

L-42- Valuation Basis (Life Insurance)

Name of the Insurer: SBI LIFE INSURANCE COMPANY LIMITED

Valuation as at 31.12.2016

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	6.05%
2. Pension- Participating policies	6.05%
3. Life- Non-participating policies (Including unitized non-pension policies)	5.65%
4. Pension- Non-participating policies (Including unitized pension policies)	5.65%
5. Annuities- Participating policies	NA
6. Annuities – Non-participating policies	6.00%
7. Annuities- Individual Pension plan	NA
8. Unit-Linked	Non Unit-Fund: 5.65%
9. Health Insurance	5.65%
ii. Group Business	
1. Annuities – Non-participating policies	6.00%
2. Other Group policies	5.65%

2) Mortality/Morbidity Rates : The mortality/morbidity rates used for each segment	
	<p>i. Individual Business</p> <p>1. Life-participating policies (including VIP) 100% to 120% of IALM 2006-08 Ultimate depending on the product</p> <p>2. Pension-participating policies 120% of IALM 2006-08 Ultimate</p> <p>3. Life- Non-participating policies (Including VIP) 70% to 160% of IALM 2006-08 Ultimate depending on the product</p> <p>4. Pension- Non-participating policies 120% of IALM 2006-08 Ultimate</p> <p>5. Annuities – participating policies NA</p> <p>6. Annuities – Non-participating policies 90% of LIC a(96-98) Annuitant Rates; with 1% p.a. mortality improvement</p> <p>7. Annuities – Individual Pension Plan NA</p> <p>8. Unit-Linked 90% to 110% of IALM 2006-08 Ultimate</p> <p>9. Health Insurance 130% of the Reinsurance rates</p> <p>ii. Group Business</p> <p>1. Annuities – Non-participating policies 90% of LIC a(96-98) Annuitant Rates; with 1% p.a. mortality improvement</p> <p>2. Unit Linked 110% of IALM 2006-08 Ultimate</p> <p>3. Other Group policies 90% to 115% of IALM 2006-08 Ultimate depending on the product</p>

3) Expenses :

i. Individual Business

**1. Life-participating policies
(Including VIP)**

Single Premium / Fully paid-up (after PPT)/ Partly paid-up: 340
Regular Premium Policy (in force): 450
Inflation @ 5.50% p.a.

2. Pension-participating policies

Single Premium / Fully paid-up (after PPT)/ Partly paid-up: 340
Regular Premium Policy (in force): 450
Inflation @ 5.50% p.a.

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

Single Premium / Fully paid-up (after PPT)/ Partly paid-up: 75 to 480 depending on the product
Regular Premium Policy (in force): 50 to 640 depending on the product
Inflation @ 5.50% p.a.

4. Pension- Non-participating policies

Single Premium / Fully paid-up (after PPT)/ Partly paid-up: 480
Regular Premium Policy (in force): 640
Inflation @ 5.50% p.a.

5. Annuities – participating policies

NA

6. Annuities – Non-participating policies

Single Premium Policy: 285
Inflation @ 5.50% p.a.

7. Annuities – Individual Pension Plan

NA

8. Unit-Linked

Single Premium / Fully paid-up (after PPT)/ Partly paid-up: 750
Regular Premium Policy (in force): 1,000
Inflation @ 5.50% p.a.

9. Health Insurance

Regular Premium Policy: 640
Inflation @ 5.50% p.a.

ii. Group Business

1. Annuities – Non-participating policies

Single Premium Policy: 285
Inflation @ 5.50% p.a.

2. Other Group policies

Single Premium Per Life: Ranging from 50 to 190 based on the product
Regular Premium Per Life: Ranging from 50 to 250 based on the product

Inflation @ 5.50% p.a.

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

<p>5) Policyholders Reasonable Expectations</p>	<p>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.</p>
<p>6) Taxation and Shareholder Transfers</p>	<p>As per tax laws</p>
<p>7) Basis of provisions for Incurred But Not Reported (IBNR)</p>	<p>Calculated using Modified Chain Ladder Method</p>
<p>8) Change in Valuation Methods or Bases</p>	
<p>i. Individuals Assurances</p> <p>1. Interest 2. Expenses 3. Inflation</p>	<p>Method - No change ; Bases Change - As above Method - No change ; Bases Change - As above Method - No change ; Bases Change - As above</p>
<p>ii. Annuities</p> <p>1. Interest a. Annuity in payment b. Annuity during deferred period c. Pension : All Plans 2. Expenses 3. Inflation</p>	<p>Method - No change ; Bases Change - As above NA Method - No change ; Bases Change - As above Method - No change ; Bases Change - As above Method - No change ; Bases Change - As above</p>
<p>iii. Unit Linked</p> <p>1. Interest 2. Expenses 3. Inflation</p>	<p>Method - No change ; Bases Change - As above Method - No change ; Bases Change - As above Method - No change ; Bases Change - As above</p>
<p>iv. Health</p> <p>1. Interest 2. Expenses 3. Inflation</p>	<p>Method - No change ; Bases Change - As above Method - No change ; Bases Change - As above Method - No change ; Bases Change - As above</p>
<p>v. Group</p> <p>1. Interest 2. Expenses 3. Inflation</p>	<p>Method - No change ; Bases Change - As above Method - No change ; Bases Change - As above Method - No change ; Bases Change - As above</p>

Name of the Insurer: SBI LIFE INSURANCE COMPANY LIMITED

Annexure A

Valuation as at 31.12.2016

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%	5.00%	5.00%
			20 - 24	1.55%	1.55%	5.00%	5.00%
			25 & above	1.45%	1.45%	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%	5.00%	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%	5.00%	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%	5.00%	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	2.75%	2.75%	30.00%	Run Off
			12-16	2.75%	2.75%	30.00%	5.00%
			17 - 21	2.75%	2.75%	5.00%	5.00%
		Single Premium	6-11	3.25%	3.25%	40.00%	Run Off
			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)	1.30%	1.30%	5.00%	5.00%
			20 (Plan-3)	1.30%	1.30%	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)	3.25%	3.25%	5.00%	5.00%
			20 (Plan-2)	3.25%	3.25%	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	3.10%	3.10%	5.00%	5.00%
			25 & above	3.10%	3.10%	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%
			25 & above	3.25%	3.25%	5.00%	5.00%
8	Shubh Nivesh (UIN: 111N055V01) (Plan 2 - Whole Life Option)	Regular Premium	5-9	3.25%	3.25%	40.00%	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%
			25 & above	3.25%	3.25%	5.00%	5.00%
		Single Premium	5-9	3.25%	3.25%	35.00%	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%
			25 & above	3.25%	3.25%	5.00%	5.00%
9	Shubh Nivesh (UIN: 111N055V02) & (UIN: 111N055V03) (Plan 1 - Endowment Option)	Regular Premium	7-9	2.85%	2.85%	5.00%	5.00%
			10-14	2.85%	2.85%	5.00%	5.00%
			15 - 19	2.85%	2.85%	5.00%	5.00%
			20 - 24	2.85%	2.85%	5.00%	5.00%
			25 & above	2.85%	2.85%	5.00%	5.00%
		Single Premium	5-9	2.75%	2.75%	5.00%	5.00%
			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%
10	Shubh Nivesh (UIN: 111N055V02) & (UIN: 111N055V03) (Plan 2 - Whole Life Option)	Regular Premium	15 - 19	2.85%	2.85%	5.00%	5.00%
			20 - 24	2.85%	2.85%	5.00%	5.00%
			25 & above	2.85%	2.85%	5.00%	5.00%
		Single Premium	15 - 19	2.85%	2.85%	5.00%	5.00%
			20 - 24	2.85%	2.85%	5.00%	5.00%
			25 & above	2.85%	2.85%	5.00%	5.00%

11	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
10	Young Sanjeevan (UIN: 111N002V01)	Single Premium	All	Run Off	Run Off	Run Off	Run Off
11	Saral Life (UIN: 111N071V01)	Regular Premium	10 (Plan-1)	2.85%	2.85%	5.00%	5.00%
			15 (Plan-2)	2.85%	2.85%	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%
12	Smart Money Back Insurance (UIN: 111N082V01)	Regular Premium	12 (Plan-1)	3.00%	3.00%	5.00%	5.00%
			15 (Plan-2)	3.00%	3.00%	5.00%	5.00%
			20 (Plan-3)	3.25%	3.25%	5.00%	5.00%
			25 (Plan-4)	3.25%	3.25%	5.00%	5.00%
13	Smart Money Back Gold (UIN: 111N096V01) & (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%
14	Smart Income Protect (UIN: 111N085V01)	Regular Premium	5 (Plan-1)	3.00%	3.00%	5.00%	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) & (UIN: 111N085V03)	Regular Premium	7 (Plan-1)	2.75%	2.75%	5.00%	5.00%
			12 (Plan-2)	2.75%	2.75%	5.00%	5.00%
			15 (Plan-3)	2.75%	2.75%	5.00%	5.00%
16	Smart Champ Insurance (UIN: 111N098V01) & (UIN: 111N098V02)	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%
		Single Premium	8-11	3.00%	3.00%	5.00%	5.00%
			12-16	3.00%	3.00%	5.00%	5.00%
17	Smart Money Planner (UIN: 111N101V01) & (UIN: 111N101V02)	Regular Premium	All	3.00%	3.00%	5.00%	5.00%
		Single Premium	All	3.00%	3.00%	5.00%	5.00%
18	Smart Humsafar (UIN: 111N103V01) & (UIN: 111N103V02)	Regular Premium	All	2.75%	2.75%	5.00%	5.00%
19	Smart Women Advantage (UIN: 111N106V01)	Regular Premium	10	2.50%	2.50%	5.00%	5.00%
			15	2.50%	2.50%	5.00%	5.00%
20	Saral Pension (UIN: 111N088V01)	Regular Premium	All	3.00%	3.00%	5.00%	5.00%
21	Saral Pension (UIN: 111N088V02)	Single Premium	All	3.00%	3.00%	5.00%	5.00%
		Single Premium	All	3.00%	3.00%	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) Regular Premium	(A) Min. Guaranteed Bonus Interest Rate	All	1.00%	1.00%	-
		(B) Regular Bonus interest Rate	5 - 9	6.25%	6.00%	-
			10 & above	6.50%	6.25%	-
		(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.