EMPOWER DEVELOPMENT

7 QUESTIONS

EXCESS OF LOSS TREATIES
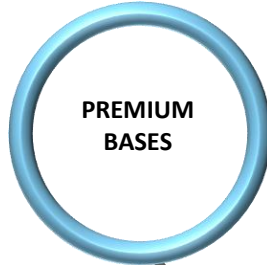
- A series of ascending layers to protect an account on a vertical basis

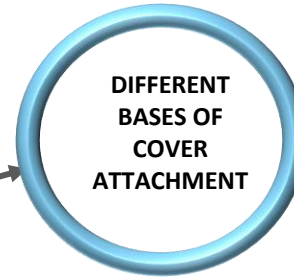**PREMIUM BASES**

- Gross written premium (GWP)
- Net written premium (NWP)
- Gross net written premium (GNWP)
- Gross net earned premium income (GNEPI)
- Gross net earned premium (GNEP)
- Gross net retained premium (GNRPI)

DIFFERENT BASES OF COVER ATTACHMENT

- Risks attaching during (RAD) (or policies issued and renewed) basis
- Losses occurring during (LOD) basis
- 'Claims made' and 'losses discovered'

EXCESS OF LOSS REINSURANCE CONSIDERATIONS

- Nature of business to be protected
- Exposure to large losses
- Other factors
- Ease of use
- Level of protection and retention

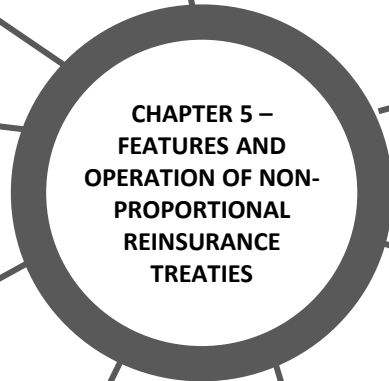**CHAPTER 5 – FEATURES AND OPERATION OF NON-PROPORTIONAL REINSURANCE TREATIES**

STOP LOSS TREATIES

- Reinsures aggregate losses arising in respect of a specific class or classes of business with contract limits expressed in percentage amounts of the reinsured gross net retained premium income (GNRPI)

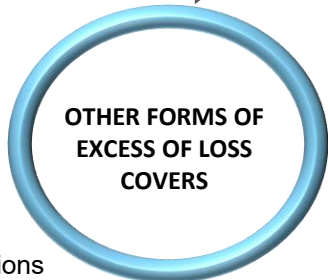**TYPES OF EXCESS OF LOSS TREATY**

- Risk excess or per risk
- Common account protection
- Catastrophe or per event

OTHER FORMS OF EXCESS OF LOSS COVERS

- Clash excess of loss
- Buffer excess of loss
- Umbrella excess of loss
- Back-up covers
- Reinstatement premium protections
- 'top and drop' and 'cascade' protections

AGGREGATE EXCESS OF LOSS TREATY

- Covers the aggregate of losses, above an excess point and subject to an upper limit.
- Sustained from a single event or defined peril or perils, over a defined period, usually one year

EMPOWER DEVELOPMENT