



Prophet German Permanent Health Insurance (BUZ) Library

The iWorks Prophet German Permanent Health Insurance Library allows companies to model permanent health insurance contracts available in Germany, Switzerland and Austria.

The library allows for different product type and reserving features and tax. Embedded values and Market consistent Embedded values can be calculated with this library.

The library is built to be run stochastically. It can easily be customised through the open and flexible development environment to cater for company specific features.

When used with other libraries, the German permanent health insurance products can be used as part of the wider risk management of the company.

Features

Product Features

- German disability insurance products
- Waiver of premium and disability annuity
- A choice of policyholder participation methods:
 - Bonus
 - Deposit account
 - Cash bonus
 - Level bonus annuity
 - Terminal bonus

General Product Features

- Regular or single premiums
- Level or increasing premiums
- Single life or joint lives

Valuation Features

- RfB calculations
- Reserve strengthening for annuities
- 'Finanzierbarkeitsnachweis'
- Statutory valuation reserve

Experience Features

- Most common mortality tables, including AIDS
- Withdrawals, with any skewed incidence
- Spread maturity dates
- Allowance for tax on a number of bases

Reporting Features

- Analysis of RfB
- German statutory profit and loss account
- Analysis of surplus sources ("Gewinnerlegung")
- Discounted profits, at three rates of discount
- Solvency margins
- Discounted revenue accounts and accumulation of profits
- Breakeven month and internal rate of return

Dynamic Features

- Any input assumption can be changed to make it calculate dynamically, by being read from a variable calculated in a higher level or ALM product in the previous dynamic loop

Benefits

The German Permanent Health Insurance (PHI) library allows German customers to model their permanent health insurance / income protection benefit at a very detailed level, Prophet's flexible open code architecture and tabular inputs enable all company specific contract level data and formulas to be included. The library has an extensive database of actuarial formulas maintained by a large team of actuaries. Products can be built quickly using a wizard selecting key product, experience, reserving and reporting features lending itself to very rapid implementation.

Most typical features are provided as standard, including an allowance for stochastic projections.

The results from this library can be used to provide market consistent embedded values (MCEV), economic capital, IFRS, local principles-based solvency modelling, as well as emerging regulations, such as Solvency II.

When used with other libraries, in particular the Summary Library, the German PHI Library models can be used as part of the wider risk management of the company, utilising the same code as used for product pricing and embedded values in the wider ALM and risk management of the company.

Summary

Comprehensive, extensive, easily customisable purpose-built actuarial library for pricing and statutory reserving and can be used for liability component of overall ALM.

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Contact Us

For sales enquiries:

Telephone: +44 (0)1932 757575
Email: prophet.sales@sungard.com

For support:

UK & Europe
(excluding France, Switzerland, Germany and Austria)
Telephone: +44 (0)1932 757555
Helpdesk email: prophet.helpdesk@sungard.com

France
Telephone: +33 1 44 71 8080
Helpdesk email: prophet.helpdesk@sungard.com

Switzerland
Telephone: +41 44 560 8425
Helpdesk email: prophet.helpdesk@sungard.com

Germany and Austria
Telephone: +49 69 70768 400
Helpdesk email: prophet.helpdesk@sungard.com

Asia/Pacific
Telephone: +65 6416 1490
Helpdesk email: sgap.iworks.support@sungard.com

The Americas
Actuarial Resources Corporation
Telephone: +1 (913) 451 0044
Helpdesk email: prophet@arcval.com

www.sungard.com/iworks/prophet