EMPOWER DEVELOPMENT

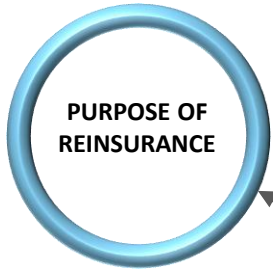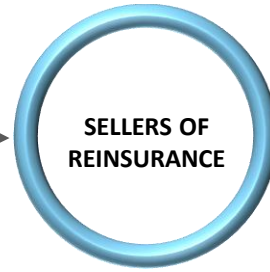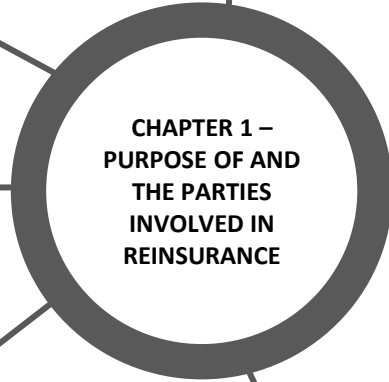**4** QUESTIONS

PURPOSE OF REINSURANCE

- ✓ Spreads risk
- ✓ Increases capacity
- ✓ Provides security
- ✓ Increases confidence
- ✓ Increases stability in results
- ✓ Portfolio and asset management
- ✓ Taxation advantages
- ✓ Cash flow advantages

HOW BROKERS SERVICE CLIENTS BUSINESS

- ✓ Prepare and collect claims
- ✓ Provide market intelligence
- ✓ Arrange reciprocity
- ✓ Check security offered by reinsurers
- ✓ Provide documentary and analytical services including contract wordings
- ✓ Provide risk management

CHAPTER 1 – PURPOSE OF AND THE PARTIES INVOLVED IN REINSURANCE

BUYERS REINSURANCE

- ✓ Insurance companies
- ✓ Lloyd's syndicates
- ✓ State-owned insurance corporations
- ✓ Regional insurance corporations
- ✓ Takaful companies
- ✓ Captive insurance companies
- ✓ Mutual insurance companies
- ✓ Reinsurance companies
- ✓ Reinsurance pools

SELLERS OF REINSURANCE

- ✓ Reinsurance companies
- ✓ Lloyd's syndicates
- ✓ Direct insurance companies
- ✓ State reinsurance companies
- ✓ Retakaful companies
- ✓ Reinsurance pols
- ✓ Sidecars

MOTIVATION FOR SELLING REINSURANCE

- ✓ Profit
- ✓ Investment income
- ✓ Spread of risk
- ✓ Reciprocity
- ✓ National retention of premiums
- ✓ Core business

THE REINSURANCE CONTRACT

- ✓ Offer
- ✓ Acceptance
- ✓ A common purpose
- ✓ Consideration

EMPOWER DEVELOPMENT