

Prophet Group Pensions Library – group product risk modeling for pension providers

The Prophet Group Pensions library allows you to:

- Value the benefits provided by a pension scheme, determine future contribution rates and model the insurance company cash flows for insured schemes including market consistent embedded value calculations
- Model pension fund cash flows and hence be able to use these in an Asset Liability Modeling study

The library caters for both defined benefit and defined contribution pension schemes. The library is primarily designed for European customers but can be used in other parts of the world.

Key features

Scheme features

- Defined benefit or defined contribution
- Active, pensioner, spouse, deferred, ill health pensioner and disabled member states
- Early, late and compulsory retirement
- Pensions on retirement for active, deferred and disabled members
- Spouses benefits on death of member
- Disability and waiver benefits, including Dutch AOP and WAO Gap benefits
- Lump sum benefits on death, withdrawal and retirement

Experience features

- Number of new entrants calculated so as to achieve a specified number of active members
- Experience assumptions can be different from funding assumptions
- Different mortality rates in each state
- Withdrawal rates
- Retirement rates
- Disability inception and recovery rates
- Rates of increase in pensions and salaries, including promotion increases

Funding features

- Choice of funding methods, including '65 minus X,' Regular Premium, Time Proportionate, Projected Unit and Current Unit method
- Lump Sum funding to cover any past service liability deficits
- Risk Premium funding for death in service benefits
- Calculates premiums / contributions as well as reserves
- Up to three valuation bases can be used

Insurance company related features

- Scheme review, with new premium basis applying after review
- Profit sharing, using TL discount, volume discount and excess interest methods
- Embedded value calculation
- Solvency margin calculation
- New schemes sold in the future
- Can work with a Summary library product to model Separated Accounts

Reporting features

- Projected scheme and insurance company revenue accounts
- Discounted cash flow
- Membership profiles

Benefits

The Group Pensions Library is useful for companies who have a need to value the liabilities for either defined benefit or defined contribution pension schemes. The library is comprehensive, extensive, easily customisable and purpose-built for pricing and embedded value calculations.

Summary

The Group Pensions Library allows you to set up multi-state models that allow interactions between different member states and different types of benefits. It can be used with the Summary library and Asset Liability Strategy Library as part of an ALM investigation.

About SunGard's Prophet solution

SunGard's Prophet solution is a leading enterprise-wide actuarial modeling system that helps insurance and financial services companies meet reporting responsibilities, improve risk management, and develop more profitable products faster. Prophet uses customizable actuarial libraries for all major product types, including regional variations. It provides the transparency, performance and control required by today's actuaries and risk managers through integrated financial modeling and data management capabilities. Prophet is used by more than 9,000 users at over 730 customer sites in more than 65 countries. www.sungard.com/insurance/risk

Enabling the adaptive enterprise

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