

Course No. 1469

Reinsurance: Facultative & Treaty Practices

INSURANCE & FINANCIAL SERVICES
FINANCE, INVESTMENT & BANKING

DURATION

5 Days

LOCATION

Lisbon, Portugal

DELIVERY

Classroom

DATES

11 – 15 Jan 2027



Scheduled Event Details

CITY	Lisbon, Portugal
DATE	11 – 15 Jan 2027
DELIVERY TYPE	Classroom
COURSE FEE	€5,400

Course Overview

The Reinsurance: Facultative & Treaty Practice Training Course provides an advanced and practical framework for understanding, structuring, negotiating, administering, and reviewing facultative and treaty reinsurance arrangements. The course focuses on how reinsurance supports insurers in managing risk retention, protecting capital, stabilizing financial results, expanding underwriting capacity, and maintaining a balanced insurance portfolio. It combines technical, financial, contractual, operational, and risk management perspectives to support more effective reinsurance decisions.

Reinsurance is a critical risk transfer mechanism for insurance companies, allowing insurers to transfer selected exposures to reinsurers while retaining risks that align with their capacity, strategy, and risk appetite. Facultative and treaty reinsurance serve different purposes and involve different underwriting, contractual, pricing, and operational approaches. The course provides a clear understanding of these differences and examines when each arrangement is appropriate for specific portfolios, risks, and business objectives.

The program covers major treaty structures, including proportional quota share arrangements, surplus arrangements, excess of loss structures, and other non-proportional protections, alongside the practical management of facultative placements. Participants will examine retention levels, cessions, limits, exclusions, commissions, reinstatements, deductibles, pricing considerations, claims provisions, settlement mechanisms, and other key contractual features that influence the effectiveness and economics of reinsurance programs.

A strong emphasis is placed on reinsurer selection, financial strength, counterparty risk, portfolio concentration, claims management, data quality, technical accounting, and renewal processes. Participants will also examine how reinsurance affects underwriting decisions, profitability, capital management, liquidity, solvency, and overall portfolio performance. The course addresses the

importance of effective documentation, governance, monitoring, reporting, and relationship management throughout the reinsurance lifecycle.

Through case studies, facultative placement exercises, treaty structuring workshops, pricing analysis, negotiation simulations, claims scenarios, and portfolio reviews, the Reinsurance: Facultative & Treaty Practice Training Course develops practical capabilities that can be applied across insurance and reinsurance organizations. The program is suitable for insurers, reinsurers, brokers, financial institutions, regulatory bodies, government entities, and professionals working in reinsurance, underwriting, claims, risk management, finance, portfolio management, and executive functions.

Objectives

- Analyze the principles and strategic role of facultative and treaty reinsurance in managing insurance risk during the course.
- Evaluate the differences between facultative, proportional treaty, and non-proportional treaty arrangements.
- Develop practical approaches for determining appropriate retention levels, cessions, limits, and reinsurance protections.
- Design reinsurance structures that reflect portfolio characteristics, underwriting strategy, capital capacity, and risk appetite.
- Apply practical techniques for preparing, presenting, negotiating, and placing facultative risks.
- Evaluate treaty terms including commissions, limits, exclusions, deductibles, reinstatements, pricing, and claims provisions.
- Assess reinsurer financial strength, credit quality, counterparty exposure, and concentration risk.
- Analyze the impact of reinsurance arrangements on underwriting, profitability, capital, liquidity, and financial volatility.
- Develop effective processes for managing reinsurance documentation, data, accounting, claims, settlements, and balances.
- Evaluate the performance and utilization of reinsurance programs and identify opportunities for improvement.
- Strengthen governance, monitoring, diversification, and counterparty risk management across reinsurance programs.
- Align reinsurance strategy with underwriting objectives, enterprise risk management, capital

management, and long-term financial sustainability.

Who Should Attend

This course is designed for professionals working in insurance, reinsurance, brokerage, underwriting, claims, risk management, portfolio management, and insurance finance. It is particularly relevant to Reinsurance Managers, Facultative Reinsurance Specialists, Treaty Reinsurance Specialists, Underwriting Managers, Claims Managers, Risk Managers, Portfolio Managers, Technical Account Professionals, Reinsurance Analysts, Pricing Specialists, and professionals responsible for managing reinsurance programs and related transactions.

The program is also suitable for Chief Executive Officers, Chief Financial Officers, Chief Risk Officers, Heads of Reinsurance, Heads of Underwriting, Portfolio Directors, Risk Committee Members, and senior decision makers responsible for risk retention, capital protection, reinsurance strategy, and portfolio performance. Professionals working in government entities, regulatory authorities, banks, financial institutions, and large organizations with significant insurance exposures can also benefit from the course.

The course is particularly valuable for professionals involved in negotiating with reinsurers, reviewing treaty wordings, preparing facultative submissions, managing claims recoveries, handling settlements, maintaining reinsurance records, evaluating reinsurer relationships, and preparing renewal strategies. Legal, finance, compliance, internal audit, and governance professionals can also benefit from understanding the contractual, financial, operational, and risk dimensions of reinsurance arrangements.

Learning Outcomes

- Explain the purpose, structure, and strategic role of facultative and treaty reinsurance.
- Distinguish between facultative, proportional, and non-proportional reinsurance and determine appropriate applications.
- Analyze retention and cession strategies and assess the level of protection required for different insurance portfolios.
- Design preliminary reinsurance structures aligned with underwriting strategy and portfolio risk characteristics.
- Prepare and assess facultative reinsurance submissions using relevant technical and risk

information.

- Evaluate reinsurance terms, pricing, commissions, limits, exclusions, deductibles, reinstatements, and settlement provisions.
- Assess the financial strength, creditworthiness, and counterparty risk of reinsurers.
- Evaluate the impact of reinsurance on capital, liquidity, profitability, solvency, and earnings volatility.
- Manage reinsurance documentation, balances, data, claims recoveries, and settlement processes effectively.
- Develop monitoring frameworks for evaluating reinsurance program performance and utilization.
- Prepare management reports on reinsurance exposure, recoveries, counterparty risk, and portfolio protection.
- Develop an integrated facultative and treaty reinsurance strategy aligned with underwriting, capital, and enterprise risk objectives.

Course Outline

DAY 01

Reinsurance Fundamentals, Market Structure and Core Practices

- Purpose and strategic role of reinsurance in insurance companies
- Reinsurance as a tool for risk transfer, capital protection, and underwriting capacity
- Differences between direct insurance and reinsurance
- Facultative reinsurance and treaty reinsurance
- Appropriate applications of facultative and treaty arrangements
- Retention, cession, capacity, limits, and risk transfer principles
- Roles of insurers, reinsurers, brokers, and other transaction participants
- Reinsurance documentation, governance, and data requirements

PRACTICAL APPLICATION

Analyze an insurance portfolio and determine which exposures are more appropriate for facultative or treaty reinsurance

DAY 02

Facultative Reinsurance and Risk Placement

- Characteristics and applications of facultative reinsurance
- Preparing facultative submissions and technical risk information
- Risk evaluation from the reinsurer's perspective
- Determining retention and required reinsurance protection
- Pricing considerations, commissions, terms, exclusions, and limits
- Selecting reinsurers and managing the distribution of risk
- Negotiating coverage, pricing, conditions, and capacity
- Documentation, acceptance, amendments, and placement processes

PRACTICAL APPLICATION

Prepare a facultative reinsurance submission and negotiate the key pricing, coverage, and contractual terms

DAY 03

Treaty Reinsurance and Proportional and Non-Proportional Structures

- Principles and objectives of treaty reinsurance
- Quota share arrangements and allocation of premiums and claims
- Surplus arrangements and retention structures
- Excess of loss arrangements and portfolio protection
- Catastrophe and event-based protection structures
- Hybrid reinsurance structures and structure selection
- Commissions, expenses, accounting, and settlement mechanisms
- Coverage limits, exclusions, territories, and business classes

PRACTICAL APPLICATION

Design a treaty reinsurance program for an insurance portfolio and assess its impact on retention, protection, and financial performance

DAY 04

Reinsurance Claims, Settlements and Counterparty Risk

- Reinsurance claims management and recovery processes
- Notification, documentation, evidence, and claims communication
- Financial settlements, balances, statements, and reconciliation
- Management of large and accumulated claims
- Data quality and information management in reinsurance operations
- Assessing reinsurer financial strength and credit quality
- Counterparty risk, concentration risk, and diversification
- Monitoring reinsurer and program performance

PRACTICAL APPLICATION

Analyze a reinsurance claims and recovery case and identify settlement issues, counterparty risks, and appropriate management actions

DAY 05

Reinsurance Strategy, Governance, Renewal and Executive Decision Making

- Aligning reinsurance strategy with underwriting and capital management
- Evaluating the effectiveness and value of reinsurance programs
- Reviewing retention and cession levels as portfolios change
- Reinsurance planning and treaty renewal processes
- Performance indicators and management reporting for reinsurance programs
- Counterparty diversification and concentration management
- Governance, controls, documentation, and oversight of reinsurance arrangements
- Responding to market capacity, pricing changes, and changing reinsurer conditions
- Continuous improvement of facultative and treaty reinsurance programs

DAY 05 — CONTINUED

FINAL WORKSHOP

Develop and present an integrated reinsurance strategy covering portfolio analysis, retention, cession, facultative and treaty structures, pricing, negotiation, claims management, counterparty risk, governance, performance indicators, and renewal priorities

Register or Request More Information

Course page: <https://quest-training.com/courses/reinsurance-facultative-treaty-practices>

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