



# PROPHET PERMANENT HEALTH LIBRARY

Individual and group product risk modelling for health insurers

## Overview

The Prophet Permanent Health Insurance (PHI) Library allows companies to model individual and group permanent health and income protection benefits. This library can be used in many regions and includes standard valuation and pricing approaches. Many rider benefits can also be modeled and the library includes most standard morbidity, mortality and AIDS tables.

The library allows for different reserving, tax, experience and reinsurance features to suit a wide range of companies and regions. Embedded Values and Market Consistent Embedded Values can be calculated with this library.

The library can be run 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 Asset Liability Strategy Library, the PHI products can be used as part of the wider risk management of the company.

A specific U.S. Health library and German Health library also exist to model PHI and other health business in those countries.

## Key Features

- Individual and group PHI
- Friendly Society sickness policies
- Claims in payment
- Benefits varying according to duration of claim

- Waiver of premium
- Rider benefits

## General Product Features

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

## Experience Features

- Most common mortality tables, including AIDS Withdrawals, with any skewed incidence
- Spread maturity dates
- Five components to build up overall investment return
- Allowance for tax on a number of bases
- Manchester Unity or inception/recovery approaches
- Experience based on CMIR 12 and CIDA

## Valuation Features

- Manchester Unity or inception/recovery approaches
- Net premium and gross premium reserves
- Bonus reserve valuation
- AIDS claim reserves
- Option to restrict calculations to statutory reserves

## Market Consistent Valuations

- Reassurance Features
- Original terms (co-insurance)
- Risk premium (yearly renewable term)
- Financing

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## Goal-seeking Features

- Goal seeking to determine premium rates to achieve a predefined level of profitability

## Optional Features

- Perform IFRS 17 calculations at contract level or provide group results to the IFRS 17 Group Calculations library

## Benefits

The Permanent Health Insurance (PHI) library allows 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. The library also includes goal-seeking routines for pricing, different types of reinsurance and allows 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 modeling, as well as risk-based capital regulations, such as Solvency II.

When used with other libraries, in particular the Summary and Asset Liability Strategy Library, the PHI library models can be used as part of the wider risk management of the company. This allows you to utilize the same code used for product pricing and embedded values in the wider ALM and risk management of the company.

The library supports the use of Prophet's Nested Structures feature to embed one model within another.

## Summary

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

## About FIS' Prophet

FIS' Prophet 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 10,000 users at nearly 1000 customer sites in over 70 countries.

## About FIS

FIS is a global leader in financial services technology, with a focus on retail and institutional banking, payments, asset and wealth management, risk and compliance, consulting and outsourcing solutions. Through the depth and breadth of our solutions portfolio, global capabilities and domain expertise, FIS serves more than 20,000 clients in over 130 countries. Headquartered in Jacksonville, Florida, FIS employs more than 53,000 people worldwide and holds leadership positions in payment processing, financial software and banking solutions. Providing software, services and outsourcing of the technology that empowers the financial world, FIS is a Fortune 500 company and is a member of Standard & Poor's 500® Index. For more information about FIS, visit [www.fisglobal.com](http://www.fisglobal.com)