



# Chapter 13

## Investment Products and Services Provided by Insurers





# I. 教学目的

By the end of the chapter, students should be able to know about

- the types of investment products and services provided by insurers discussed by the text
- the respective features of the investment products and services mentioned
- the respective advantages and disadvantages of the investment products and services mentioned



## II. 教学计划

This chapter will cover 3 hours. 2 hours will be contributed to explanation of the words, phrases and sentences. The other 1 hour will be devoted to discussion and questions and answers.



### III. 教学方法

- Translation: key sentences and terms
- Paraphrasing: major words and sentences
- Summarizing: important paragraphs
- Discussion: key issues Questions and answers



## IV. 背景知识

Few, if any, investment vehicles can match the convenience and other benefits offered by investment companies, which include three main types: mutual funds, closed-end funds, and unit investment trusts. And the chapter concentrates on the study of mutual funds.



Mutual fund is an investment company that pools money from shareholders and invests in a diversified portfolio of securities. An estimated 91.2 million individual Americans in 53.3 million U.S. households own mutual fund shares.



Investment Company Institute (ICI), a national association of the investment company industry in the US, provides an overview of the types of mutual funds and how they operate.

There are four basic types of mutual funds: stock (also called equity), bond, hybrid—which invest in mix of stocks and bonds—and money market.



Money market funds are referred to as short-term funds because they invest in securities that generally mature in about one year or less, whereas stock, bond, and hybrid funds are known as long-term funds.


According to statistics from ICI, of the total \$7.414 trillion invested in mutual funds at the end of 2003, \$3.683 trillion was invested in stock funds, \$1.240 trillion in bond funds, \$436.6 billion in hybrid funds, and \$2.053 trillion in money market funds.






## The Evolution of REITs

US Congress created REITs in 1960 to give anyone and everyone the ability to invest in large-scale commercial properties. The REIT industry has grown dramatically in size and importance since then, and during the last decade in particular. There are approximately 180 publicly traded REITs in the U.S. today, with assets totaling \$375 billion. The shares of these companies are traded on major stock exchanges, which sets them apart from traditional real estate. Other REITs may be publicly-registered but non-exchange traded or private companies.




Quality rating or normally credit rating is an independent assessment of the creditworthiness of a bond (note or any security of indebtedness) by a credit rating agency. It measures the probability of the timely repayment of principal and interest of a bond. Generally, a higher credit rating would lead to a more favorable effect on the marketability of a bond. The credit rating symbols (long-term) are generally assigned with "triple A" as the highest and "triple B" (or Baa) as the lowest in investment grade. Anything below triple B is commonly known as a "junk bond." World famous credit rating agencies include Fitch, Standard & Poor's Ratings Services and Moody's.



REIT or Real Estate Investment Trust is a company that owns, and in most cases, operates income-producing real estate. Some REITs finance real estate. To be a REIT, a company must distribute at least 90% of its taxable income to shareholders annually in the form of dividends. REITs receive special tax considerations, and typically offer investors high yields as well as a highly liquid method of investing in real estate. REITs are classified in the following categories:




Equity REITs: Equity REITS invest in and own properties (thus responsible for the equity or value of their real estate assets). Their revenues come principally from their properties' rents.



Mortgage REITs: Mortgage REITs deal in investment and ownership of property mortgages. These REITs loan money for mortgages to owners of real estate, or invest in (purchase) existing mortgages or mortgage backed securities. Their revenues are generated primarily by the interest that they earn on the mortgage loans.



Hybrid REITs: Hybrid REITs combine the investment strategies of Equity REITs and Mortgage REITs by investing in both properties and mortgages



Treasury bills: a pure-discount security issued by the US Treasury with a maximum term-to-maturity of one year, which differs from treasury bond (a security issued by the US Treasury with a term of over seven years. Interest is paid semiannually, and principal is returned at maturity), and treasury note (a security with a term between one and seven years)

# V. 重点讲解

## 1. 概念讲解

life insurance agent 寿险代理人

discount brokerage services: 折扣佣金


bank certificates of deposits 银行存单

money market fund 货币市场基金



treasury bills: 短期国债  
rate of return 回报率  
check-writing 支票书写  
default risk 违约风险  
common stocks 普通股股票  
dividend 股息





operating expenses 操作费用  
stock price appreciation 股票价格上涨  
expected risk and return 预计风险与回报  
growth-oriented common stock 增长型股票  
value-oriented common stock 价值型股票



maturity date 到期日

periodic required interest payments 定期支付利息

coupon rate 息票利率

face value 票面价值

principal 本金

investment portfolio 投资组合



quality rating – credit rating 信用等级

corporate bonds 公司债券

REITs (real estate investment trusts) 不动产投资信托

brokers 券商、经纪人

execute transactions 进行交易



securities exchange 证券交易所

commercial office complex 商用写字楼

mortgage 抵押、抵押契据

commission rate 佣金率


risk-averse 厌恶风险的



## 2. 句子讲解


1. To support their agents in this regard as well as to retain some of the savings dollars that might otherwise be invested elsewhere, many life insurers now offer several investment options totally unrelated to insurance contracts.

译文：为了给保险代理人以更多的支持，同时也为了吸收那些可能投资于其他领域的储蓄资金，现在许多人身险代理人也提供一些完全与保险合同无关的投资领域。



2. The goal of most money market funds is to achieve the highest possible current rate of return from interest income while preserving the principal.


译文：大多数货币市场基金的目的是在保证本金的情况下，能从利息收入中获得尽可能高的现有收益率。



3. These investors seem to regard money market funds as another option to savings accounts in banks and savings and loan institutions.


译文：这些投资者把货币市场基金作为银行、储蓄和贷款机构的储蓄帐户的另一选择。





4. Most of the funds provide immediate liquidity through limited check-writing privileges and do not levy expense charges for deposits or withdrawals, although minimum specifications may exist regarding additional investments and withdrawals by check.


译文：通过有限制地签发支票权，大多数的货币市场基金能为客户提供极高的流动性，并且在存取款项时，不收手续费，尽管对于用支票追加投资和取款可能有一个最低的要求。



5. In corporate liquidation proceedings, common stockholders have no claim on a firm's assets until all creditor claims have been satisfied fully.

Creditor: 债权人    debtor: 债务人

译文： If a company is under a liquidation process, common stockholders will be the last to claim the firm's assets until claims of all creditors, such as banks and corporate bond holders have been satisfied in full.



6. The goals of stock investment funds vary with respect to the relative emphases placed on stock price appreciation and dividend income  
appreciation: a rise in value or price (like currency appreciation, price appreciation)

译文：由于在股价上涨和股息收益上的侧重点不同，股票投资基金的目标也各不相同。

# Morgan Stanley

Goldman  
Sachs




**Merrill Lynch**



**JPMorgan Chase**



對外經濟貿易大學  
UNIVERSITY OF INTERNATIONAL BUSINESS AND ECONOMICS



7. Some investors use brokers for their capacity to perform research and give advice, in addition to their ability to actually execute transactions on the major securities exchanges.

译文：一些投资者使用经纪人的目的，除了是因为他们能在主要的证券交易所进行实际交易外，还由于他们可以进行研究和提供咨询。