Life Insurance 2 – practicals 2018/2019

Homework 3

Compute and *plot* the gross premium reserves for:

1) The **pure endowment** insurance until 65 years with the net annual premium collected during the whole period with $SI = 1\,000\,000$.
2) The **life annuity due** deferred until the age 65 years with the net annual premium collected during the deferment period with $SI = 120\,000$.

Consider the input ages $x = 25$, 30, and 35 years. Use the unisex life tables (TIR=1.3%) and the corresponding commutation functions. The expenses values are

Alpha $= 4\%$,
Beta $= 0.6\%$,
Gamma $= 5\%$,
Delta $= 0.5\%$.

Please send a PDF file with the results in the format *surname_name_hw3.pdf* **to my e-mail.**

DEADLINE: May 26, 2019