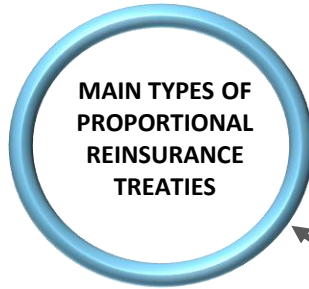
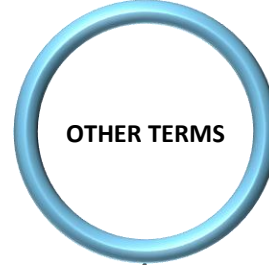




- ✓ Quota share: the sharing of all risks between the insurer and the reinsurers
- ✓ Surplus treaty: The insurer retains the smaller risks while sharing proportionately the larger risks

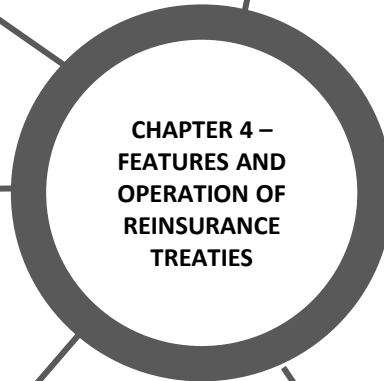


MAIN TYPES OF PROPORTIONAL REINSURANCE TREATIES



OTHER TERMS

- ✓ Premium reserve deposits
- ✓ Claims or loss reserve deposits
- ✓ Cession limits
- ✓ Event limits

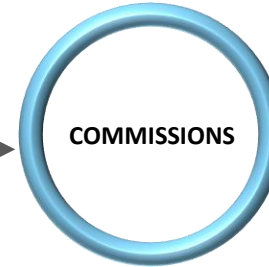


CHAPTER 4 – FEATURES AND OPERATION OF REINSURANCE TREATIES



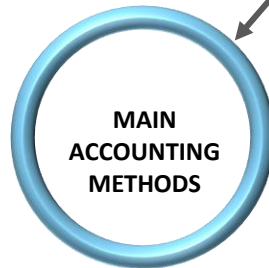
FACULTATIVE OBLIGATORY REINSURANCE

- ✓ A form of treaty for the placing of a number of individual cessions



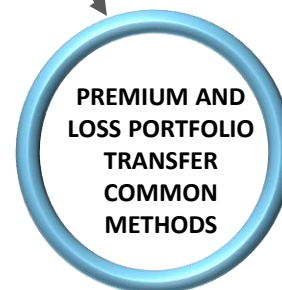
COMMISSIONS

- ✓ Flat-rate commission
- ✓ Profit commission (Flat-rate basis)
- ✓ Sliding scale commission
- ✓ Loss participation or reverse profit commission



MAIN ACCOUNTING METHODS

- ✓ Underwriting year accounting
- ✓ Clean cut accounting



PREMIUM AND LOSS PORTFOLIO TRANSFER COMMON METHODS

- ✓ Fixed percentage
- ✓ Eights basis
- ✓ Twenty-fourths basis

