

This thesis describes cash flow modelling of a life insurance portfolio which breaks down into four different basic contract structures. These structures are Term Insurance, Endowment, Universal Life and Unit Linked. Each of them are represented by an individual product. For every individual product, cash flows are created and evaluated further for profit and its sources. This thesis also introduces the use of future cash flow modelling in profit testing. In order to provide detailed information on this concept, a prototype of the model office was created in MS Excel to show numerical example of cash flow, present value of future profits and profitability ratios using real numbers for all assumptions.