PROPHET BUZ LIBRARY
Permanent health risk modeling for German/DACH insurers

Overview

The Prophet 'BUZ' Library (Berufsunfähigkeitszusatzversicherung) enables German, Austrian and Swiss insurers to model permanent health insurance contracts.

The library allows for different product types 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 customized through the open and flexible development environment to cater for company specific features.

When used with other libraries, the BUZ Library Prophet models can be used as part of the wider risk management of the company.

Key features

Experience Features
- Most common DAV morbidity tables
- 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
- Discounted profits, at three rates of discount
- Discounted revenue accounts and accumulation of profits
- Breakeven month and internal rate of return

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Dynamic Features

Any input assumption, parameter or decision can be read, dynamically, from a higher level product, e.g. to reflect a management decision taken at the previous year end.

Product Features

- German disability insurance
- Waiver of premium and disability annuities
- 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

Valuation Features

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

Benefits

The BUZ Library allows German insurers to model their permanent health insurance / income protection products at a very detailed level. Prophet's flexible open code architecture and tabular inputs enable all company specific contract level data and rules 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 modeling, as well as risk-based capital regulations, such as Solvency II.

When used with other libraries, in particular the Summary Library, German PHI Library models 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 and easily customizable the purpose-built German PHI library can be used for a wide range of actuarial reporting including pricing, reserving and as the liability component of an overall ALM model.

About FIS' Prophet solution

The Prophet solution from FIS^{TM} 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.

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 55,000 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**