

Young Insurance Professionals Programme (YIPP)

Course 05: Advanced Technical Reinsurance Accounting

Course Overview

When a ceding company have an area where it requires non-proportional reinsurance, where losses are highly likely to occur and the number of losses may vary considerably from year to year, it becomes expedient that premium be calculated based on the burning cost of the treaty. This course opens the learner up to the intricate methods of calculating premium based on the conditions available in a reinsurance slip and treatment.

Course Objectives

At the end of this course delegates will:

- Be familiar with the more complex accounting methods in non-proportional slips and treaties.
- Be able to calculate premium for non-proportional treaties with burning cost premium calculations subject to minimum and maximum rates, including reinstatement calculations.
- Understand how to account for stop loss treaties with loss participation. Top and drop excess of loss covers. Commutation. Run-off aggregate covers.
- Be familiar with the more complex calculations of premium reserves and portfolios.
- Be familiar with the more complex distribution of risks and losses through reinsurance programmes comprising both.
- Proportional and non-proportional treaties and facultative cessions.
- Be familiar with the preparation of as-if statistics.

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Course Outline

1. More Complex Non-proportional Accounting

- 1.1. Burning Cost Premium Calculations
- 1.2. Stop Loss Treaty
- 1.3. Top and Drop Excess of Loss Treaty
- 1.4. Run-off Aggregate Cover

2. More Complex Proportional Accounting

- 2.1. Preparation of Accounts Subject to a Sliding Scale Commission
- 2.2. Preparation of Consecutive Profit Commission Statements with Losses Carried Forward Three Years, and Losses Carried Forward to Extinction
- 2.3. Preparation of Accounts with Claim Participation and Loss Corridors

3. More Complex Non-traditional Accounting

- 3.1. Accounting Under a Financial Quota Share
- 3.2. Collateral and non-Collateral Accounting
- 3.3. Preparation of Experience Accounts

4. More Complex Accounting

- 4.1. Premium Reserves
- 4.2. Premium Portfolios

5. The Distribution of Risks and Losses through Reinsurance Programmes

6. Preparation of As-If Statistics

- 6.1. Proportional As-Ifs

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6.2. Non-proportional As-Ifs

7. Conclusion

8. Appendix

General Information

Course Format: Online

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

Target Audience: Reinsurance Technical Accountants and/or manager of Reinsurance, Actuaries.

Delivery Approach: Case Studies, Aptitude Tests, Examples