



- ✓ Automatic reinsurance cover
- ✓ Adequate capacity
- ✓ Appropriate retention
- ✓ Sufficient scope
- ✓ Economic advantage
- ✓ Security continuity

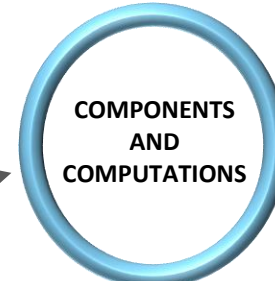


**INSURER'S OBJECTIVES**



**MATERIAL INFORMATION**

- ✓ Class or classes of business to be covered
- ✓ A breakdown by premium income and aggregate exposure
- ✓ Original policy sums insured
- ✓ Risk profile
- ✓ General experience
- ✓ Premium income
- ✓ Claims experience
- ✓ Exclusions



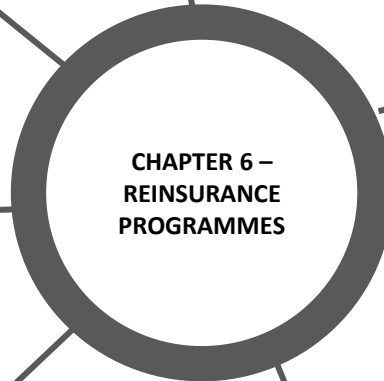
**COMPONENTS AND COMPUTATIONS**

- ✓ Event catastrophe generation
- ✓ Local intensity calculation
- ✓ Exposure data and damage factors
- ✓ Damage estimation
- ✓ Insured loss calculation



**COMBINATIONS OF TREATIES**

- ✓ Retentions, quota share and surplus treaties
- ✓ Retention and excess of loss 'per risk' treaties
- ✓ Retention, quota share and excess of loss per risk treaties
- ✓ Excess of loss arrangement

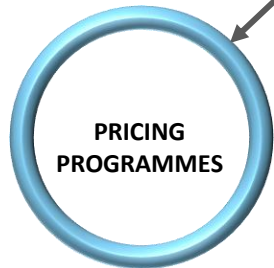


**CHAPTER 6 - REINSURANCE PROGRAMMES**



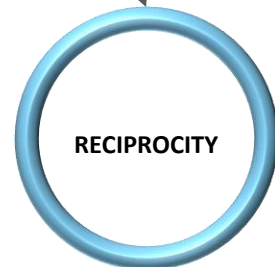
**PRICING TECHNIQUES**

- ✓ Experience rating
- ✓ Exposure rating
- ✓ Frequency and severity rating



**PRICING PROGRAMMES**

- ✓ Risk premium
- ✓ External costs
- ✓ Internal costs
- ✓ Desired profit or return



**RECIPROCITY**

- ✓ Retain gross profit
- ✓ Spread business

