MERCURY

Reinsurance Treaties and Programme Design Training Course

11 – 15 January 2027
Lisbon (Portugal)



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Reinsurance Treaties and Programme Design Training Course

Ref: 33_1082248 **Date:** 11 – 15 January 2027 **Location:** Lisbon (Portugal) **Fees:** 5600 Euro

The Reinsurance Treaties and Programme Design Training Course is a one-week course for underwriting managers, reinsurance officers, capital analysts, and risk professionals structuring treaty portfolios and statutory cessions. Working through proportional treaties, non-proportional layers, and pricing models, you complete a practical Reinsurance Treaty Structure and Placement Package. Mercury Training Center delivers this course to help you optimize ceded risk and protect underwriting capital.

About This Course

Inadequate treaty structures, miscalculated retentions, and unaligned cession layers lead to severe capital depletion and regulatory compliance breaches after major loss aggregations. To follow this course, you must already understand direct insurance underwriting, basic portfolio accounting, and standard claims operations. Through practical exercises, you evaluate risk profiles, model treaty attachment points, and structure compliant reinsurance treaties.

Who It Is For

- Professionals responsible for designing proportional and non-proportional reinsurance treaties across commercial portfolios
- Professionals responsible for calculating net retention limits, treaty capacities, and ceding commission structures
- Professionals responsible for monitoring statutory cession quotas, credit ratings, and cross-border reinsurer eligibility
- Professionals responsible for preparing treaty renewal submissions, contract wordings, and reinsurance accounting settlements

This course is not for direct sales agents seeking consumer policy distribution techniques, nor is it for claims adjusters requiring field inspection and loss adjustment methodology courses.

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Competencies You Will Build

- Treaty Structure Selection: Evaluating quota share, surplus, per-risk excess of loss, and catastrophe excess of loss arrangements for specific risk portfolios.
- Retention and Limit Calibration: Determining net retention levels, maximum ceding capacities, and event limits aligned with organizational risk appetite.
- Actuarial Treaty Pricing: Applying burning cost calculations and exposure rating methodologies using first-loss curves to determine treaty premiums.
- Reinsurance Contract Wording: Formulating market clauses including follow the fortunes, errors and omissions, hours clauses, and ultimate net loss provisions.
- Regulatory Cession Compliance: Structuring domestic cession priority rules, statutory retentions, and counterparty rating eligibility into placement workflows.
- Reinsurance Technical Accounting: Administering clean-cut and run-off accounting, premium reserve deposits, sliding scale commissions, and loss reinstatements.

What You Will Be Able to Do

By the end of the course you will be able to:

- From underwriting portfolio profiles, determine appropriate retention limits and attachment points for commercial property and casualty treaties.
- Given historical loss data and exposure distributions, calculate treaty rate on line and burning cost estimates for working excess of loss covers.
- Using standard contractual frameworks, draft robust treaty clauses including follow the settlements, ultimate net loss, and hours clauses.
- From regulatory cession rules, establish placement workflows that satisfy mandatory local cession priority and foreign reinsurer eligibility criteria.
- Given multi-layered catastrophe losses, compute aggregate exposure limits, event limits, and contractual reinstatement premiums.
- Using quarterly performance accounts, reconcile ceding commissions, clean-cut portfolio transfers, and outstanding loss reserves.

Course Content

Day 1: Foundations of Treaty Design and Proportional Arrangements

- Objectives and Principles of Ceded Reinsurance in Corporate Capital Protection
- Quota Share Treaty Structuring, Cession Percentages, and Portfolio Capacity
- Surplus Treaty Mechanics, Line Definitions, and Retention Table Calibration
- Ceding Commission Mechanics Covering Flat Rates and Sliding Scale Adjustments
- Proportional Treaty Accounting, Premium Portfolio Entry, and Withdrawal Systems

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Day 2: Non-Proportional Treaty Structuring and Catastrophe Protection

- Per-Risk Excess of Loss Layering and Working Cover Attachment Points
- Catastrophe Excess of Loss Structuring and Aggregate Accumulation Control
- Event Limit Definitions, Two-Risk Warranties, and Hours Clause Formulations
- Reinstatement Provisions, Pro-Rata Capitale, and Pro-Rata Temporis Calculations
- Ultimate Net Loss Definitions and Recoveries Under Standard Contractual Frameworks

Day 3: Treaty Pricing, Actuarial Methods, and Risk Modeling

- Burning Cost Pricing Methodology and Historical Loss Development Factoring
- Exposure Rating Principles Using Standard First-Loss Benchmark Curves
- Probable Maximum Loss Estimation and Catastrophe Modeling Integration
- Rate on Line Calculations and Payback Period Analysis for High Layers
- Reinsurance Broker Slips, Market Submissions, and Negotiation Analytics

Day 4: Regulatory Governance, Compliance, and Contract Wordings

- Statutory Retention Rules and Mandatory Local Market Cession Priority Workflows
- Foreign Reinsurer Credit Rating Standards and Digital Platform Registration Rules
- Treaty Wording Formulations for Follow the Fortunes and Errors and Omissions
- Reinsurance Strategy Governance and Board of Directors Annual Filing Timelines
- Treaty Arbitration Clauses, Jurisdiction Provisions, and Dispute Resolution Practices

Day 5: Treaty Placement Practice and Portfolio Integration

- Exercise on Surplus Treaty Retention Setting for a Commercial Property Portfolio
- Exercise on Catastrophe Excess of Loss Layer Pricing and Reinstatement Modeling
- Exercise on Regulatory Cession Allocation and Counterparty Eligibility Verification
- Exercise on Quarterly Reinsurance Technical Accounting and Clean-Cut Settlements
- Finalization of the Reinsurance Treaty Structure and Placement Package

Case Studies and Exercises

These suggested activities provide practical application of treaty design and ceded risk workflows across diverse commercial sectors:

- Case study: A commercial property and manufacturing portfolio where you determine surplus line limits, design a per-risk excess of loss cover, and model catastrophe exposure.
- Case study: A marine cargo and logistics fleet operation where you evaluate loss history, calculate burning cost rates, and structure a working excess of loss treaty.
- Exercise: A multi-line commercial insurer where you structure proportional and non-proportional cessions while applying mandatory domestic priority allocation rules.
- Exercise: An infrastructure engineering portfolio where you calculate reinstatement premiums following a catastrophic flood event and reconcile net technical balances.

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What You Take Back

The Reinsurance Treaty Structure and Placement Package provides operational tools and structured templates to guide your reinsurance placements during your first month back at work. You will use it to evaluate portfolio retentions, calculate treaty layers, verify regulatory counterparty criteria, and draft enforceable treaty contracts.

- Reinsurance treaty structure selection matrix and retention optimization calculator
- Non-proportional layer pricing and reinstatement calculation model
- Regulatory cession compliance and counterparty rating evaluation protocol
- Standard treaty contract wording checklist and technical accounting template

Quick Answers FAQ

What background is required before attending the Reinsurance Treaties and Programme Design Training Course?

You need working knowledge of direct insurance principles, familiarity with insurance financial statements, and experience interpreting commercial policy coverages. Basic competence in spreadsheet analysis ensures you can immediately calculate treaty retentions, rate on line, and burning cost pricing models.

How does the Reinsurance Treaties and Programme Design Training Course differ from general insurance underwriting courses?

General underwriting courses focus on evaluating individual policyholder risks and calculating primary gross premiums. The Reinsurance Treaties and Programme Design Training Course focuses on aggregate portfolio risk transfer, treaty layering, capital relief, contractual wording mechanics, and statutory cession compliance across full books of business.

How do proportional treaties differ from non-proportional treaties in risk protection?

Proportional treaties share premiums and losses on a predetermined percentage basis, providing immediate underwriting capacity and premium financing. Non-proportional treaties respond only when losses exceed a defined retention threshold, providing targeted protection against severe single-risk claims or catastrophic loss aggregations.

What practical tools do you take back from the Reinsurance Treaties and Programme Design Training Course?

You take back the Reinsurance Treaty Structure and Placement Package. This operational toolset includes portfolio retention calibration sheets, treaty pricing models, statutory compliance checklists, and standard contract wording templates for your treaty renewals.

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For Your Manager

This course equips your team member to design robust reinsurance treaty arrangements that protect balance sheet capital and satisfy regulatory cession mandates. Your organization gains the Reinsurance Treaty Structure and Placement Package, which the professional will immediately apply to evaluate retention limits, structure excess of loss layers, and negotiate treaty renewal terms.