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Life embedded value

EV is a actuarially determined estimate of the value of a company, excluding any value attributable to future (AN) assets or to the consolidated market value of the assets backing the shareholders' funds, net of tax (AN) costs.

EV is the present value of the projected stream of after tax industrial profits that are expected to be generated (AN) less:

- the cost of financial guarantees and options granted to policyholders;
- the frictional costs of holding the required capital;
- the cost of non hedgeable risks.

EV corresponds to the difference between the closing and the opening EV, excluding adjustments to opening EV and (AN) corresponding embedded value earnings, net of economic variances.

EV is based on Operating/Embedded Value Earnings, net of extraordinary expenses.

NBV is the present value, at the point of sale, of the projected stream of after tax industrial profits expected to (AN) be generated less:

- the cost of financial guarantees and options granted to policyholders;
- the frictional costs of setting up and holding the required capital;
- the cost of non hedgeable risks.

Full year NBV is calculated as the algebraic sum of the NBV of each quarter, each of them calculated with begin (AN) ning defined as equivalent business annualised regular premiums plus 10% of single premiums.

NPV is defined as Business Premiums of the expected future new business premiums, allowing for lapses and (AN) (AN) as defined as Business Premiums.

IRR is the rate that makes equal to zero the present value of new business distributable profits (the (AN) (AN) as defined as Business Premiums).

Payback Period is the rate that makes equal to zero the present value of new business distributable profits (the (AN) (AN) as defined as Business Premiums).

Payback Period is the time (in years, from issue date) required to recover the cost of the initial investment in new busi (AN) (AN) as defined as Business Premiums).

IRR is the discount rate that, when applied to a deterministic projection of future distributable profits based on (AN) (AN) as defined as Business Premiums.

Signment
[Supplementary information EEV](#)
