



**REINSURANCE: BASIC CONCEPTS AND PRACTICES (CRI) STUDY GUIDE  
(2<sup>ND</sup> EDITION, APRIL 2017)**

**Version 1.2**

Issued On: 1 November 2017

Note: (1) This Version 1.2 of the amendments below, as well as Version 1.1 of the amendments, shall apply to any candidate who sits for the Reinsurance: Basic Concepts And Practices (CRI) examination **from 1 December 2017 onwards**.

(2) The next set of amendments, if any, will be issued on 1 April 2018.

Amendments are made to the CRI Study Guide (2<sup>nd</sup> Edition, April 2017) as follows:

**1. Chapter 1, Section A4, Paragraph 3.9, Page 31**

Replace the third bullet point with:

- “ ■ As facultative inward business from a fronting insurer. This is explained further under **Section A7** Fronting Companies.”

**2. Chapter 8, Section 8E, Paragraph 8.9, Page 197**

By deleting the first sentence and substituting it with the following sentence:

“After the application of the Interlocking Clause, the maximum recovery per event is reduced from \$55m to \$20.5m.”

**3. Chapter 8, Section 8E, Figure 8.3, Page 197**

By deleting the table and substituting it with the following table:

“

Underwriting Year	Loss to Proportional Treaty	Event Limit Before Interlocking Clause	Event Limit After application of Interlocking Clause
X	\$10m	\$10m	= $10/55 \times 10$ = \$1.8m
Y	\$25m	\$25m	= $25/55 \times 25$ = \$11.4m
Z	\$20m	\$20m	= $20/55 \times 20$ = \$7.3m
Total	\$55m	\$55m	\$20.5m

”



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**Version 1.1**

**Amendments already effected for examinations as from 1  
June 2017 onwards.**

Amendments are made to the CRI Study Guide (2<sup>nd</sup> Edition, April 2017) as follows:

**1. Chapter 8, Section 8E, Paragraph 8.9, Page 197**

By deleting the first sentence and substituting it with the following sentence:

“After the application of the Interlocking Clause, the maximum recovery per event is reduced from \$55m to \$19.6m.”

**2. Chapter 8, Section 8E, Figure 8.3, Page 197**

By deleting the table and substituting it with the following table:

“

Underwriting Year	Loss to Proportional Treaty	Event Limit Before Interlocking Clause	Event Limit After application of Interlocking Clause
X	\$5m	\$10m	= $10/55 \times 5$ = \$0.9m
Y	\$25m	\$25m	= $25/55 \times 25$ = \$11.4m
Z	\$20m	\$20m	= $20/55 \times 20$ = \$7.3m
Total	\$50m	\$55m	\$19.6m

”

**3. Chapter 10, Learning Points, Page 223**

Delete the eighth bullet point that read as:

- “
- describe the internal audit process of a reinsurance company”

**4. Chapter 10, Section 5A, Paragraph 5.3, Page 235**

Insert the following bullet point after the bullet point “If an agreement ... to home currency.”:

- “
- Receive Signed Line Advice from the broker / insurance companies.”