

L-42- Valuation Basis (Life Insurance)

Name of the Insurer: SBI LIFE INSURANCE COMPANY LIMITED

Valuation as at 31.12.2017

1) a. How the policy data needed for valuation is accessed.

Data is extracted as at the end of each month. Reasonablene checks are done to ensure the quality of data. After validation, the data is used for valuation.

b. How the valuation bases are supplied to the system

1) Interest : Maximum and minimum interest rate taken for each segment

i. Individual Business

1. Life- Participating policies
2. Pension- Participating policies
3. Life- Non-participating policies
(Including unitized non-pension policies)
4. Pension- Non-participating policies
(Including unitized pension policies)
5. Annuities- Participating policies
6. Annuities – Non-participating policies
7. Annuities- Individual Pension plan
8. Unit-Linked
9. Health Insurance

5.95%

5.95%

5.65%

5.65%

NA

6.00%

NA

Non Unit-Fund: 5.65%

5.65%

ii. Group Business

1. Annuities – Non-participating policies
2. Other Group policies

6.00%

5.65%

2) Mortality/Morbidity Rates : The mortality/morbidity rates used for each segment

i. Individual Business**1. Life-participating policies (including VIP)**

90% to 115% of IALM 2006-08 Ultimate depending on the product

2. Pension-participating policies

90% of IALM 2006-08 Ultimate

3. Life- Non-participating policies (Including VIP)

65% to 160% of IALM 2006-08 Ultimate depending on the product

4. Pension- Non-participating policies

90% of IALM 2006-08 Ultimate

5. Annuities – participating policies

NA

6. Annuities – Non-participating policies

90% of LIC a(96-98) Annuitant Rates; with 1% p.a. mortality improvement

7. Annuities – Individual Pension Plan

NA

8. Unit-Linked

75% to 90% of IALM 2006-08 Ultimate

9. Health Insurance

110% to 130% of the Reinsurance rates

ii. Group Business**1. Annuities – Non-participating policies**

90% of LIC a(96-98) Annuitant Rates; with 1% p.a. mortality improvement

2. Unit Linked

90% of IALM 2006-08 Ultimate

3. Other Group policies

90% to 120% of IALM 2006-08 Ultimate depending on the product

3)	Expenses :

i. Individual Business
1. Life-participating policies (Including VIP) Single Premium / Fully paid-up (after PPT)/ Partly paid-up: 380 Regular Premium Policy (in force): 530 Inflation @ 5.50% p.a.
2. Pension-participating policies Single Premium / Fully paid-up (after PPT)/ Partly paid-up: 380 Regular Premium Policy (in force): 530 Inflation @ 5.50% p.a.
3. Life- Non-participating policies (Including VIP) Single Premium / Fully paid-up (after PPT)/ Partly paid-up: 70 to 425 depending on the product Regular Premium Policy (in force): 90 to 575 depending on the product Inflation @ 5.50% p.a.
4. Pension- Non-participating policies Single Premium / Fully paid-up (after PPT)/ Partly paid-up: 425 Regular Premium Policy (in force): 550 Inflation @ 5.50% p.a.
5. Annuities – participating policies NA
6. Annuities – Non-participating policies Single Premium Policy: 480 Inflation @ 5.50% p.a.
7. Annuities – Individual Pension Plan NA
8. Unit-Linked Single Premium / Fully paid-up (after PPT)/ Partly paid-up: 525 Regular Premium Policy (in force): 700 Inflation @ 5.50% p.a.
9. Health Insurance Regular Premium Policy: 425 to 550 Inflation @ 5.50% p.a.
ii. Group Business
1. Annuities – Non-participating policies Single Premium Policy: 480 Inflation @ 5.50% p.a.
2. Other Group policies Single Premium / Fully paid-up (after PPT)/ Partly paid-up Per Life: Ranging from 10 to 225 based on the product Regular Premium Per Life: Ranging from 4 to 300 based on the product Inflation @ 5.50% p.a.

4)	Bonus Rates :

i. Individual Business
1. Life-participating policies Refer Annexure A
2. Pension-participating policies Refer Annexure A
3. Life- Non-participating policies NA
4. Pension- Non-participating policies NA
5. Annuities – participating policies NA
6. Annuities – Non-participating policies NA
7. Annuities – Individual Pension Plan NA
8. Unit Linked NA
9. Health Insurance NA
ii. Group Business
1. Annuities – Non-participating policies NA
2. Pension-participating policies Refer Annexure A
3. Other Group policies NA

5)	Policyholders Reasonable Expectations	Policyholders' Reasonable Expectation are being taken into account while arriving at discretionary benefits like reversionary bonuses. However the bonuses are declared after evaluating bonus earning capacity of each product further classified by mode of payment (Single/Regular Premium) and policy terms so that bonuses are equitable for groups of policyholders. Bonuses are smoothed and are based on pooled experience.
6)	Taxation and Shareholder Transfers	As per tax laws
7)	Basis of provisions for Incurred But Not Reported (IBNR)	Calculated using Modified Chain Ladder Method
8)	Change in Valuation Methods or Bases	
i. Individuals Assurances		
1.	Interest	Method - No change ; Bases Change - As above
2.	Expenses	Method - No change ; Bases Change - As above
3.	Inflation	Method - No change ; Bases Change - As above
ii. Annuities		
1.	Interest	Method - No change ; Bases Change - As above
a.	Annuity in payment	NA
b.	Annuity during deferred period	Method - No change ; Bases Change - As above
c.	Pension : All Plans	Method - No change ; Bases Change - As above
2.	Expenses	Method - No change ; Bases Change - As above
3.	Inflation	Method - No change ; Bases Change - As above
iii. Unit Linked		
1.	Interest	Method - No change ; Bases Change - As above
2.	Expenses	Method - No change ; Bases Change - As above
3.	Inflation	Method - No change ; Bases Change - As above
iv. Health		
1.	Interest	Method - No change ; Bases Change - As above
2.	Expenses	Method - No change ; Bases Change - As above
3.	Inflation	Method - No change ; Bases Change - As above
v. Group		
1.	Interest	Method - No change ; Bases Change - As above
2.	Expenses	Method - No change ; Bases Change - As above
3.	Inflation	Method - No change ; Bases Change - As above

Annexure A

Valuation as at 31.12.2017

Table A: Simple Reversionary, Interim and Terminal Bonus Rates

Sr. No.	Product Name	Premium Type	Policy Term (in years)	Reversionary Bonus Rate #	Interim Bonus Rate(Future Bonus Rate) #	Terminal Bonus Rate ##	Future Terminal Bonus
1	Sudarshan Plan A UIN: 111N008V01	Regular Premium	5-9	2.50%	2.50%	30.00%	5.00%
			10-14	1.80%	1.80%	30.00%	5.00%
			15 - 19	1.80%	1.80%	30.00%	5.00%
			20 - 24	1.55%	1.55%	5.00%	5.00%
			25 & above	1.55%	1.55%	5.00%	5.00%
		Single Premium	5-9	3.00%	3.00%	30.00%	5.00%
			10-14	2.50%	2.50%	40.00%	5.00%
			15 - 19	2.25%	2.25%	40.00%	5.00%
			20 - 24	2.25%	2.25%	5.00%	5.00%
			25 & above	2.25%	2.25%	5.00%	5.00%
2	Sudarshan Plan B UIN: 111N008V01	Regular Premium	5-9	2.00%	2.00%	30.00%	5.00%
			10-14	1.80%	1.80%	30.00%	5.00%
			15 - 19	1.55%	1.55%	30.00%	5.00%
			20 - 24	1.55%	1.55%	5.00%	5.00%
			25 & above	1.55%	1.55%	5.00%	5.00%
		Single Premium	5-9	3.00%	3.00%	30.00%	5.00%
			10-14	3.00%	3.00%	40.00%	5.00%
			15 - 19	3.00%	3.00%	40.00%	5.00%
			20 - 24	3.00%	3.00%	5.00%	5.00%
			25 & above	3.00%	3.00%	5.00%	5.00%
3	Scholar UIN: 111N004V01	Regular Premium	6-11	3.00%	3.00%	30.00%	Run Off
			12-16	3.00%	3.00%	30.00%	5.00%
			17 - 21	3.00%	3.00%	5.00%	5.00%
		Single Premium	6-11	3.25%	3.25%	40.00%	5.00%
			12-16	3.25%	3.25%	40.00%	5.00%
			17 - 21	3.25%	3.25%	5.00%	5.00%
4	Scholar II UIN: 111N020V01	Regular Premium	6-11	3.00%	3.00%	30.00%	5.00%
			12-16	3.10%	3.10%	30.00%	5.00%
			17 - 21	3.10%	3.10%	5.00%	5.00%
		Single Premium	6-11	4.00%	4.00%	30.00%	5.00%
			12-16	4.00%	4.00%	30.00%	5.00%
			17 - 21	4.00%	4.00%	5.00%	5.00%
5	Money Back UIN: 111N019V01	Regular Premium	10 (Plan-1)	1.80%	1.80%	30.00%	5.00%
			15 (Plan-2)	1.50%	1.50%	5.00%	5.00%
			20 (Plan-3)	1.50%	1.50%	5.00%	5.00%
			25 (Plan-4)	1.75%	1.75%	5.00%	5.00%
6	Sanjeevan Supreme UIN: 111N016V01	Regular Premium	15 (Plan-1)	3.25%	3.25%	5.00%	5.00%
			20 (Plan-2)	3.25%	3.25%	5.00%	5.00%
			20 (Plan-3)	3.25%	3.25%	5.00%	5.00%
			25 (Plan-4)	3.25%	3.25%	5.00%	5.00%
		Single Premium	15 (Plan-1)	3.50%	3.50%	5.00%	5.00%
			20 (Plan-2)	3.50%	3.50%	5.00%	5.00%
			20 (Plan-3)	3.50%	3.50%	5.00%	5.00%
			25 (Plan-4)	3.50%	3.50%	5.00%	5.00%
7	Shubh Nivesh UIN: 111N055V01 Plan 1 - Endowment Option	Regular Premium	5-9	3.00%	3.00%	45.00%	5.00%
			10-14	3.00%	3.00%	5.00%	5.00%
			15 - 19	3.00%	3.00%	5.00%	5.00%
			20 - 24	3.25%	3.25%	5.00%	5.00%
			25 & above	3.25%	3.25%	5.00%	5.00%
		Single Premium	5-9	3.25%	3.25%	25.00%	5.00%
			10-14	3.25%	3.25%	5.00%	5.00%
			15 - 19	3.25%	3.25%	5.00%	5.00%
			20 - 24	3.25%	3.25%	5.00%	5.00%
	Shubh Nivesh UIN: 111N055V01 Plan 2 - Whole Life Option	Regular Premium	25 & above	3.25%	3.25%	5.00%	5.00%
			5-9	3.25%	3.25%	45.00%	5.00%
			10-14	3.25%	3.25%	5.00%	5.00%
			15 - 19	3.25%	3.25%	5.00%	5.00%
		Single Premium	20 - 24	3.25%	3.25%	5.00%	5.00%
			25 & above	3.25%	3.25%	5.00%	5.00%
			5-9	3.25%	3.25%	35.00%	5.00%
			10-14	3.25%	3.25%	5.00%	5.00%
8	Shubh Nivesh UIN: 111N055V02 Plan 1 - Endowment Option	Regular Premium	7-9	3.00%	3.00%	5.00%	5.00%
			10-14	3.00%	3.00%	5.00%	5.00%
			15 - 19	3.00%	3.00%	5.00%	5.00%
			20 - 24	3.00%	3.00%	5.00%	5.00%
			25 & above	3.00%	3.00%	5.00%	5.00%
		Single Premium	5-9	2.90%	2.90%	5.00%	5.00%
			10-14	2.90%	2.90%	5.00%	5.00%
			15 - 19	2.90%	2.90%	5.00%	5.00%
			20 - 24	2.90%	2.90%	5.00%	5.00%
			25 & above	2.90%	2.90%	5.00%	5.00%

9	Shubh Nivesh UIN: 111N055V02 Plan 2 - Whole Life Option	Regular Premium	15 - 19	3.00%	3.00%	5.00%	5.00%
			20 - 24	3.00%	3.00%	5.00%	5.00%
			25 & above	3.00%	3.00%	5.00%	5.00%
		Single Premium	15 - 19	2.90%	2.90%	5.00%	5.00%
			20 - 24	2.90%	2.90%	5.00%	5.00%
			25 & above	2.90%	2.90%	5.00%	5.00%
	Shubh Nivesh UIN: 111N055V03 Plan 1 - Endowment Option	Regular Premium	7-9	3.00%	3.00%	5.00%	5.00%
			10-14	3.00%	3.00%	5.00%	5.00%
			15 - 19	3.00%	3.00%	5.00%	5.00%
			20 - 24	3.00%	3.00%	5.00%	5.00%
			25 & above	3.00%	3.00%	5.00%	5.00%
			5-9	2.90%	2.90%	5.00%	5.00%
		Single Premium	10-14	2.90%	2.90%	5.00%	5.00%
			15 - 19	2.90%	2.90%	5.00%	5.00%
			20 - 24	2.90%	2.90%	5.00%	5.00%
25 & above			2.90%	2.90%	5.00%	5.00%	
15 - 19			3.00%	3.00%	5.00%	5.00%	
20 - 24			3.00%	3.00%	5.00%	5.00%	
Shubh Nivesh UIN: 111N055V03 Plan 2 - Whole Life Option	Regular Premium	15 - 19	3.00%	3.00%	5.00%	5.00%	
		20 - 24	3.00%	3.00%	5.00%	5.00%	
		25 & above	3.00%	3.00%	5.00%	5.00%	
	Single Premium	15 - 19	2.90%	2.90%	5.00%	5.00%	
		20 - 24	2.90%	2.90%	5.00%	5.00%	
		25 & above	2.90%	2.90%	5.00%	5.00%	
10	Sanjeevan UIN: 111N001V01	Single Premium	20 (Plan 1)	1.25%	1.25%	5.00%	5.00%
			15 (Plan 2)	1.25%	1.25%	40.00%	5.00%
			10 (Plan 3)	Run Off	Run Off	Run Off	Run Off
11	Young Sanjeevan UIN: 111N002V01	Single Premium	All	Run Off	Run Off	Run Off	Run Off
12	Saral Life UIN: 111N071V01	Regular Premium	10 (Plan-1)	3.00%	3.00%	5.00%	5.00%
			15 (Plan-2)	3.00%	3.00%	5.00%	5.00%
			20 (Plan-3)	3.00%	3.00%	5.00%	5.00%
			25 (Plan-4)	3.00%	3.00%	5.00%	5.00%
13	Smart Money Back Insurance UIN: 111N082V01	Regular Premium	12 (Plan-1)	3.25%	3.25%	5.00%	5.00%
			15 (Plan-2)	3.25%	3.25%	5.00%	5.00%
			20 (Plan-3)	3.25%	3.25%	5.00%	5.00%
			25 (Plan-4)	3.25%	3.25%	5.00%	5.00%
14	Smart Income Protect UIN: 111N085V01	Regular Premium	5 (Plan-1)	3.00%	3.00%	40.00%	5.00%
			10 (Plan-2)	3.00%	3.00%	5.00%	5.00%
			15 (Plan-3)	3.00%	3.00%	5.00%	5.00%
15	Smart Income Protect UIN: 111N085V02	Regular Premium	7 (Plan-1)	2.85%	2.85%	5.00%	5.00%
			12 (Plan-2)	2.85%	2.85%	5.00%	5.00%
			15 (Plan-3)	2.85%	2.85%	5.00%	5.00%
16	Smart Income Protect UIN: 111N085V03	Regular Premium	7 (Plan-1)	2.85%	2.85%	5.00%	5.00%
			12 (Plan-2)	2.85%	2.85%	5.00%	5.00%
			15 (Plan-3)	2.85%	2.85%	5.00%	5.00%
17	Saral Pension UIN: 111N088V01	Regular Premium	All	3.00%	3.00%	5.00%	5.00%
		Single Premium	All	3.00%	3.00%	5.00%	5.00%
18	Saral Pension UIN: 111N088V02	Regular Premium	All	3.00%	3.00%	5.00%	5.00%
		Single Premium	All	3.00%	3.00%	5.00%	5.00%
19	Smart Money Back Gold UIN: 111N096V01	Regular Premium	12 (Plan-1)	2.50%	2.50%	5.00%	5.00%
			15 (Plan-2)	2.50%	2.50%	5.00%	5.00%
			20 (Plan-3)	2.50%	2.50%	5.00%	5.00%
			25 (Plan-4)	2.50%	2.50%	5.00%	5.00%
20	Smart Money Back Gold UIN: 111N096V02	Regular Premium	12 (Plan-1)	2.50%	2.50%	5.00%	5.00%
			15 (Plan-2)	2.50%	2.50%	5.00%	5.00%
			20 (Plan-3)	2.50%	2.50%	5.00%	5.00%
			25 (Plan-4)	2.50%	2.50%	5.00%	5.00%
21	Smart Champ Insurance UIN: 111N098V01	Regular Premium	8-11	2.75%	2.75%	5.00%	5.00%
			12-16	2.75%	2.75%	5.00%	5.00%
			17 - 21	2.75%	2.75%	5.00%	5.00%
		22	Smart Champ Insurance UIN: 111N098V02	Regular Premium	8-11	3.00%	3.00%
12-16	3.00%				3.00%	5.00%	5.00%
17 - 21	3.00%				3.00%	5.00%	5.00%
23	Smart Money Planner UIN: 111N101V01			Regular Premium	15 (Plan-1)	3.00%	3.00%
		20 (Plan-2)	3.00%		3.00%	5.00%	5.00%
		25 (Plan-4)	3.00%		3.00%	5.00%	5.00%
		24	Smart Money Planner UIN: 111N101V02	Regular Premium	15 (Plan-1)	3.00%	3.00%
20 (Plan-2)	3.00%				3.00%	5.00%	5.00%
25 (Plan-4)	3.00%				3.00%	5.00%	5.00%
25	Smart Humsafar UIN: 111N103V01			Regular Premium	10 - 14	2.75%	2.75%
		15 - 19	2.75%		2.75%	5.00%	5.00%
		20 - 24	2.75%		2.75%	5.00%	5.00%
					25 & above	2.75%	2.75%

26	Smart Humsafar UIN: 111N103V02	Regular Premium	10 - 14	2.75%	2.75%	5.00%	5.00%
			15 - 19	2.75%	2.75%	5.00%	5.00%
			20 - 24	2.75%	2.75%	5.00%	5.00%
			25 & above	2.75%	2.75%	5.00%	5.00%
27	Smart Woman Advantage UIN: 111N106V01	Regular Premium	10	2.50%	2.50%	5.00%	5.00%
			15	2.50%	2.50%	5.00%	5.00%
28	Smart Bachat UIN: 111N108V01	Regular Premium	10 - 14	2.50%	2.50%	5.00%	5.00%
			15 - 19	2.50%	2.50%	5.00%	5.00%
			20 - 24	2.50%	2.50%	5.00%	5.00%
			25	2.50%	2.50%	5.00%	5.00%

Bonus Rates as a percentage of Sum Assured.

The rate of Terminal Bonus is a percentage of the total amount of bonuses (Reversionary plus Interim).

The future Bonus rates are assumed as per the Interim bonus rates.

The future bonus rates and terminal bonus rates are only assumptions and in no way indicate the actual bonus rates that the Company would declare in future.

Table B1 - Pension Products

Sr. No.	Product Name	Premium Type	Policy Term (in years)	Regular Accumulating Bonus Rate *	Interim Bonus Rate *	Terminal Bonus Rate *	Future Terminal Bonus Rate *
1	Life Long Pension Plan - Individual (UIN: 111N011V01)	Regular Premium	All	7.25%	7.00%	7.50%	7.50%
		Single Premium	All	7.25%	7.00%	7.50%	7.50%
2	Life Long Pension Plan - Group (UIN: 111N012V01)	Regular Premium	All	7.25%	7.00%	7.50%	7.50%
		Single Premium	All	7.25%	7.00%	7.50%	7.50%

Table B2 - VIP Products

Sr. No.	Product Name	Bonus Type	Policy Term (in years)	Regular Accumulating Bonus Rate *	Interim Bonus Rate *	Terminal Bonus Rate *
1	Flexi Smart Plus - Individual (UIN: 111N093V01)	(A) Min. Guaranteed Bonus Interest Rate	All	1.00%	1.00%	-
		(B) Regular Bonus Interest Rate	5 - 9	6.50%	6.25%	-
			10 & above	6.50%	6.25%	-
	Regular Premium	(C)Residual Bonus Rate from 5th policy year onwards	All	-	-	-

Note: Bonus type B and C are in addition to A.

* Regular Accumulating & Interim Bonus Rates are a percentage applied on opening fund and other cashflows during the year. Terminal bonus rate is a percentage of Total Bonus Allocated.

Future bonus rates and terminal bonus rates are only assumptions and in no way indicate the actual bonus rates that the Company would declare in future.