reinsurance methods
- Benefits of a treaty
- Treaty documentation
- The role of the reinsurance broker: treaty
- Treaty reinsurance: categories
- Quota share
- Quota share: example surplus
- Surplus: multiple surplus treaties
- Facultative obligatory

## Module Four

### Non-proportional Treaty Categories and Reinsurance Claims

On completion of this module you will have covered and understood: -

- The categories of reinsurance that fall within a non-proportional treaty
- Treaty reinsurance placement
- Some common reinsurance principles: retention; risk layering; vertical and horizontal exposures
- Reinsurance claims

#### What is Covered

- Event limits and proportional treaties
- Per risk excess of loss (XL) Per event XL
- Per event XL: special treaty clauses
- Per event XL: case study Per event XL: Defining a program
- Per event XL: Risk perils Aggregate XL (or stop loss)
- Treaty reinsurance placement
- Common reinsurance principles
- Common reinsurance principles: net retention
- Common reinsurance principles: gross retention
- Common reinsurance principles: risk layering
- Common reinsurance principles: vertical and horizontal exposures
- Reinsurance claims Bordereau (plural bordereaux)
- Facultative claims
- Proportional treaty claims
- Non-proportional treaty claims



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