SUNGARD iWorks Prophet

Business-driven IT Solutions
for the Insurance Industry

Prophet US Library

The iWorks Prophet US library allows companies to model a wide range of life insurance and annuity contracts available in the US.

The library allows for liability product features and statutory, tax and GAAP reserving to be modeled. Embedded values and Market consistent Embedded values can be calculated with this library.

The library is built to be run dynamically and/or stochastically and has goal seeking features for pricing. It can easily be customized through the open and flexible development environment to cater for company specific features.

When used with other libraries, in particular the US Asset and Global Strategy Library, the liability products can be used as part of the wider risk management of the company.

Features

Product Features

- Traditional Life
- Fixed and Flexible Premium Universal Life
- Fixed and Flexible Premium Variable Universal Life
- Equity Indexed Annuities and Universal Life
- Fixed or Variable Deferred Annuity
- Fixed or Variable Immediate Annuity

General Product Features

- Regular or Single Premiums
- Level or Non-Level Premiums
- Level or Non-Level Death Benefits
- Single life, joint life, or last-survivor
- Participating or non-participating
- Guaranteed Benefits including GMDB, GMIB, GMAB and GMWB

Participating Features

- Factor based dividends
- Formula based dividends
- Cash dividend option
- Reduce Premium dividend option
- Accumulations dividend option
- Paid Up Additions dividend option

Valuation Features

- Statutory Reserves
- Deficiency Reserves
- All Standard Methods
- Reflect actuarial guidelines
- Tax Reserves
- FAS60, FAS97, FAS97LP, FAS120, FAS133, FAS157, SOP03-1

Experience Features

- Most common mortality tables
- Withdrawals, with any skewed incidence
- Spread maturity dates
- Five components to build up overall investment return

Reassurance Features

- Yearly Renewable Term (YRT)
- Co-insurance
- Modified co-insurance

Reporting Features

- Standard Pricing Measures
- Statutory and GAAP Financial Reports
- Discounted profits, at three rates of discount
- RBC, AVR and IMR
- Discounted revenue accounts and accumulation of profits
- Breakeven month and internal rate of return
- Analysis of future surplus / margins

Goal Seeking Features

- Goal seeking to determine premium rates or unit allocation rates as appropriate to achieve a predefined level of profitability

Dynamic Features

- Automatic output of the values which need to be passed from one dynamic loop to the next
- 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

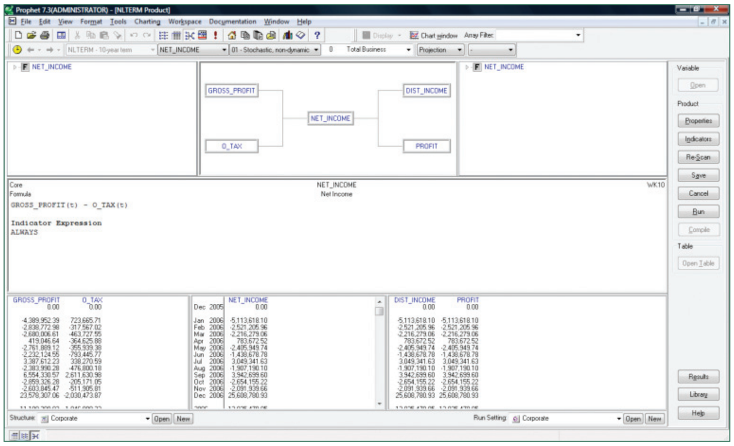
Benefits

The US library allows a very wide range of US product types to be modelled 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 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. The libraries also include goal seeking routines for pricing, different types of reassurance and is specifically built for cashflow testing and ALM modelling.

The results from this library can be used to provide market consistent embedded values (MCEV), economic capital, C3 Phase II calculations, local principles-based solvency modelling, as well as emerging regulations, such as PBA.

When used with other libraries, in particular the Asset and Global Strategy libraries, the US library products can be used as part of the wider risk management of the company. Utilizing 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 customizable purpose-built actuarial libraries for pricing and statutory reserving and can be used for liability component of overall ALM.

Contact Us

This library is developed, maintained and supported by Actuarial Resources Corporation head office located in Overland Park, Kansas, USA.

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