

# Young Insurance Professionals Programme (YIPP)

## Course 03: Advanced Reinsurance Course

### Course Overview

The objective of this course is to build on the knowledge gained in the previous two courses (basic and intermediate) to enable one to design a reinsurance programme. The course utilizes the principles and application of Reinsurance learnt earlier and further delves into the “mixing and matching” that makes up the decision-making process in successful reinsurance program design.

This interactive course supports those involved in designing, placing or underwriting reinsurance programmes seeking a better understanding of the processes involved in planning and implementing a reinsurance programme.

### Course Objectives

At the end of this course delegates will:

- Understand the reinsurance planning and buying process
- Be able to explain the different ways of arranging a reinsurance programme and the effect of different decisions both on the buyer and the seller
- Understand, design, package and price a reinsurance programme
- Be able to create realistic loss scenarios for the different classes of business and the possible interaction between these classes.

Appreciate the resources necessary to administer different forms and types of reinsurance cover.

# Young Insurance Professionals Programme (YIPP)

## Course Outline

1. Introduction:
  - 1.1. Review of courses 1 & 2 and how the knowledge will assist in designing a reinsurance programme
2. Basic building blocks
  - 2.1. What is a risk/event? The risk "iceberg".
  - 2.2. What is a loss - losses occurring, policies issued, claims discovered, claims made.
3. Realistic disaster analysis – what could happen and how much could it cost
  - 3.1. Property
  - 3.2. Liability
  - 3.3. Marine hull and cargo
  - 3.4. Life and sickness
  - 3.5. Aviation
4. Reviewing internal resources
  - 4.1. Administration to distribute risks and losses under different types of cover.
  - 4.2. Accounting requirements of different types of cover
  - 4.3. Information requirements
5. Revisiting the basic forms and types of reinsurance.
  - 5.1.1. Facultative reinsurance
    - i. Key features
    - ii. Advantages and disadvantages
  - 5.1.2. Treaty reinsurance

# Young Insurance Professionals Programme (YIPP)

- i. Key features
- ii. Proportional treaty reinsurance
- iii. Non-proportional reinsurance

## 6. Reinsurance structures

6.1.1. The objectives of a reinsurance programme

6.1.2. Factors which influence programme design

6.1.3. Setting retentions

6.1.4. Combining proportional and non-proportional covers

6.1.5. Scenario analysis, examples of running losses through various structures. The impact of reinstatement premiums and annual aggregate deductibles. Identifying problems

6.1.6. Consideration of alternative risk transfer methods

6.1.7. Pricing logic / affordability.

## 7. Important clauses

## 8. Choice of reinsurer

## 9. Choice of reinsurance intermediary

## 10. Conclusion

## 11. Test

## 12. Glossary

# Young Insurance Professionals Programme (YIPP)

## General Information

**Course Format:** online

**Duration:** 3 hours in one sitting, 10 days for self-paced

**Target Audience:** Anyone who wishes to widen their technical knowledge of reinsurance.

**Delivery Approach:** Case studies, aptitude tests, examples