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AN ESSAY ON

# RECENT DEVELOPMENTS IN ALTERNATIVE INSURANCE MARKETS

IN PARTICULAR IN THE COUNTRIES:  
FRANCE, SWEDEN & SWITZERLAND

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DUBLIN, JULY 1994

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## Introduction

In the first section a general overview of recent developments in the reinsurance market is given.

In section two the trend in terms of clients handling their own risks is examined. Here the aim is to find out how risk managers of very large international companies have changed their attitudes and understanding of risk handling. The perceptions which have been won in these two sections serve as a basis to understand and outline the developments of alternative risk financing models.

Thereafter in section 3 a first goal is to find rationales of how a client decides when he is considering alternative risk financing models. Details of market developments of Captives, Finite Risk, Pooling, Operating Budgets, Rating Plans, pure Risk Funding, Bank Credits and Futures/Options are presented. A second goal is find out how Centre Re can offer their products and services to the clients and to what extend Captive Insurance Companies can be integrated into finite risk financing solutions. A comparison between captive solutions and Finite Risk Insurance is given, examining financial and strategic parameters.

In order to get a deeper understanding of the above-mentioned developments, this essay covers three selected markets which are of particular interest to Centre Re: France, Sweden and Switzerland (section 4). The use of captives by large international companies is analyzed, taking into consideration the very different insurance and tax environments in these three countries.

In the final section of this essay, a summary and outlook is given. It is not the intention of the author to reproduce any of the statements and results published in the Price Waterhouse study. However, there are several general sections in the PW study which are also of great importance to the alternative markets in France, Sweden and Switzerland. It might therefore be beneficial for the reader to study both surveys, the PW essay and this analysis.