

Chapter 1. Overview

LifeDividendMaster Overview

LifeDividendMaster is a calculation engine designed to produce the unit dividends associated with a dividend scale set of assumptions. As such, an Interest Component, a Mortality Component and an Expense Component are separately calculated based on user inputs. The sum of these three components produces a Theoretical Dividend.

Adjustments to the calculated dividends for minimum and maximum constraints, grading from a prior scale, as well as other adjustments for dividend “pegging” result in what is termed the Payable Dividends.

Finally, adjustments made to the Payable Scale to reflect limitations on what can be illustrated result in an Illustrated Scale.

Numerous utilities to perform diagnostic tests as well as the capability of generating a dividend liability for financial reporting purposes have been incorporated into the LifeDividendMaster system.

Reports associated with the dividend generator include a file of dividends by dividend cell. In addition, numerous reports are generated as a result of the execution of the various utilities. Finally, standard error and control reports are produced during the dividend generator run.

LifeDividendMaster is currently designed to run in a single-processor only environment.

The dividend generator typically works in conjunction with the LifeMaster system and relies on the inputs provided as part of the LifeMaster setup. Before describing LifeDividendMaster in detail, a very brief overview of the LifeMaster system is provided below. For more information on the LifeMaster system, please consult the LifeMaster System Overview.

