Yang, H. (2015). Equity linked insurance products: Introduction and valuation. HKU-SOA Workshop – Current Topics on Actuarial Models with Dependence Structure, Hong Kong, May 2015.

Abstract:

Equity linked insurance products are popular in the insurance industry nowadays. In this talk, we shall give a brief introduction to the products and outline the ideas of how fair value can be calculated. Assuming the equity-index follows a geometric Brownian motion or jump-diffusion model, some simple closed-form formulas will be presented. At the end of the presentation, a model with regime switching will be mentioned.