QUEST
Professional Center

PROFESSIONAL TRAINING COURSE

Course No. 1867

Reinsurance Treaty & Facultative Insurance Training Course

REINSURANCE MANAGEMENT
INSURANCE & RISK MANAGEMENT

DURATION
5 Days

DELIVERY
Classroom

Course Overview

This comprehensive training course provides a practical and structured framework for understanding, designing, and managing Treaty and Facultative Reinsurance arrangements. It focuses on how insurance organizations can select the appropriate reinsurance structure for different types of risks and portfolios while improving risk transfer, protecting capital, and strengthening underwriting capacity.

The course examines the fundamental principles of Treaty and Facultative Reinsurance, their key differences, applications, structures, and management requirements. Participants will explore major reinsurance arrangements including Quota Share, Surplus, Excess of Loss, and Catastrophe protection, while understanding how each structure can be aligned with the characteristics and risk profile of an insurance portfolio.

Strong emphasis is placed on the practical management of reinsurance arrangements, including portfolio analysis, retention and limit setting, data preparation, facultative risk submission, reinsurer allocation, claims and recoveries management, and programme performance evaluation.

The course also addresses contractual, credit, counterparty, and operational risks associated with reinsurance, together with governance, documentation, monitoring, and renewal practices. Participants will develop the skills required to improve reinsurance decisions and achieve an effective balance between protection, cost, flexibility, underwriting capacity, and capital protection.

Objectives

- By the end of this course, participants will be able to:
- Analyze the fundamental principles of Treaty and Facultative Reinsurance.
- Distinguish between Treaty and Facultative arrangements, including their respective applications and limitations.
- Evaluate different reinsurance structures and select the appropriate solution for specific risks.
- Analyze insurance portfolios and determine appropriate risk transfer requirements.
- Determine suitable retention levels, limits, and reinsurance capacity.
- Apply effective approaches to managing Treaty Reinsurance arrangements.

- Assess individual risks and identify exposures requiring Facultative Reinsurance.
- Prepare and analyze the information required for reinsurer submissions.
- Evaluate reinsurance terms, conditions, coverage, exclusions, and contractual risks.
- Manage reinsurance claims, recoveries, and settlement processes.
- Evaluate treaty and facultative performance and support renewal decisions.
- Develop an integrated framework for effective Treaty and Facultative Reinsurance management.

Who Should Attend

This course is designed for professionals working in reinsurance, underwriting, risk management, portfolio management, claims, and insurance operations who are involved in Treaty or Facultative Reinsurance arrangements.

It is particularly suitable for reinsurance managers, underwriting managers, insurance underwriters, portfolio managers, risk analysts, claims and recovery specialists, and professionals responsible for preparing, managing, reviewing, and renewing reinsurance arrangements.

The course is also valuable for senior executives, decision makers, and members of underwriting and risk committees who need a practical understanding of how to select and manage reinsurance structures while balancing risk transfer, cost, underwriting capacity, and capital protection.

Learning Outcomes

- Upon completion of this course, participants will be able to:
- Explain the fundamental principles of Treaty and Facultative Reinsurance.
- Distinguish between Treaty and Facultative arrangements in terms of structure, application, and management.
- Identify situations where Treaty or Facultative Reinsurance is most appropriate.
- Evaluate Quota Share, Surplus, Excess of Loss, and other major reinsurance structures.
- Analyze portfolio risks and determine appropriate retention and risk transfer levels.
- Identify individual risks that require Facultative Reinsurance.
- Prepare effective risk submission files and supporting data for reinsurers.

- Evaluate reinsurance terms, conditions, limits, exclusions, and coverage requirements.
- Manage risk allocation and monitor capacity across reinsurers.
- Analyze reinsurance claims and recovery processes.
- Evaluate treaty and facultative performance against insurance and risk objectives.
- Identify contractual, credit, counterparty, and operational risks associated with reinsurance.
- Support reinsurance renewal and negotiation processes.
- Establish effective mechanisms for monitoring reinsurance utilization and performance.
- Improve reinsurance programme efficiency while balancing protection and cost.

Course Outline

DAY 01

Fundamentals of Treaty & Facultative Reinsurance

- The role of reinsurance in insurance risk management.
- Objectives of reinsurance, risk transfer, and capital protection.
- Fundamentals of Treaty Reinsurance.
- Fundamentals of Facultative Reinsurance.
- Key differences between Treaty and Facultative arrangements.
- Advantages, limitations, and appropriate applications of each approach.
- Relationship between reinsurance and underwriting capacity.
- Proportional and non-proportional reinsurance.
- Quota Share and Surplus arrangements.
- Excess of Loss and Catastrophe protection.
- Factors influencing reinsurance structure selection.

> PRACTICAL APPLICATION
>
> Analyze an insurance portfolio and determine where Treaty or Facultative Reinsurance should be applied.

DAY 02

Treaty Reinsurance Design & Management

- Principles of designing Treaty Reinsurance arrangements.
- Portfolio analysis and risk distribution.
- Determining appropriate retention levels.
- Establishing treaty limits and capacity.
- Designing proportional and non-proportional treaties.
- Defining covered risks, classes of business, and treaty scope.
- Balancing retained and transferred risk.
- Managing accumulation and concentration within treaties.
- Data requirements and assumptions for treaty design.
- Monitoring treaty utilization and effectiveness.

> **PRACTICAL APPLICATION**
>
> Design a Treaty Reinsurance structure for a defined insurance portfolio.

DAY 03

Facultative Reinsurance & Individual Risk Management

- Principles and applications of Facultative Reinsurance.
- Identifying risks requiring facultative placement.
- Individual risk assessment and underwriting review.
- Preparing risk submission files and supporting technical and financial information.
- Assessing exposure values and required coverage limits.
- Determining appropriate retention and participation levels.
- Presenting risks to reinsurers and negotiating coverage terms.
- Comparing reinsurer quotations and evaluating alternatives.
- Managing amendments and renewals of facultative placements.
- Claims and recovery management under facultative arrangements.

DAY 03 — CONTINUED

> **PRACTICAL APPLICATION**
>
> Prepare a facultative risk submission, evaluate reinsurer quotations, and select the most appropriate arrangement.

DAY 04

Reinsurance Contracts, Claims & Recoveries

- Reviewing and interpreting key provisions of reinsurance contracts.
- Limits, exclusions, conditions, warranties, and contractual obligations.
- Documentation, data, and record management.
- Contractual and operational risks in reinsurance.
- Counterparty and credit risk of reinsurers.
- Claims notification and loss reporting requirements.
- Managing reinsurance recoveries.
- Monitoring outstanding recoverables and settlement processes.
- Managing delays, disputes, and recovery uncertainty.
- Reinsurance risk and performance indicators.

> **PRACTICAL APPLICATION**
>
> Analyze a reinsurance claim and manage the recovery process with the reinsurer.

DAY 05

Performance Management, Renewal & Strategic Optimization

- Evaluating Treaty and Facultative Reinsurance performance.
- Analyzing reinsurance cost against protection achieved.
- Reviewing treaty results, losses, recoveries, and profitability.
- Assessing retention, limits, and reinsurance layers.
- Evaluating reinsurer performance and service quality.
- Preparing for reinsurance renewal and market negotiations.

DAY 05 — CONTINUED

- Identifying opportunities to improve treaty and facultative structures.
- Aligning reinsurance arrangements with risk management and capital strategy.
- Developing reinsurance performance and risk indicators.
- Governance, reporting, and decision support for senior management.

FINAL WORKSHOP

Develop an integrated Treaty and Facultative Reinsurance management framework covering risk analysis, structure selection, retention and limits, treaty administration, facultative placement, reinsurer selection, claims and recoveries, performance evaluation, renewal strategy, and continuous improvement.

Register or Request More Information

Course page: https://quest-training.com/courses/reinsurance-treaty-facultative-insurance-training-course
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