



40 FOUNTAIN STREET
MANCHESTER M2 2BE
UNITED KINGDOM
TEL: +44 (0)161-832 3800
MAIL@INVESTMENTEDUCATION.NET

PENSIONS & LIFE ASSURANCE UL PRICING & ACCOUNTING

Background

Unit linked Pricing within Life and Pensions Companies is a complex and little understood art. The extensive range of assets involved in these funds together with the cross holdings make the pricing of these tiers of funds as involved as the pricing of Unit Trusts or OEICs. The additional complexity of actuarial calculations makes the pricing a specialist area.

This course aims to provide a complete back ground in the unit pricing of Life Assurance and Pension funds and is a good course for the beginner. The course includes the implications of year end evaluations and the production of accounts. The taxation implications of receiving income in both pension and life funds is covered together with the issue of charging of policy fees and related taxation charges. The course will not cover the technical tax charging but will cover tax provisioning at assumed tax rates.

The course will also look at the implications of direct vs indirect investment and the impact of IAS 32 & 39 on life and pension funds. Derivative accounting is not covered and the funds are assumed not be hedge funds.

Delegates

- Accounting staff of Life and Pension companies
- Taxation staff
- Risk and Compliance Staff
- Actuarial students and actuaries involved in regulatory returns
- Legal staff involve in actuarial and other matters
- Audit staff
- IT and systems development staff

Delegates require a basic knowledge of accounts systems and at least 3 months experience in a Life or Pension fund environment

Content

- Structure of funds and pricing issues
- Unit linked, Non linked and with profit funds
- Underlying assets of each type of business
- Actuaries accountants and fund pricing roles of each and interaction
- Units in funds compared to unit trusts
- Cross holdings
- Life and Pensions
- Bid offer and mid price
- Guarantees
- Liquidating units to meet charges and costs
- The overall company position
- DTI return
- The prime pricing mechanism – asset type equities
- Purchases and sales
- Bonus issues

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- Rights issues, Rights issues nil paid, stamp duties and costs, share buy-backs
- Price feeds and valuations, Extel etc concepts of risk in pricing
- Derivatives types and accounting-futures
- CGT reserving – realisation basis
- Income received – tax credit system, accrual
- Asset types – UK unit trusts
- Purchases and sales
- Equalisation
- Managers rebates stamp duty reserve tax issues
- CGT calculations deemed disposals seven year spreading rule
- Income receipts – dividend streaming, recovery on unfranked element, accrual
- Asset types – Overseas assets
- Purchase and sales
- Currency gains and losses
- CGT reserving basis
- Overseas income – foreign taxes & withholding tax recoveries
- Asset types – Gilts Bonds and interest bearing equities
- Purchases and sales
- Accruals basis and mark to market pricing (a particular look at non-link funds)
- Tax basis – realised gains reserve
- Income tax and recoverability for pension funds
- Gross gilt regime
- Asset types properties
- Purchase and sales brief discussion of VAT issues, enhancement expenditure
- Income and expenses
- Portfolio examples
- Bringing it all together worked example of a mixed fund
- Pricing controls
- Causes of error
- Correction and rectification
- Reasonable expectations of policyholders and the actuarial requirements

Duration	2 days
London	13 – 14 May 2013
	11 – 12 September 2013
Fee	£ 1120 + VAT

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