Reinsurance

M97: 2018–19 edition

Web update 1: 13 March 2018

Please note the following update to your copy of the 2018–19 edition of the **M97** study text:

Chapter 6, section A2, page 6/7

Example 6.4

Figure 6.4 represents a combination of retention, quota share and excess of loss per risk, but this time the per risk treaty protects only the insurer and not the quota share reinsurer.

The arrangement would enable the insurer to accept risks up to £2.2m. All risks and losses are shared equally, in the first instance, between the insurer and its quota share reinsurer. However, the excess of loss contract operates to protect only the insurer excess of £200,000 any one risk up to a limit of £1m.