

Introduction to Proportional Treaty Insurance

Duration: 1 Day

About the course

This is introduction to proportional treaty reinsurance designed to give attendees a working understanding of why treaties exist, how they operate and the basic servicing issues involved. This is a participative event, with a mixture of tuition and guidance together with practical exercises. Delegates are encouraged to actively participate in the course through discussion with the course leader and the other attendees.

Who should attend?

This is a course designed principally but not exclusively for staff who are working in a reinsurance environment and whose current job calls for a more detailed knowledge of the subject. For technicians and or brokers, this would normally be individuals that have been working in insurance or reinsurance for between 1-3 years.

Course Content

At the end of the event attendees should understand and be able to explain the concept of Risk

- Sharing and the Purpose of the Proportional Account:
 - the principle of proportional reinsurance
 - the concepts of Quota Share and Surplus treaties and the effect they may have on an Insurers capacity to write business
 - the advantages and disadvantages of this business to both the Reinsured and the Reinsurers.

- Technical Accounting and its Component Parts
 - how risks, liability, premium & claims are allocated to treaties
 - the different types of commission that can apply to treaties, their effect on possible profitability and to calculate standard profit and sliding scale commissions
 - the principles and purpose of premium and loss reserves and how they are calculated
 - understand the component parts of technical treaty accounts and be able to complete standard treaty statements for Reinsurers

- Issues and Pitfalls
 - be aware of the main problems and errors associated with treaty technical accounting and how to avoid them