

Example Unit Linked Policy with actuarial funding



Yearly Premiums 20,000 Rb
 Sum Insured 200,000 Rb
 Fees
 Initial fee 40% first year premium
 1.50% pa on fund
 1,000 Rb annual charge
 Assume Unit growth 6% p.a.
 Mortality charge 0.50% of sum at risk
 Mortality cost 0.50% of sum at risk
 Initial costs 10,000 rb
 Maintenance 600 rb p.a.
 Inflation 6.00% p.a
 Discount rate 4.00% p.a

Year	Premium Paid	Fee	sum at risk	Mortality Charge	Unit value purchased	Unit Value after premium payment	Unit value at year end	Fund fee	Net unit value
1	20,000	9,000	189,000	945	10,055	10,055	10,658	160	10,498
2	20,000	1,000	170,502	853	18,147	28,646	30,365	455	29,909
3	20,000	1,000	151,091	755	18,245	48,154	51,043	766	50,277
4	20,000	1,000	130,723	654	18,346	68,624	72,741	1,091	71,650
5	20,000	1,000	109,350	547	18,453	90,103	95,509	1,433	94,077
6	20,000	1,000	86,923	435	18,565	112,642	119,401	1,791	117,610
7	20,000	1,000	63,390	317	18,683	136,293	144,470	2,167	142,303
8	20,000	1,000	38,697	193	18,807	161,110	170,776	2,562	168,215
9	20,000	1,000	12,785	64	18,936	187,151	198,380	2,976	195,404
10	20,000	1,000	-	-	19,000	214,404	227,268	3,409	223,859

Actuarially funded unit purchase	Margin	Actual Unit Value after premium payment
8,645	1,410	8,645
15,840	2,308	25,003
16,167	2,078	42,670
16,505	1,842	61,734
16,854	1,600	82,292
17,214	1,351	104,444
17,587	1,096	128,297
17,973	834	153,968
18,372	564	181,578
18,715	285	211,188
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Actual Unit value at year end
9,163
26,503
45,230
65,439
87,230
110,710
135,995
163,206
192,473
223,859