

Abstract:

In the present thesis we study with-profit policy in life insurance. First we introduce general information about profit sharing and basic terms. We shortly look at the life insurance legislation. In the main part of thesis we look at three methods of calculation profit sharing and thereafter own method will be suggested. In second part of thesis we describe cash-flow model of life insurance implemented in iWorks Prophet Software. All methods with various economic scenarios and with various parameters settings will be tested in this model. Finally we analyse results of projections, we compare cash-flow for important variables and we describe advantages and disadvantages for every method.