



معهد الخليج لدراسات التأمين
GULF INSURANCE INSTITUTE

Certificate in Applied Insurance Studies

Reinsurance

Course Code	ACRI
Content	Unit 1: Purpose of Reinsurance Unit 2: Legal Principles Unit 3: Methods of reinsurance Unit 4: Proportional Treaties Unit 5: Non proportional Treaties Unit 6: Classes of Insurance Unit 7: Reinsurance Market
Duration	24 hours of structured learning involving classroom sessions, Q & A and case studies.
Audience	Intermediate
Learning Objectives	At the end of this course participants will be able to:

1. Purpose of Reinsurance

- 1.1 Explain the reasons for buying reinsurance
- 1.2 Outline retention policies and capacity of an insurer

2. Legal principles

- 2.1 Be aware of the following legal issues involved in reinsurance:
 - 2.1.1 Formation of Contract
 - 2.1.2 Privity of Contract
 - 2.1.3 Law and Jurisdiction
 - 2.1.4 Alternative Dispute resolution
 - 2.1.5 Regulatory Issues

3. Methods of reinsurance

- 3.1 Explain the meaning of Facultative reinsurance and its application
- 3.2 Explain the meaning of treaty reinsurance and its application
- 3.3 Be aware of Facultative Obligatory reinsurance
- 3.4 Be aware of Retrocession and its affect on the cedant

4. Proportional Treaties

- 4.1 Explain the types of proportional treaties
 - 4.1.1 Quota Share
 - 4.1.2 Surplus
- 4.2 Explain the treatment of premiums, commissions and claims under proportional treaties
- 4.3 Outline the reporting and accounting duties of the cedant under proportional reinsurance
- 4.4 Outline the statistical requirements for the placing and pricing proportional treaties.



معهد الخليج لدراسات التأمين
GULF INSURANCE INSTITUTE

5. Non proportional treaties

- 5.1 Explain the types of non-proportional treaties
 - 5.1.1 Excess of Loss
 - 5.1.2 Stop Loss
- 5.2 Explain the treatment of premiums, commissions and claims under non-proportional treaties
- 5.3 Outline the statistical requirements for the placing and pricing of non-proportional treaties

6. Wordings

- 6.1 Outline a typical Reinsurance wordings including:
 - 6.1.1 Proportional
 - Business Clauses
 - Territorial limits
 - Limits and retentions
 - Attachment and termination
 - Original Terms
 - Other Reinsurance
 - Commission
 - Accounts
 - Claims advice ad settlement
 - Premium reserve
 - Outstanding Loss reserve
 - Portfolio transfer
 - 6.1.2 Non proportional
 - Basis of cover
 - Territorial limits
 - Event Definition
 - Losses Occurring/Discovered/Claims made
 - Ultimate Net loss
 - Premium income
 - Reinstatement
 - Claims Notification and reporting
 - 6.1.3 Common
 - Underwriting policy
 - Access to/inspection of records
 - Arbitration
 - Communication
 - Terrorism exclusion
 - Law and jurisdiction



معهد الخليج لدراسات التأمين
GULF INSURANCE INSTITUTE

7. Classes of insurance

- 7.1 Outline the most appropriate reinsurance arrangements for the following classes of insurance
 - 7.1.1 Property
 - 7.1.2 Accident
 - 7.1.3 Liability
 - 7.1.4 Motor
 - 7.1.5 Medical
 - 7.1.6 Life
 - 7.1.7 Marine

8. Reinsurance markets

- 8.1 Be aware of the type of buyers of reinsurance including composite companies, captives, mutuals and underwriting members at Lloyd's
- 8.2 Be aware of the types of providers of reinsurance and the services they offer including specialist reinsurers, general insurance and reinsurance companies, Lloyd's and underwriting pools
- 8.3 Explain the role of the Reinsurance Broker
- 8.4 Be aware of the principal reinsurance markets in the world
- 8.5 Be aware of the regulatory approach to the selection of reinsurers
- 8.6 Be aware of the factors affecting the attraction of reinsurance business into a market.
- 8.7 Be aware of the use of IT in the transaction of reinsurance business

Private study	Students should undertake a minimum of 75 hours of private study
Assessment	Two hours multiple choice paper consisting of 100 questions
Language	These courses are available in English and in Arabic.
Accreditation	1 credit towards Associate of the Gulf Insurance Institute
Certificates	Certificates will only be issued to candidates passing the test.