

Scandinavian Actuarial Journal >
Volume 1994, 1994 - Issue 1194 | 96 | 3
Views | CrossRef citations to date | Altmetric

Original Article

Pricing of Unit-linked Life Insurance Policies

Knut K. Aase & Svein-Arne Persson

Pages 26-52 | Published online: 22 Dec 2011

Cite this article <https://doi.org/10.1080/03461238.1994.10413928>

Sample our
Economics, Finance,
Business & Industry Journals
>> **Sign in here** to start your access
to the latest two volumes for 14 days

References

Citations

Metrics

Reprints & Permissions

Read this article

Abstract

The key feature of unit-linked or equity-linked life insurance policies is the uncertain value of the future insurance benefit. By issuing unit-linked insurances that guarantees the policy-holder a minimum benefit, the insurance company is exposed to financial risk. The value of the insurance benefit is assumed to be a function of a particular stochastic process. We use the financial theory of arbitrage pricing and martingale theory to derive single premiums for different policies. We derive risk-minimizing trading strategies describing how the issuing company can reduce financial risk. We derive a partial differential equation for the market value of the premium reserve which

About Cookies On This Site

We and our partners use cookies to enhance your website experience, learn how our site is used, offer personalised features, measure the effectiveness of our services, and tailor content and ads to your interests while you navigate on the web or interact with us across devices. You can choose to accept all of these cookies or only essential cookies. To learn more or manage your preferences, click "Settings". For further information about the data we collect from you, please see our [Privacy Policy](#).

Accept All

Essential Only

Settings

contains some
principle of
under a
the originally

Related research

People also read

Recommended articles

Cited by
96

Mixed participating and unit-linked life insurance contracts: design, pricing and optimal strategy >

Vanessa Hanna et al.
Scandinavian Actuarial Journal
Published online: 28 Oct 2021

Pricing Guaranteed Life Insurance Participating Policies with Annual Premiums and Surrender Option >

Anna Rita Bacinello
North American Actuarial Journal
Published online: 3 Jan 2013

Competition and efficiency in the Dutch life insurance industry >

J. A. Bikker et al.
Applied Economics
Published online: 11 Apr 2011

View more

About Cookies On This Site

We and our partners use cookies to enhance your website experience, learn how our site is used, offer personalised features, measure the effectiveness of our services, and tailor content and ads to your interests while you navigate on the web or interact with us across devices. You can choose to accept all of these cookies or only essential cookies. To learn more or manage your preferences, click "Settings". For further information about the data we collect from you, please see our [Privacy Policy](#).

Accept All 

Essential Only

Settings



Information for

Authors

R&D professionals

Editors

Librarians

Societies

Opportunities

Reprints and e-prints

Advertising solutions

Accelerated publication

Corporate access solutions

Open access

Overview

Open journals

Open Select

Dove Medical Press

F1000Research

Help and information

Help and contact

Newsroom

All journals

Books

Keep up to date

Register to receive personalised research and resources by email



Sign me up



Copyright © 2024 Informa UK Limited [Privacy policy](#) [Cookies](#) [Terms & conditions](#)

[Accessibility](#)



Taylor & Francis Group
an informa business

Registered in England & Wales No. 3099067
5 Howick Place | London | SW1P 1WG

About Cookies On This Site

We and our partners use cookies to enhance your website experience, learn how our site is used, offer personalised features, measure the effectiveness of our services, and tailor content and ads to your interests while you navigate on the web or interact with us across devices. You can choose to accept all of these cookies or only essential cookies. To learn more or manage your preferences, click "Settings". For further information about the data we collect from you, please see our [Privacy Policy](#).

Accept All

Essential Only

Settings