The importance of reinsurance in reducing risks and replenishing resources Case study of central reinsurance company CCR 2013- 2022

أهمية إعادة التأمين في الحد من الأخطاروتجديد الموارد - دراسة حالة الشركة المركزية لإعادة التأمين (CCR) 2013-2022

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Abstract : This research paper aims to highlight the role that reinsurance companies play in reducing risks and replenishing resources. The results of the study showed that the Central Reinsurance Company forms the core of reinsurance in Algeria.due to the Algerian legislator's imposition on all companies to reinsure an amount of 50% of the insurance contracts with this company. Also, CCR does not rely on legal reinsurance only, but has a presence in Reinsurance operations in Africa, Europe and the Arab world by accepting reinsurance, which constitutes an important source of hard currency. The study recommended the need to give greater importance to reinsurance activity in Algeria as it plays a major role in insurance companies' willingness to underwrite various risks insurance contracts, which allows for growth and developmentof sector**.**

Keywords: Insurance, Reinsurance, Acceptations, Claims, Indemnity.

JEL Classification Codes :.G32, G22

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1. Introduction

Insurance has received increasing attention in recent decades, due to the successive events and crises that afflict the world's economies and the losses they cause that affect life in its various economic and social dimensions and may extend to political ones. Insurance companies constitute an important support for replenishing resources and reducing the impact of these events and crises that afflict the world through the amount of compensation it provides to affected individuals and institutions. The Previous experiences have shown that insurance companies have financial capabilities to compensate for losses to which economies are exposed, especially when it comes to major risks such as economic crises and natural disasters. Indeed, insurance companies themselves faced great financial difficulties due to these events and crises due to the amount of compensation that exceeds their capabilities to cover risks.

Based on this, those responsible for managing these companies thought about the necessity of finding new ways to manage risks, where the idea of transferring some of the risks to another party with greater financial capabilities, which can bear the damages resulting from the risks regardless of their size, emerged. This is known as reinsurance. Based on the above, the following problem arises:

What is the reality and limitations of reinsurance in Algeria? And what is its situation at CCR?

The main hypothesis to answer the above main question can be formulated as follows: Reinsurance operations in Algeria are limited to compulsory reinsurance contracts with the central company imposed by law on insurance companies operating in Algeria.

2. The concept of reinsurance.

2.1.Definition of reinsurance.

Reinsurance is the transfer of the entire value of the insurance initially written by the insurance company or part of the value of this insurance to another insurance company. The insurance company that initially underwrites the insurance and transfers it to the other insurance company is called the direct insurer (the ceding company). The insurance that accepts the insurance transferred to it by the direct insurer is called reinsurance. That part of the insurance that the direct insurer maintains for its own account is called the retained amount. The reinsurer returns the duplicate insurance, and the entrusted insurance company remains responsible for the insurance before the insured. If The insurance company did not fulfill its obligations towards the insured, and the insured cannot claim the reinsurance company.

Reinsurance is insurance for insurance companies. It’s a way of transferring some of the financial risk insurance companies assume in insuring cars, homes and businesses to another insurance company, the reinsurer (Aboui, 2012, p. 48).

2.2.The basic elements in the reinsurance process(Osama Azmi Salam, Risk Management and Insurance, 2007, p. 170)

- **The direct insurer**: He is the original insurer who assigns or transfers part or all of the risk to the insurance body or bodies.
- **Reinsurer**: An entity that accepts reinsurance business. It may be an entity whose primary mission is reinsurance or that carries out reinsurance activity in addition to its other insurance activities.

- **The reinsured amount**: This is the amount that the original insurer cedes to the reinsurance authority.
- **The retained amount**: It is the part of the insurance that the direct insurer maintains for its own account
- **Reinsurance commission**: This is the amount charged by the direct insurance organization to cover the expenses it incurs in order to obtain that coverage.
- **Reinsurance contract**: It is an agreement between two bodies: the original insurer and the reinsurance body.

2.3. Reasons for reinsurance:

There are several reasons that lead the direct insurer to reinsure, including the following(Aboui, 2012, pp. 75- 76):

- **Protection:** The insurance company reinsures because it wants to reduce the uncertainty of the occurrence of a loss. Purchasing insurance provides reassurance and peace of mind. Insurance companies also seek to obtain reassurance and protection, and this is available through reinsurance.
- **Balance and stability:** The insurance company also uses reinsurance to avoid fluctuations in the cost of claims, as this cost is affected by economic and social conditions, the occurrence of natural disasters, and also by coincidences, which insurance companies cannot control.
- **Increasing the absorptive capacity**: The absorptive capacity is the maximum amount that the insurance or reinsurance company cannot subscribe to without compensating its risk margin. The insurance company is often forced to accept insurance whose value exceeds the maximum absorptive capacity. Therefore, insurance companies resort to reinsurance to increase its absorptive capacity, it accepts large risks with peace of mind, because the reinsurer will accept reinsurance that exceeds its capacity.
- **Providing protection against disasters:** Insurance companies are sometimes exposed to large losses resulting from natural disasters, large explosions in factories, or aviation disasters, and reinsurance provides protection against such disasters by bearing most of the losses.

3.Methods and functions of reinsurance.

3.1.Reinsurance methods

There are several methods on which the types of contracts in reinsurance operations depend. They are(Rabbo., 2008, pp. 477-485):

a. **The optional method:**

According to the name of this method, the freedom of choice is guaranteed for both the direct insurance company and the reinsurer. The direct insurance company has the freedom to determine the portion it retains and the portion it cedes to reinsurance for each transaction. If the transaction is favorable, the company may retain a large part of it for itself or may retain it entirely without ceding any part. Conversely, if the transaction carries more risk, it may choose to cede a larger portion to the reinsurer.

This method is considered optional and has an important advantage: flexibility. Since the insurance contract is designed to suit a specific situation, reinsurance tends to stabilize the insurer's operations by transferring large losses to the reinsurer. Although this method is characterized by the aforementioned freedom of choice, it also has drawbacks in other aspects.

The following table shows the advantages and disadvantages of optional reinsurance:

Table 1: Advantages and disadvantages of the optional reinsurance method.

Advantages of optional reinsurance	Disadvantages of optional reinsurance
Small insurance companies can compete to cover large risks that are outside their ability to cove	The direct insurance company will not be able to know the possibility of reinsuring the risk before issuing the direct insurance policy to the insured.
Insurers can keep their portfolio balanced by shifting major risks.	The direct insurer will not be able to know the cost he will bear in the event of a risk .
The reinsurercan accept all risks that do not meet the law of large numbers, then transfer them to a reinsurer who collects all risks, even abnormal ones.	Reinsurance procedures in this way take a fairly long time

Source:(Mamdouh Hamza Ahmed, 2003, pp. 467- 468)

b. **The method is by agreement (mandatory).**

According to this method, there is an agreement concluded in advance between both the insurer and the reinsurer, and this agreement clarifies the percentage or parts that the reinsurer accepts from each operation contracted by the direct insurer in a specific branch, meaning that the agreement is binding on both the direct insurer and the reinsurer in Limits of the agreed upon percentage or portion.

The agreement method eliminates the disadvantages of the optional method. It also works to save effort, time, and expenses, which helps to make the commission with it greater than the commission with the optional method. It is also characterized by ensuring organized and stable operations for reinsurers.

Its defect is that the direct insurer is forced to reinsure all transactions that fall within the scope of the agreement, both good and bad, which leads to the loss of profits made for the direct insurer in relation to good operations. As for the reinsurance authority, it is also forced to cover bad transactions due to their falling within the scope of the agreement. This methodisdividedinto:

- **Proportional reinsurance agreement**: According to this agreement, the premiums, risk and insurance amount are shared proportionally between the original insurer and the reinsurance authority, and it includes the following:
  - **Participation agreement**: The insurer and the reinsurer agree in advance on specific percentages for retaining the risk, as well as defined percentages of premiums and claims.
  - **Surplus agreement:** According to this agreement, the direct insurer reserves for himself a certain amount of the insurance transaction and this part is called the line. The rest of the insurance amount is called a surplus. The surplus is divided into several lines and distributed to the reinsurance companies covered by the agreement, according to their absorptive capacity, even if they cannot. Covered becomesuncovered.

- **Non-proportional reinsurance agreement**: The reinsurance company's obligation does not arise except when the total compensation exceeds a certain limit, which is the direct insurer's retention agreed upon as a specific amount, as in loss increase agreements or as a percentage as This is the case in stop-loss agreements, which include the following:
- **Reinsurance agreements based on Excess of Loss:** Under this agreement, the reinsurance company's obligation is only when the total compensation resulting from a single accident exceeds the direct insurer's retention, which was initially decided upon concluding the agreement.
- **Reinsurance agreement on the basis of Stop of Loss:**The reinsurer is obligated to compensate the surplus of the claim due from the direct insurance company at a certain percentage of the premiums collected from it annually, or when it exceeds a maximum amount that was also agreed upon. Meanwhile, the reinsurer's liability for the surplus is limited to this percentage.. This agreement does not give weight to the concept of a single accident, as what is important here is that the loss occurred in its entirety within the duration of the agreement within the agreed upon branch of insurance.

The following table explains the comparison between optional and reinsuranceby agreement

Table 02.The difference between optional and compulsory reinsurance.

The optional method	The method by agreement (mandatory).
Free will and free choice: -The direct insurer is not obligated to allocate certain risks to the reinsurer. The company has the right to choose the risks that suit it.	Mandatory: -The direct insurer is obliged to allocate a portion of each risk within the scope and conditions of the agreement. -The reinsurer does not have the right to refuse coverage.
The reinsurer does not automatically underwrite, but the direct insurer must provide it with all risks and decide whether to accept or reject the risks.	The reinsurer assumes the risk as long as it is within the scope and terms of the agreement.
Single risk reinsurance.	Reinsurance should cover all risks within the scope of the agreement.
Request detailed information about each risk	All risks are accepted without the need for detailed explanation, and once the policy is issued, the reinsurer will be responsible for it

Source: Prepared by the researcheraccording to the previous informations

C. Unilateral optional reinsurance agreement:

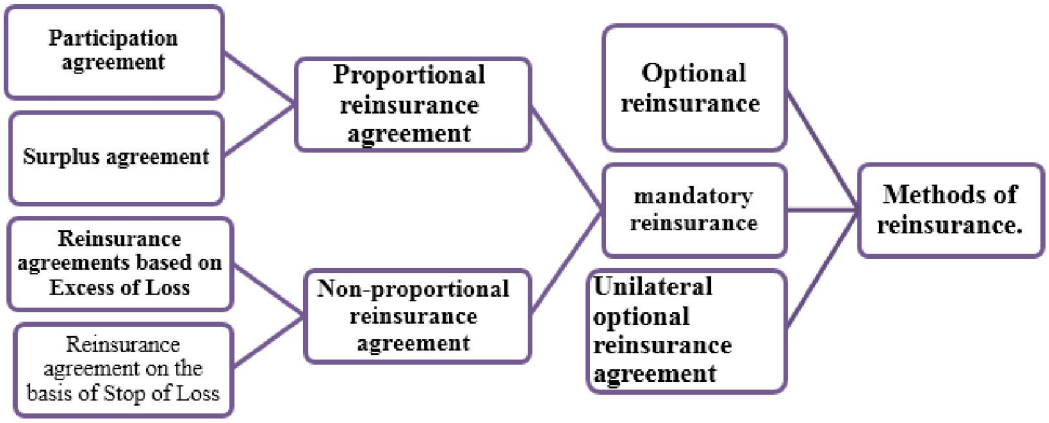
This agreement ensures that the direct insurance company has the option to reinsure any transaction of its choosing, while the reinsurance company is obligated to accept any transaction sent to it by the direct insurer, based on a previously concluded agreement that guarantees the

right to execute it unilaterally. Thus, the direct insurance company, according to its choice, reinsures the surplus of any transaction according to the types specified in the agreement, and it is not entitled to reject it as long as it is within the agreement's limits.This method makes the work of the direct insurance company easier, despite the higher cost it bears compared to the cost incurred under the mandatory method. This is in exchange for the right it has obtained (the right to reinsure or not).

D. Co-insurance method

According to this method, a group of insurance companies agrees to establish a comprehensive reinsurance system, with each company participating in the system transferring all types of agreed-upon insurance business to this system. This system is usually managed by an office independent from the other insurance companies within the system. This type of reinsurance is resorted to in the case of risks with a high degree of severity, meaning risks that could lead to large and extraordinary losses.

Figure 01. Different methods of reinsurance.



Source:(Osama Azmi Salam, 2007, p. 174)

4. Reinsurance functions:

Reinsurance has multiple basic functions, which we will summarize as follows(Rabbo., 2008, p. 175):

- Breaking up concentrated risks, thus transforming them into insurable risks, which helps provide insurance protection for such risks, as each company prefers to keep simple parts of a large number of insurance operations, rather than keep parts. Large amounts of a small number of these operations, as it achieves balance in the company's financial portfolio.
- Reinsurance encourages insureds to increase their absorptive capacity, by accepting to underwrite many operations, regardless of their responsibilities, because the direct insurer knows in advance that he can reserve for himself a portion of these operations that is compatible with his financial capacity, and reinsurance increases his aforementioned financial capacity.
- Reinsurance provides a kind of control over both loss rates and expense rates, with the efforts made by major specialized reinsurance companies to develop this industry, in addition to providing direct insurance companies with the technical and administrative expertise they need to study and examine new focused operations before underwriting them, in addition to The reinsurer's right to inspect the direct insurer's records related to

reinsurance operations (especially in treaty reinsurance) has a major impact on achieving this function.

- Reinsurance helps the direct insurer and reinsurer financially, by transferring premiums and compensation between them in the appropriate form and currency agreed upon, which is of great importance to the contracting parties here.

5. Reinsurance in Algeria

The Algerian insurance sector, like other sectors, has undergone numerous changes and developments in line with the general direction of the state and the economy. During the first period of independence, there was a simple restructuring while maintaining the laws that were in effect during the colonial period, except for those that contradicted national sovereignty. Then, a directed economy system was adopted until the end of the 1980s, after which the country transitioned to a market economy.

Table03. Evolution of reinsurance operations in Algeria

years	Evolution
Before 1962	Insurance and reinsurance contracts were subject to French legislation.
1962	Creation of (CAAR).
1963	Waiver of 10% of the premiums written by insurance companies in favor of CAAR pursuant to Order 63/197 of June 8, 1963
1966	According to Law No. 66/127, the state monopolizes all insurance and reinsurance businesses
1973	Creation of the Central Reinsurance Company CCR
1975	Transferring all reinsurance contracts in favor of CCR.
1995	Establishing legal percentages for reinsurance of certain contracts with CCR.
1998	Decree No. 98-312 issued on September 30, 1998 reduced the previous percentages above (5%- 10%)
2002	The issuance of Resolution 43 on July 29 stipulates a new regulation in the field of voluntary waiver, as follows: Transferring the right to benefit from all optional concessions from insurance companies to CCR - and the right to benefit from all optional concessions remains for CCR in the event that the offers submitted by them are equal or better than the offers of foreign reinsurers. To enhance supervision, specific ratios are required for dealing with reinsurers, and the Information about contracts, agreements and statements of reinsurance accounts for the Supervision Department
2006	Article 208 of Law 06-04 issued on February 20, 2006: The Algerian legislator decided that legal reinsurance by companies active in Algeria shall be for the benefit of CCR.
2009	Executive Decree No. 09-375 regarding the minimum capital for insurance and/or reinsurance companies, which approved raising the minimum capital for companies practicing reinsurance operations to 5 billion dinars.
2010	Executive Decree 10-207 issued on September 9, 2010 raised the compulsory National Reinsurance Relinquishment Rates (CCR) for all reinsurance businesses by at least 50%.
2011	Executive Decree 11-422 of December 9, 2011, which includes the approval of the

	license to practice activity at the level of the Algerian insurance market issued to foreign brokers in reinsurance.
2013	Executive Decrees 13-114 and 13-115 relating to regulatory obligations and financial solvency of insurance/reinsurance companies
2016	A decision dated April 25 and a decision dated May 15 were issued, approving the license to practice activity at the level of the Algerian insurance market issued to foreign brokers in reinsurance.
2021	Decree 21-81 dated February 23 stipulates the conditions and modalities for practicing Takaful insurance/takaful reinsurance activity

Source: (Almi Hassiba, 2022, pp. 4-5)

5.1 Presentation of Central Reinsurance Company CCR

Central Reinsurance Company (CCR) is a joint-stock company with a share capital of 30 billion AD, owned by the Algerian government. The company's headquarters is located in Ouled Fayet. The company engages in all forms of reinsurance and all branches of insurance. Therefore, it has established business relationships with all local insurance companies and several partners around the world, developing a significant amount of business with them, and enjoys a good brand reputation both locally and internationally (B+ rating by AM Best rating agency).(CCR, 2024).

Table04. Evolution of reinsurance acceptations in CCR 2013- 2022

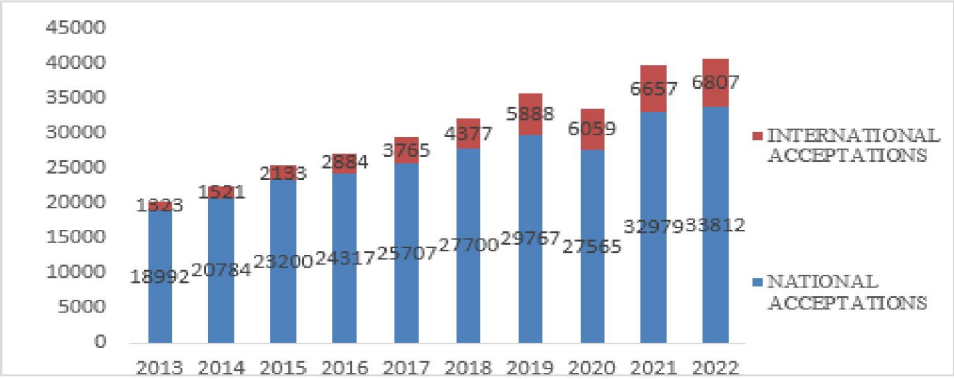
YEARS		2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
TOTAL ACCEPTATIONS		20315	22305	25333	27201	29472	32077	35665	33624	39635	40619
NATIONAL ACCEPTENCES	FOMR(IARD)	12829	14711	16548	17708	19181	20135	20517	18952	23577	22536
	NAT-DIS	1233	1564	1656	1947	2074	2897	3940	3511	4078	4505
	PERSONAL	1293	1394	1599	1414	1421	1264	1361	1549	1446	1453
	PLANE	1308	897	1239	1220	1135	1211	1548	1303	1719	2117
	MARITIME	2329	2219	2157	2030	1896	2192	1940	1217	1544	2024
	SPECIAL. R	///	///	///	///	///	///	461	1034	614	1176
	TOTAL	**18992**	**20784**	**23200**	**24317**	**25707**	**27700**	**29767**	**27565**	**32979**	**33812**
Retrocededinsurance acceptances		7516	8835	10673	10778	11586	12206	13351	19780	22.241	23.588
INTERNATIONAL ACCEPTENCES	FOMR(IARD)	656	890	1330	1902	2262	2696	3427	5098	5478	5486
	NAT-DIS	12	18	23	12	18	11	75	-50	1	1
	PERSONAL	1	1	1	2	7	24	44	40	125	12
	PLANE	69	53	155	66	80	66	6	192	99	45
	MARITIME	17	17	81	100	95	142	234	397	626	754
	SPECIAL. R	565	543	543	801	1303	1438	2103	382	328	509
	TOTAL	1323	1521	2133	2884	3765	4377	5888	6059	6657	6807

Million DA

Source:(CONCIL, 2023)

The Central Reinsurance Company is an active member of many regional and international organizations such as OAA, GAIF, FAIR and as a member of several pools such as FAIR, pool marine and Non marine, African aviation and fire pool, this allows it to obtain international acceptances, in addition to the local acceptances it obtains from insurance companies operating in the Algerian market.

Figure 02. Evolution of reinsurance acceptations in CCR 2013- 2022



Source: Prepared by the researcher according to table 04

It is noted from the figure above that the total volume of admissions is constantly increasing during the study period, with the exception of the year 2020, which witnessed a decrease compared to the year 2019, as the turnover was estimated at 33 billion and 624 million DZD in 2020 compared to 35 billion and 665 million DZD in 2019, then it returned to the increase in Growth in 2021 and 2022, respectively. This decline is explained by the remnants of the Corona pandemic, which greatly affected the volume of underwriting in insurance companies.

It is also noted that the volume of acceptances gained from companies active in Algeria constitutes the largest portion of the turnover of the Central Insurance Company CCR, which represents more than 90% of the total turnover throughout the study period, and this can be explained by requiring insurance companies active in Algeria to reinsure significant percentages. of insurance contracts with this company, while the volume of foreign acceptances remains very limited. This is due to the resort of most countries to imposing legislation related to compulsory reinsurance with local companies for certain percentages of insurance contracts subscribed to avoid the exit of hard currency.

5.2 Development of reinsurance acceptances by geographical region during the period 2013-2022

The Central Reinsurance Company (CCR) aims to impose itself as an international reinsurance company and this is evident through the volume of its investments and its participation in international, African and Arab world organizations such as OAA, GAIF, and FAIR, through which it tries to attract acceptances from foreign insurance companies to increase its turnover, and the table shows The following is the development of the volume of international acceptances of the Central Reinsurance Company during the period 2013-2022

Table 05.Development of reinsurance acceptances by geographical region 2013-2022

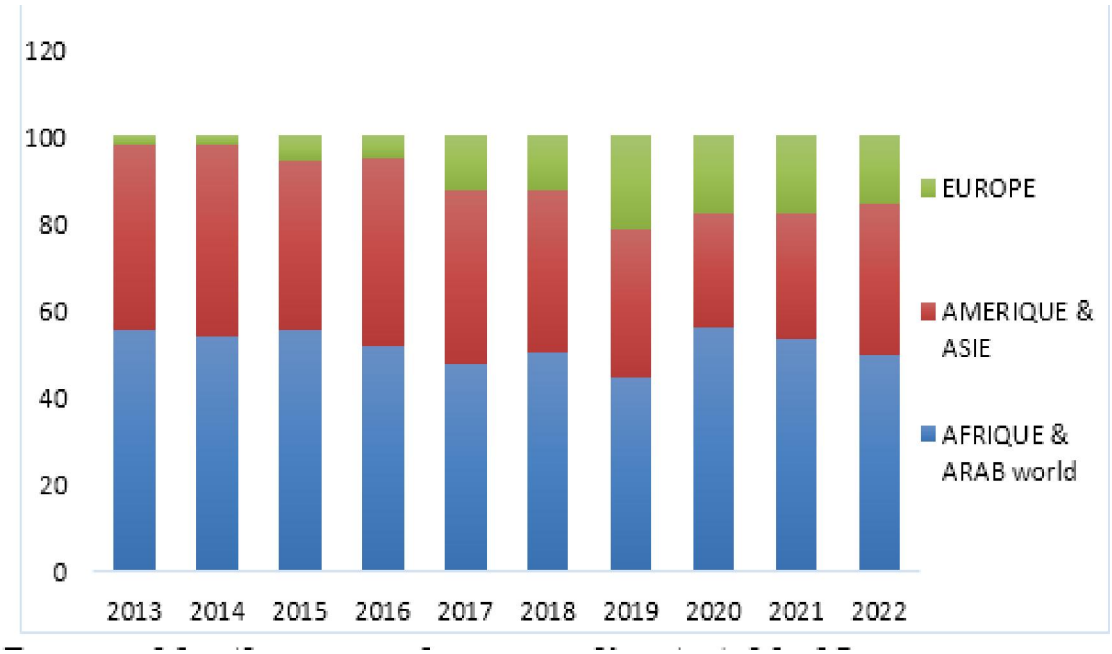
Years	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
AFRIQUE & ARABE world	55,5	54	55,38	51,58	47,7	50,4	44,2	56,1	53,56	49,84
AMERIQUE & ASIE	42,8	44	39,02	43,18	39,7	37,4	34,4	26,31	28,65	34,36
EUROPE	1,7	2	5,6	5,24	12,6	12,2	21,4	17,59	17,79	15,8

Million DA

Source:(CONCIL, 2023)

The most important thing to note from the previous table is that the Central Reinsurance Company (CCR) attracts acceptances from various parts of the world. The table shows that the acceptances come from companies in Africa and the Arab world, which is considered logical given its geographical presence and activity in them, or the acceptances may be from companies active in America, Asia, and even companies active in Europe, which is a very positive thing, especially if we know the size, strength and competitiveness of international reinsurance companies, especially European ones such as Munich Reinsurance or SWISS RE.

Figure 3. Development of reinsurance acceptances by geographical region 2013-2022



Source: Prepared by the researcher according to table 05

It appears from Table No. 3 that the volume of international admissions witnessed a continuous increase during the period 2013-2022, and it appears from the previous figure that there is a fluctuation in the volume of admissions from Africa and the Arab world, as it reached its highest levels in 2013 with a turnover of approximately 55.5 billion DZD. While the lowest value was reached in 2019 at 44.2 billion dinars, which is always explained by the remnants of the Corona pandemic, and this is the same thing that was observed in the volume of acceptances coming from America and Asia. As for the volume of acceptances coming from Europe, it witnessed very rapid growth from the year 2013 until 2019, which reached its highest levels with an estimated value of 21.4 billion dinars, and then began to decline after that. This is due to the new European strategies in the field of insurance and reinsurance, which began Implementation of them starting from the year 2020, known as the European Solvency 2 decisions.

5.3Claims settled by the CCR during the period 2013-2022

It is not possible to discuss the extent of the contribution of reinsurance in preserving and renewing resources without addressing the volume of claims that are settled through it. The amount of compensation provided by these companies is an indicator of their effective contribution to the economic life and their ability to contribute to the sustainability of resources.

Table 06. Evolution of claims settled by the CCR during the period 2013-2022

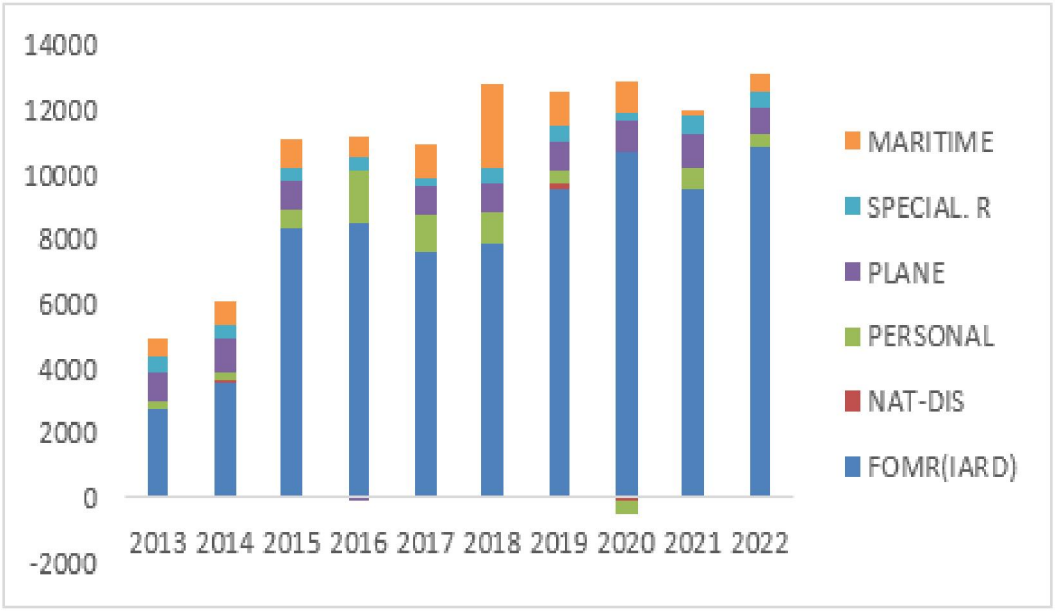
years	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
FOMR(IARD)	2750	3584	8321	8492	7585	7880	9571	10698	9538	10853
NAT-DIS	6	28	2	2	3	0	133	-107	3	13
PERSONAL	222	303	582	1620	1191	912	404	-390	664	433
PLANE	878	992	919	-21	824	939	924	997	1076	811
MARITIME	527	768	907	651	1081	2546	1075	1015	173	594
SPECIAL. R	532	401	349	417	280	489	448	206	562	432
TOTAL	4915	6076	11080	11161	10963	12799	12555	16619	12014	13136
Claims CCR	3769	3979	6122	5736	6405	6970	8917	9470	5768	9238
Claims recovered	1146	2097	4958	5425	4558	5829	3638	7149	6246	3898

Million DA

Source: (CONCIL, 2023)

The Central Reinsurance Company provides compensation for claims related to all types of insurance contracts according to its operational division in the Algerian insurance market, which offers various insurance products.

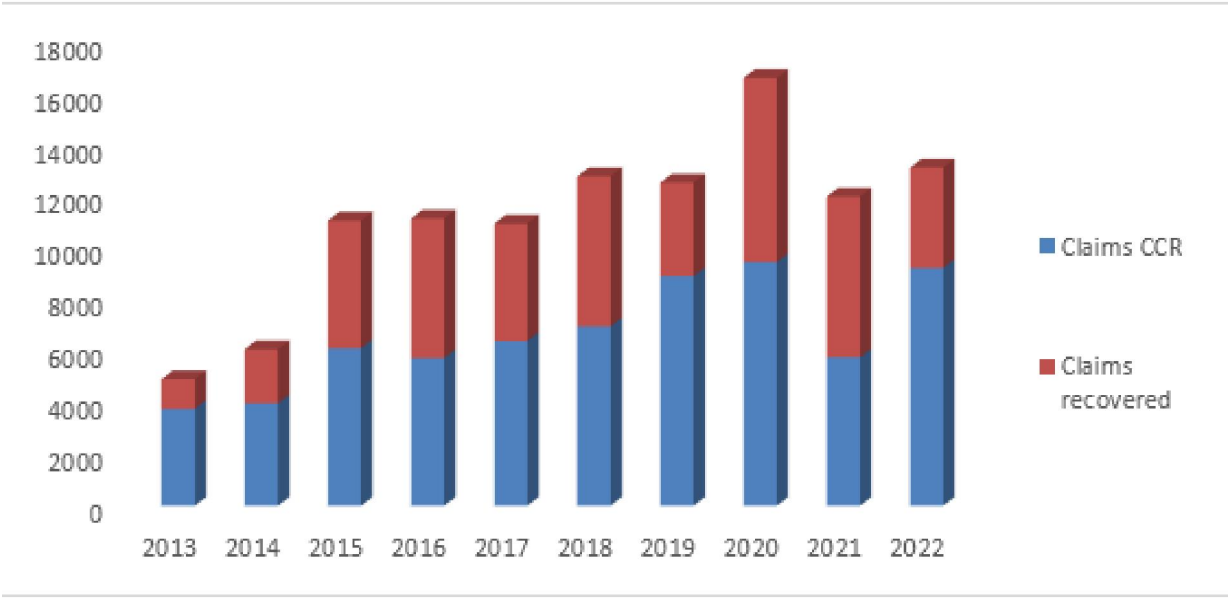
Figure04.Evolution of claims settled by the CCR during the period 2013-2022



Source: Prepared by the researcher according to table 06

The previous figure shows that compensation for claims related to fire and major hazards contracts constitute a very large portion of the total volume of compensation provided by the Central Reinsurance Company (CCR), which is considered consistent with the nature and size of contracts subscribed to in insurance contracts in the Algerian market, which is known for its nature, which is dominated by insurance contracts. Mandatory contracts, which constitute more than 90% of the total volume of subscribed contracts. This is also explained by what was previously mentioned, that most of CCR's reinsurance contracts are local contracts, and marine reinsurance contracts come in second place.

Figure 05. Distribution of insurance claims at the Central Insurance Company 2013-2022



Source: Prepared by the researcher according to table 06

The volume of claims during the study period 2013-2022 fluctuated, which is linked to the occurrence of accidents, as it reached its highest levels in 2020, with a total amount exceeding 16,619 million Algerian dinars. As for its distribution between local and foreign claims, the same year witnessed the largest amount of claims from international companies, amounting to 7,149 million Algerian dinars, followed by 2022, with an amount estimated at 6,246 million Algerian dinars, at a rate exceeding 60%, which confirms the company's role in covering losses on the one hand, and its important role in the economy as a whole by ensuring access to hard currency.

6. Conclusion

Most countries around the world are working on developing the financial sector in all its components, with insurance being one of them. The financial sector is considered an important indicator in assessing the strength of the economy, due to its role in preserving and sustaining resources. As a result, this sector has seen numerous developments and reforms, and its importance has grown. The initial focus was on direct insurance, which revealed its limitations and inability to cover major risks. Many companies struggled to meet their obligations, leading to greater emphasis on reinsurance due to its ability to cover those risks. Since its independence, Algeria has focused on developing and improving this sector, as reflected in a series of legal and regulatory reforms that have shaped the sector.

The research concluded a number of findings:

- Reinsurance is a contract also referred to as insurance for insurance because it is a process that allows insurance companies with limited capacity to transfer part or all of the risks they have covered to reinsurance companies that have a much greater capacity.
- Reinsurance contracts help preserve achievements and renew resources through the amount of compensation they provide, which is typically related to major risks.

- Several types of reinsurance contracts can be distinguished based on the principle of segmentation. There are legal distinctions between mandatory and optional reinsurance contracts. Additionally, reinsurance can be categorized into proportional or partial reinsurance and non-proportional reinsurance, based on the levels of risk transfer. Other types of reinsurance can also be identified, providing insurance companies with a diverse range of reinsurance contract products that allow them to expand in underwriting insurance contracts.
- Reinsurance operations in Algeria have witnessed significant developments directly linked to the general trends of the insurance sector and the policies of the Algerian legislator. The reforms began with the creation of Algerian companies like CAAR immediately after independence, followed by several developments in the sector, including the establishment of other companies such as CCR.
- The Algerian legislator granted licenses to many intermediaries to practice mediation in reinsurance operations, a role that was previously limited to the insurance sector alone, starting in 2011 under Executive Decree No. 11-422 dated December 8, 2011.
- The Central Reinsurance Company (CCR) is considered the reinsurance front in Algeria after the shift toward a market economy. The Algerian legislator ensures the preparation of laws and regulations that regulate and oblige insurance companies operating in Algeria to carry out reinsurance operations with this company.
- CCR is a company with an international character.. It accepts international reinsurance requests and also retrocedes a portion of the reinsurance contracts it has underwritten, up to 30%, especially for major risks.
- The minimum reinsurance percentage for insurance companies operating in Algeria is set at 50% of the total insurance contracts, according to Executive Decree No. 10-07 dated September 9, 2010.

Recomondations: Based on the findings, the following recommendations are proposed:

- Providing more facilities to insurance companies in reinsurance contracts to help them expand their subscription to insurance contracts related to major risks
- The need to reconsider the mandatory reinsurance ratios at CCR in line with modern requirements and the differences between the characteristics of insurance contracts.
- The Central Reinsurance Company should benefit from international expertise and pioneering experiences in the field of reinsurance.
- The necessity of activating cooperative reinsurance within CCR's activities to keep pace with the new changes in the Algerian insurance market with the entry of 3 Takaful insurance companies during the last years.

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