



## The Fair Value of Insurance Business

---

By Vanderhoof, Irwin T. / Altman, Edward I.

Book Condition: New. Publisher/Verlag: Springer, Berlin | Insurance companies, as well as banks and thrift institutions, have traditionally reported assets and liabilities on the basis of their amortized cost, or book value. But following the turmoil in securities markets due to highly volatile interest rate fluctuations in the 1980s and the early 1990s, and problems caused by inadequate liquidity, in the mid-1990s the Financial Accounting Standards Board (FASB) issued a new ruling calling for financial intermediaries to report the fair, or market, value of most assets. Called FAS 115, this new standard is the first step in the eventual change to valuing all the assets and liabilities belonging to financial intermediaries under the fair value accounting method. Thus, these changes will pose tremendous future implications for three key business measures of a financial intermediary: Solvency: if the fair values of assets and liabilities are out-of-step, then healthy companies may report negative net worth and insolvent companies may appear to be in sound financial condition. Reported Earnings: if the fair values of assets and liabilities are out of step, then reported earnings will not accurately represent the financial operations of the company. Risk Management: FASB recently postponed the implementation of its new...



**READ ONLINE**  
[ 7.92 MB ]

### Reviews

*A brand new e-book with a brand new standpoint. it was actually writtern extremely properly and valuable. I am just quickly can get a pleasure of looking at a published ebook.*

-- **Prof. Garett Schmitt**

*Complete guide for publication enthusiasts. I have read and i am sure that i will going to study again once again in the future. Your way of life period will be transform once you total looking over this publication.*

-- **Shayne O'Conner**