

Course syllabus:



## Management of reinsurance operations

<b>Degree of higher education:</b>	master's degree
<b>Specialty:</b>	072 "Finance, banking and insurance"
<b>Year of study:</b>	1
<b>Teaching semester:</b>	2 (spring)
<b>Number of ECTS credits:</b>	5
<b>Teaching language (s):</b>	Ukrainian, English
<b>Type of semester control</b>	test

### Course author and lecturer:

PhD in economics, Associate professor Stepura Victor Victorovich			
academic degree, academic title, surname, first name and patronymic			
associate professor of the Department of Finance and banking			
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email address	phone number	messenger	consultations

### Teacher of laboratory classes:\*

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position			
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### Teacher of practical classes:\*

academic degree, academic title, surname, first name and patronymic			
position			
email address	phone number	Messenger	consultations

\* – 1) these sections are entered in the silabus if practical and / or laboratory classes are conducted by another teacher who is not the author of the course and the lecturer; 2) it is acceptable to change the title of the section to "**Teacher of laboratory and practical classes:**", if laboratory and practical classes are conducted by single teacher who is not the author of the course and the lecturer.

## **Abstract of the training course**

<b><i>Course study objectives:</i></b>	<p>Students gain theoretical knowledge and skills in the practice of reinsurance of property interests and risks of legal entities and individuals; in-depth study of the mechanism of providing reinsurance services.</p> <p>In the current conditions of economic development, every insurance company needs to conduct insurance operations with constant or single use of the procedure for transferring risks to reinsurance. Reinsurance allows the insurance company to ensure the financial stability and balance of the insurance portfolio, increase its capacity. The course can be useful for students majoring in economics and finance, as well as graduates who intend to work in insurance companies, financial institutions and enterprises of all forms of ownership.</p>
<b><i>Study outcomes:</i></b>	<p>The student should know the place of reinsurance in the financial system; the essence of reinsurance; basic concepts and terms used in reinsurance; features of providing reinsurance operations; main types and forms of reinsurance services; state of the reinsurance market in Ukraine; organization of reinsurance activities; characteristics of the main reinsurance operations; features and ways to improve the financial activities of reinsurers.</p> <p>After completion of the course the student should be able to theoretically substantiate the practical aspects of the functioning of the reinsurance market; apply in practice legislative and regulatory acts regarding the insurance market; correctly navigate the formation, functioning, regulation and self-regulation of the components of the reinsurance market.</p>
<b><i>Prerequisites for starting the study:</i></b>	<p>To study the material of this discipline, you need knowledge of the methods of higher financial calculations, insurance, finance theory, insurance services, marketing and management.</p>

## **Course objective (acquired competencies)**

As a result of studying this training course, the applicant will acquire the following competencies:

1. Skills in using information and communication technologies.
2. Ability to generate new ideas (creativity) and think critically.
3. Ability to use economic and mathematical methods to solve problems in the reinsurance sector.
4. Skills in conducting reinsurance operations.
5. Skills in concluding and maintaining reinsurance contracts.
6. Skills in concluding coinsurance contracts.
7. Ability to understand financial management and marketing in the reinsurance industry.

## Course structure

№	Topic	Hours (L/LB/PC)		Summary	Tools and tasks
		full- time	extra mural		
1.	The essence of reinsurance, its necessity and role in society	2/0/2	1/0/0	The essence and necessity of reinsurance. The place of reinsurance in the financial system. Historical background of reinsurance. Subjects and objects of reinsurance. The first professional reinsurance companies. Place of reinsurance in the national insurance market. Circumstances in which there is a need for reinsurance. Classic definition of reinsurance. Characteristic features of reinsurance. Main categories of reinsurance. Retrocession. Retrocedents and retrocessionaries. Reinsurance, as a result of risk separation (cession and retrocession). Nature of insurance and reinsurance. Types of reinsurance commissions. Reinsurance pools. Pool types and their values. Reinsurance as a necessary condition for ensuring the financial stability of the insurer, regardless of the size of its capital and insurance reserves. Functions of the insurance market. The role of the insurance market in the economy. State regulation of the insurance market, its causes, main principles, legislative foundations.	Participation in the discussion Tests Individual tasks
2.	Reinsurance methods	2/0/2	1/0/0	Classification of reinsurance operations by the method of transferring risks to reinsurance and by the registration of legal relations between the parties. Optional reinsurance method and its characteristics. Advantages and features of the optional reinsurance method. Procedure for concluding a reinsurance contract on an optional basis. The essence and content of the cover note. Disadvantages of the optional reinsurance method. Mandatory (contractual) reinsurance operations, their advantages and disadvantages. The essence, advantages and disadvantages of optional-obligatory and obligatory-optional reinsurance.	Participation in the discussion Tests Individual tasks
3.	Forms of reinsurance operations	2/0/2	0/0/1	Variety of reinsurance contracts by form. Proportional and disproportionate forms of reinsurance operations. Quota reinsurance contract, amount excess contract, and quota-excess contract in proportional reinsurance. Their advantages and disadvantages, terms of use. Excess under the agreement. The amount of the excess. Quota-excess contract, its features. The essence and purpose of disproportionate reinsurance. Liability under a disproportionate contract. Features of disproportionate reinsurance. Disproportionate reinsurance: the contract of the excess loss and the contract of the excess loss, their features and terms of use. Risky excess damage and catastrophic excess damage. Growth in the share of disproportionate reinsurance contracts.	Participation in the discussion Tests Individual tasks

4.	Procedure for concluding and maintaining a reinsurance contract	2/0/2	0/0/1	Legal relations between reinsurance entities. Procedure for concluding a reinsurance contract and entering into force. Rights and obligations of subjects of reinsurance relations. Procedure for preparing and concluding a reinsurance contract. Procedure and conditions for making insurance payments and payments of insurance indemnities under a reinsurance contract.	Participation in the discussion Tests Individual tasks
5.	Features of reinsurance of risks for non-residents	2/0/2	0/0/0	Relevance of reinsurance of risks for non-residents. Reinsurance of risks outside the country. Regulation of reinsurance operations, containment of reinsurance of risks abroad. State reinsurance. Content and essence of the regulation "On reinsurance operations". Taxation of reinsurance premiums. Documents required for making settlements with non – resident reinsurers under reinsurance contracts. Features of reinsurance contracts concluded through the mediation of insurance brokers. Intermediary services for reinsurance of risks on the territory of Ukraine.	Participation in the discussion Tests Individual tasks
6.	Coinsurance and its mechanism of action	2/0/2	0/0/0	Coinsurance-essence, economic content and features. Features of concluding co-insurance contracts. Conditions that define the rights and obligations of each insurer in the coinsurance contract. Coinsurance features on the example of reinsurance pools. Concepts of reciprocity as the foundation for organizing pools. Types of pools. Insurance pools and reinsurance pools: essence and features. Rights and obligations of pool participants. Principles of pool organization. Factors that influence the principles of pool organization. Pool liability limit. Types of reinsurance pools. Market pool and its features. Government reinsurance pool. Underwriting pool.	Participation in the discussion Tests Individual tasks
7.	Financial management and marketing in the reinsurance market	2/0/2	0/0/0	The price of an insurance product, its market and statistical components. Managing the price of an insurance product. Solvency of the reinsurance company. Regulatory ratio of reinsurer's assets and liabilities (solvency margin). Income and expenses of the reinsurance company. Main financial results of the reinsurance company's activities. Coinsurance and reinsurance as a strategy for ensuring the financial stability of insurance operations. Regulation of reinsurance operations. Marketing in reinsurance activities: content and goals of marketing, marketing package, sales strategy in the insurance market.	Participation in the discussion Tests Individual tasks

### Recommended literature

1. On Insurance. Law of Ukraine on March 7, 1996 № 85/96-BP  
URL: <https://zakon.rada.gov.ua/laws/show/85/96-%D0%B2%D1%80>
2. Kneisler A.V. Reinsurance market of Ukraine: theoretical and methodological dominants of formation and development priorities: monograph / A.V. Kneisler. Moscow: Center for educational literature, 2012, 416 P.
3. Insurance and reinsurance risks in the epoch of globalisation : monogr. / O. V. Kozmenko, S. M. Kuzmenko, T. A. Vasilyeva ta in. - Sumi : Universitetska kniga, 2011. - 388 P.
4. Insurance: textbook / [Bazilevich V. D., Bazilevich K. S., Pikus R. V. et al.] edited by V. D. Bazilevich. Moscow: Znanie publ., 2008, 1019 P.
5. Insurance: praktikum: textbook. / edited by V. D. Bazilevich.- 2nd ed., processing. and add. Moscow: Znanie publ., 2011, 607 P.
6. Govorushko T. A. Insurance Services. Textbook. Moscow: Center for educational literature, 2011, 376 P.
7. Insurance: a textbook / O. S. Zhuravka, A. G. Bukhtiarova, O. M. Pakhnenko. Sumy: Sumy State University, 2020, 350 P.

### Methodical support

1. Methodological guidelines for performing control work on the discipline "Management of reinsurance operations" for part-time students of specialty 072 Finance Banking and insurance / compiled by Stepura V. V., – Severodonetsk: Publishing House of the V. I. Dahl East Ukrainian National University, 2016. – 18 p. electronic publication.
2. Methodological guidelines for practical classes on the discipline "Management of reinsurance operations" for students of specialty 072 Finance Banking and insurance / compiled by Stepura V. V. – Severodonetsk: Publishing House of the V. I. Dahl East Ukrainian National University, 2016. – 19 P. electronic publication.
3. Text of lectures on the discipline "Management of reinsurance operations" for students of specialty 072 Finance Banking and insurance / compiled by Stepura V. V. – Severodonetsk: Publishing House of the V. I. Dahl East Ukrainian National University, 2017. – 122 P. electronic publication.

### Course evaluation

For fully completed tasks the student can get a certain number of points:

Tools and tasks	Number of points
Participation in the discussion	20
Tests	25
Individual tasks	25
Exam	30
<b>Total</b>	<b>100</b>

### Student assessment scale

The sum of points for all types of educational activities	ECTS assessment	Rating on the national scale	
		for exam, course project (work), practice	for crediting
90 – 100	A	excellent	credited
82-89	B	good	
74-81	C		
64-73	D	satisfactory	
60-63	E		
35-59	FX	unsatisfactory with the possibility of re-passing	not credited with the possibility of re- passing
0-34	F	unsatisfactory with mandatory re- study of the discipline	not credited with mandatory re-study of the discipline

### Course policy

#### *Plagiarism and academic integrity:*

A student can take certain online courses that are related to the topics of the discipline on online platforms. When submitting a course completion document to a student, certain course topics can be re-credited and points can be awarded for tasks.

When completing tasks, a student must adhere to the Academic Integrity Policy. Borrowings must be issued with appropriate links. Cheating is prohibited.

#### *Tasks and classes:*

All tasks provided by the course program must be completed in a timely manner and assessed in the manner described above. Classes should be attended regularly. Missed classes (for any reason) must be completed with an appropriate grade no later than the last week of the current semester. In case of a valid reason (illness, academic mobility, etc.), the terms can be extended with the written permission of the dean.

#### *Behavior in the audience:*

Students arrive at the classroom on time in accordance with the current schedule and must comply with safety requirements.

During classes, students:

- do not eat food or chewing gum;
- do not leave the classroom without the teacher's permission;
- do not interfere with the teacher's classes.

During the knowledge control, students:

- are prepared in accordance with the requirements of this course;
- rely only on their own knowledge (they do not look for other sources of information or "help" from other people);
- don't interfere with others;
- meet all the requirements of teachers for knowledge control.