

# Mortality when Converting from Conventional Life Insurance to Universal Life Insurance Policies

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## ABSTRACT

This paper considers different aspects of conversion from conventional life insurance policies into universal life policies.

Finding formulas for conventional policies on an annual basis is typically quite straightforward, but this paper analyses and discusses also monthly mortalities.

This paper introduces concepts "discount factor preserving method" and "risk premium preserving method" which ensure the compatibility of old and new formulas.

The main focus of this paper is conversion. The results, especially when viewed from or analyzed on a monthly basis, are different than those referred to in actuarial literature.

**Keywords:**

Universal life techniques, Conversion, Mortality, Discount factor preserving method, Risk premium preserving method

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