**KENYA REINSURANCE CORPORATION LIMITED**

**WORKING SHEET FOR FACULTATIVE REINSURANCE**

**GUIDING POINTS**

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| **FIELD** | **DETAILS** |
| Insured | ABC Manufacturing Ltd |
| Risk Location | Industrial Area, Nairobi, Kenya |
| Business | Manufacturing - Food Processing |
| Cover | Property All Risks |
| Period | 2025-01-01 to 2025-12-31 |
| Currency | USD |
| TSI | USD 5,000,000.00 |
| TSI (KES) | KES 750,000,000.00 |
| Premium | USD 125,000.00 |
| Premium (KES) | KES 18,750,000.00 |
| Premium Rate % | 2.5000% |
| Premium Rate ‰ | 25.0000‰ |
| Excess/Deductible | USD 50,000 Each and Every Loss |
| PML | 60% - USD 3,000,000 |
| Share Offered % | 25% |
| Share Accepted % | 20% |
| Accepted Liability | KES 1,000,000.00 |
| Accepted Premium | KES 25,000.00 |
| Net Premium | KES 99,250.00 |
| Brokerage | 15% |
| Loss Ratio | 75.00% |
| Accepted Loss Ratio | 75.00% |
| Risk Score | 5.5/10 |
| Liability Assessment | Low |
| ESG Rating | B+ |

**CALCULATIONS & ANALYSIS**

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| **METRIC** | **CALCULATION** | **RESULT** |
| Premium Rate % | (125,000 ÷ 5,000,000) × 100 | 2.5000% |
| Premium Rate ‰ | (125,000 ÷ 5,000,000) × 1000 | 25.0000‰ |
| Loss Ratio % | (90,000 ÷ 120,000) × 100 | 75.00% |
| Accepted Liability | 5,000,000 × 20% | KES 1,000,000.00 |
| Accepted Premium | 125,000 × 20% | KES 25,000.00 |
| Net Premium | Premium - Brokerage - Taxes - Levies | KES 99,250.00 |

**RECOMMENDATION & DECISION**

Based on the comprehensive analysis of this facultative reinsurance submission:  
• Historical loss ratio of 75.00% indicates elevated claims experience requiring careful consideration.  
• Premium rate of 2.5000% reflects the higher risk nature of this placement.  
• Risk score of 5.5/10 indicates moderate risk profile.  
• Liability assessment: Low - appropriate for our capacity and risk appetite.  
  
RECOMMENDATION: RECOMMEND CONDITIONAL ACCEPTANCE  
Suggested acceptance: 20% share as proposed.  
  
Key considerations:  
• Ensure all policy terms and conditions are reviewed and agreed  
• Confirm adequate reinsurance protection for this risk  
• Monitor loss development closely given the risk profile

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| **Analyzed by:** | **Approved by:** |
|  |  |
| Date: \_\_\_\_\_\_\_\_\_\_\_\_\_ | Date: \_\_\_\_\_\_\_\_\_\_\_\_\_ |