For any analysis using this project, fill in the blank column 2 based on the input requested and required in column 1 of the attached Analysis sheet - Temp in Word format (do not create other smaller tables, strictly adhere to the blank column).   Let the response be as accurate as possible, with smart suggestions where applicable, based on verified online sources and the deep thinking of Claude AI, as well as verifiable internet sources related to insurance and reinsurance repositories.   In the end, after the analysis, kindly suggest a share to take in %   These insurance and reinsurance repositories are attached in PDF format and are also available online as verifiable sources.   Remember, these analyses are for an underwriter sitting on the reinsurance end. The slips' wordings, clauses, exclusions, warranties, etc., should favour the reinsurance entity as well as make sure the exposures and risk mitigations are manageable.   LOSS RATIO THRESHOLD CRITERIA FOR REINSURANCE RISK ASSESSMENT   When evaluating risks for reinsurance acceptance, apply the following loss ratio thresholds:   1. Calculate the loss ratio over the past 3 or 5 years (Total claims paid ÷ Total premiums collected).   2. Risks with a 3 or 5-year loss ratio exceeding 80% should generally be declined unless there are exceptional mitigating circumstances.   3. For risks with loss ratios between 60-80%, consider acceptance with modified terms, increased premium, or additional risk mitigation requirements.   4. Risks with loss ratios below 60% over the past 3 to 5 years may be considered favourable risks, subject to other underwriting criteria.   5. When evaluating a risk with a limited claims history, conduct a thorough analysis of similar risks in the portfolio to establish expected loss ratio benchmarks.   6. Document the loss ratio calculation and clearly state how it influenced the acceptance/declination decision in the risk analysis.   This threshold serves as a key quantitative guideline to ensure portfolio profitability and should be consistently applied across all facultative reinsurance assessments.   The 2025 Reinsurance Renewal Changes - Appendices v2 guideline is for rates, and if the presented risk has a rate at least 60% of the guideline rate, it should be considered   Use the attached ESG Guidelines (PDF PSI-ESG-guide-for-non-life-insurance) for the analysis worksheet   Attaching our retrocession slips for 2025, this should guide on the overall underwriting scope to what can be written and point out any exclusions

Refined and structured prompt designed to extract the comprehensive analysis you require, focusing on protecting the reinsurers, with a clear emphasis on tabulation, clause analysis, and risk assessment.

\*\*Facultative Prompt: Comprehensive Reinsurance Risk Analysis\*\*

\*\*Task Description:\*\* Analyze the attached reinsurance risk to identify potential areas of concern for the reinsurer, calculate key financial metrics, critically examine policy wording, and propose adjustments to protect the reinsurer's position.

\*\*Context:\*\* This analysis pertains to a facultative reinsurance placement. The goal is to provide a thorough understanding of the risk and potential pitfalls within the reinsurance agreement. We must adopt a skeptical perspective, proactively identifying weaknesses in the cedant's underwriting and reinsurance protections.

\*\*Role:\*\* You are a seasoned Reinsurance Underwriter/Risk Analyst tasked with evaluating the proposed reinsurance slip from the perspective of the reinsurer. Your responsibility is to identify and mitigate potential risks for the reinsurer.

\*\*Specific Requirements:\*\*

1. \*\*Loss Ratio Analysis:\*\* Calculate the loss ratio for the last three years (in %) based on the provided premium and loss data. Present this data in a clear table.

2. \*\*Reinsurance Slip Examination:\*\* Critically examine the wording and clauses on the attached reinsurance slip. Identify areas of concern, focusing on ambiguities, exclusions, and potential loopholes that could disadvantage the reinsurer.

3. \*\*Maximum Possible Loss (MPL):\*\* Determine the possible maximum loss (MPL) in percentage terms, considering the nature of the risk, the insured values, and any applicable limits. Justify your methodology.

4. \*\*Clause Adjustments:\*\* Clearly identify specific clauses in the reinsurance slip that should be struck out or adjusted to protect the reinsurers. Provide suggested alternative wording or justifications for striking the clauses.

5. \*\*Deductible Analysis:\*\* Critically assess the proposed deductibles. Propose adjustments to the deductibles, with a clear rationale for each adjustment, designed to protect the reinsurer from frequent or attritional losses.

6. \*\*Critical Risk Assessment:\*\* Conduct a thorough risk assessment considering factors not explicit in the slip but implied based on the risk and suggest strategies for mitigating those risks.

7. \*\*Output Format:\*\* Present your analysis in a tabular format as per the guideline template (see below).

\*\*Boundaries:\*\*

\* Assume the attached reinsurance slip is the primary source of information.

\* Do not conduct external research beyond information provided in the slip.

\* Focus specifically on protecting the reinsurer's financial interests.

\* This is a limited scope review based on provided documentation only.

\*\*Reasoning:\*\* Each recommendation and suggestion must be clearly justified. Explain \*why\* a particular clause is problematic, \*why\* a specific deductible adjustment is necessary, and \*why\* your MPL estimate is reasonable. Back up your arguments with logical reasoning and reinsurance principles.

\*\*Delimiters:\*\*

\* \*\*Attached:\*\* Reinsurance Slip (Assuming you will attach the actual slip)

\* \*\*Guideline Template (Tabular Output):\*\*

| Section | Item | Analysis/Calculation/Recommendation | Justification |

| -------------------------- | ---------------------------------------- | -------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------- | ----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------- |

| \*\*Loss Ratio Analysis\*\* | Year 1 Loss Ratio (%) | [Calculated Loss Ratio] | [Explanation of Calculation and Potential Trends] |

| | Year 2 Loss Ratio (%) | [Calculated Loss Ratio] | [Explanation of Calculation and Potential Trends] |

| | Year 3 Loss Ratio (%) | [Calculated Loss Ratio] | [Explanation of Calculation and Potential Trends] |

| \*\*Reinsurance Slip Review\*\* | Clause 1: [Clause Name] | [Detailed Analysis of the Clause - Potential Issues] | [Justification for Concern - Examples of how the clause could be exploited] |

| | Clause 1 Recommendation | [Proposed Amendment or Deletion] | [Justification for the Amendment/Deletion - How it protects the reinsurer] |

| | Clause 2: [Clause Name] | [Detailed Analysis of the Clause - Potential Issues] | [Justification for Concern - Examples of how the clause could be exploited] |

| | Clause 2 Recommendation | [Proposed Amendment or Deletion] | [Justification for the Amendment/Deletion - How it protects the reinsurer] |

| \*\*Maximum Possible Loss\*\* | MPL (%) | [Calculated MPL Percentage] | [Explanation of Methodology - Scenario considered, assumptions made. Explain how the MPL was determined, considering factors like policy limits, insured values, and potential catastrophic events.] |

| \*\*Deductible Analysis\*\* | Current Deductible | [Description of Current Deductible] | [Assessment of Adequacy - Is it high enough given the risk profile?] |

| | Proposed Deductible Adjustment | [New Deductible Recommendation] | [Justification - Why is the higher deductible needed? Reduces frequency? Aligns with risk profile?] |

| \*\*Critical Risk Assessment\*\* | Risk Factor 1 : [Name of Risk Factor] | [Details of risk factor and its likely impact on the reinsurance] | [Rationale and reasoning behind this assessment] |

| | Strategies for Risk Factor 1 Mitigation | [Strategies for mitigating risk] | [Rationale and reasoning behind the mitigation] |

\*\*Steps and Examples for Pattern Reading:\*\*

1. \*\*Initial Scan:\*\* Quickly read the entire reinsurance slip to get a general understanding of the risk, coverage, limits, and deductibles.

2. \*\*Identify Key Clauses:\*\* Focus on clauses related to:

\* \*\*Coverage:\*\* Precisely what is covered and what is excluded?

\* \*\*Conditions Precedent:\*\* What must happen \*before\* the reinsurance responds?

\* \*\*Reporting Requirements:\*\* How often and in what format must the cedant report claims?

\* \*\*Claims Handling:\*\* Who handles the claims, and what control does the reinsurer have?

\* \*\*Cancellation:\*\* Under what circumstances can the reinsurance be cancelled?

\* \*\*Aggregation:\*\* How are losses aggregated (if applicable)?

\* \*\*Exclusions:\*\* Review the exclusions very carefully. Are there any unexpected or overly broad exclusions?

3. \*\*Pattern Recognition (Examples):\*\*

\* \*\*Ambiguous Wording:\*\* Look for phrases like "reasonable efforts," "as soon as practicable," or "usual and customary." These are open to interpretation and can lead to disputes.

\* \*\*Example:\*\* "The cedant will use reasonable efforts to mitigate losses." \*Concern:\* What constitutes "reasonable efforts"? The reinsurer has no control over this. \*Recommendation:\* Replace with specific, measurable actions.

\* \*\*"Follow the Fortunes" Clause:\*\* While standard, ensure it's appropriately qualified. It shouldn't force the reinsurer to accept settlements that are clearly unreasonable or beyond the scope of the coverage.

\* \*\*Example:\*\* Unqualified "Follow the Fortunes" clause. \*Concern:\* Forces the reinsurer to accept any settlement, even if questionable. \*Recommendation:\* Add a clause like "…provided the cedant has acted prudently and in good faith."

\* \*\*Lack of Clarity on Aggregation:\*\* If the risk is susceptible to aggregated losses (e.g., natural disasters), ensure the reinsurance slip clearly defines how losses are aggregated.

\* \*\*Example:\*\* No clear definition of how losses are aggregated across multiple locations. \*Concern:\* Could lead to disputes over whether multiple losses are treated as one event or separate events. \*Recommendation:\* Define "event" clearly and specify how losses from different locations are aggregated.

\* \*\*Low Deductibles Relative to Risk:\*\* A low deductible can expose the reinsurer to a high frequency of small claims.

\* \*\*Example:\*\* A deductible of $10,000 on a policy with a limit of $1,000,000 for a business with a history of frequent small losses. \*Concern:\* The reinsurer will be exposed to many small claims, increasing the administrative burden and potentially impacting profitability. \*Recommendation:\* Increase the deductible to a level that eliminates frequent, attritional losses.

4. \*\*Risk Assessment and Mitigation Strategies:\*\*

\*Identify risk factors of this risk and make sure that there are mitigation strategies of this risk in place.

5. \*\*Tabulate Findings:\*\* Use the provided template to document your analysis, recommendations, and justifications.