

L-42- Valuation Basis (Life Insurance)

A chapter on Valuation basis covering the following minimum criteria should also be displayed on the web-site of the Insurers

| | | | | | | | | | | | | |
|---|--|-------|-------|-------|-------|----|-------|----|----------------------|-------|-------|-------|
| <p>1) a. How the policy data needed for valuation is accessed.</p> | <p>Data is extracted for each month by IT. Once data extracted, actuaries perform reasonable checks, and the movements are reconciled with opening and closing data. After the validity, reasonableness and completeness checks, the data is used for valuation.</p> | | | | | | | | | | | |
| <p>b. How the valuation bases are supplied to the system</p> <p>1) Interest : Maximum and minimum interest rate taken for each segment</p> <p>i. Individual Business</p> <ol style="list-style-type: none"> 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 <p>ii. Group Business</p> <ol style="list-style-type: none"> 1. Annuities - Non-participating policies 2. Other Group policies | <p>A single discrete interest rate is assumed for valuation as below:</p> <table border="0"> <tr><td>6.10%</td></tr> <tr><td>6.10%</td></tr> <tr><td>5.85%</td></tr> <tr><td>5.85%</td></tr> <tr><td>NA</td></tr> <tr><td>6.10%</td></tr> <tr><td>NA</td></tr> <tr><td>Non Unit Fund: 5.85%</td></tr> <tr><td>5.85%</td></tr> <tr><td>6.10%</td></tr> <tr><td>5.85%</td></tr> </table> | 6.10% | 6.10% | 5.85% | 5.85% | NA | 6.10% | NA | Non Unit Fund: 5.85% | 5.85% | 6.10% | 5.85% |
| 6.10% | | | | | | | | | | | | |
| 6.10% | | | | | | | | | | | | |
| 5.85% | | | | | | | | | | | | |
| 5.85% | | | | | | | | | | | | |
| NA | | | | | | | | | | | | |
| 6.10% | | | | | | | | | | | | |
| NA | | | | | | | | | | | | |
| Non Unit Fund: 5.85% | | | | | | | | | | | | |
| 5.85% | | | | | | | | | | | | |
| 6.10% | | | | | | | | | | | | |
| 5.85% | | | | | | | | | | | | |
| <p>2) Mortality/Morbidity Rates : The mortality/morbidity rates used for each segment</p> | <p>i. Individual Business</p> <p>1. Life-participating policies (Including unitized \VIP non-pension policies) Shubh Nivesh (V1 & V2) : 130% of IAL 2006-08 Ultimate Others :115% of IAL 2006-08 Ultimate</p> <p>2. Pension-participating policies 110% of IAL 2006-08 Ultimate</p> <p>3. Life- Non-participating policies (Including unitized \VIP non-pension policies) Saraal Shield (V1 & V2): 120% of IAL 2006-08 Ultimate Smart Shield (V1 & V2) : 75% of IAL 2006-08 Ultimate Smart Income Shield : 110% of IAL 2006-08 Ultimate eShield : 85% of IAL 2006-08 Ultimate Flexismart : 120% of IAL 2006-08 Ultimate Others: 115% of IAL 2006-08 Ultimate</p> <p>4. Pension- Non-participating policies (Including unitized pension policies) 110% of IAL 2006-08 Ultimate</p> <p>5. Annuities - participating policies NA</p> <p>6. Annuities - Non-participating policies 90% - 1% pa of Annuitant 1996-98 (adjusted for improvements)</p> <p>7. Annuities - Individual Pension Plan NA</p> <p>8. Unit Linked 115% of IAL 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% - 1% pa of Annuitant 1996-98 (adjusted for improvements)</p> <p>2. Unit Linked 115% of IAL 2006-08 Ultimate</p> <p>3. Other Group policies Dhanarashi: 130% of IAL 2006-08 Ultimate Grameen Shakti (V1 & V2) & Grameen Super suraksha : 135% of IAL 2006-08 Ultimate Swarna Ganga : 90% of IAL 2006-08 Ultimate Criti9: 110% of Reinsurance rates Others: 115% of IAL 2006-08 Ultimate</p> | | | | | | | | | | | |

3) Expenses :

i. Individual Business

1. Life-participating policies

(Including unitized\VIP non-pension policies)

Single Premium Policy: 250

Regular Premium Policy: 400

Lapsed Policy : 250

Inflation @ 5.75% p.a.

2. Pension-participating policies

Single Premium Policy: 250

Regular Premium Policy: 400

Lapsed Policy : 250

Inflation @ 5.75% p.a.

3. Life- Non-participating policies

(Including unitized\VIP non-pension policies)

Single Premium Policy: 250

Regular Premium Policy: 400

For Product

Saral Swadhan + : - Single Premium :100 & Regular Premium : 125

Lapsed Policy : 250

Inflation @ 5.75% p.a.

4. Pension- Non-participating policies

(Including unitized pension policies)

Single Premium Policy: 250

Regular Premium Policy: 400

Lapsed Policy : 250

Inflation @ 5.75% p.a.

5. Annuities – participating policies

NA

6. Annuities – Non-participating policies

Single Premium Policy: 150

Regular Premium Policy: NA

Inflation @ 5.75% p.a.

7. Annuities – Individual Pension Plan

NA

8. Unit Linked

Single Premium & Lapsed policies : 645

Regular Premium : 860

Inflation @ 5.75% p.a.

9. Health Insurance

Single Premium Policy: NA

Regular Premium Policy: 400

Inflation @ 5.75% p.a.

ii. Group Business

1. Annuities – Non-participating policies

Single Premium Policy: 150

Regular Premium Policy: NA

Inflation @ 5.75% p.a.

2. Other Group policies

Single Premium Per Life: 100

Regular Premium Per Life: 125

For Products

RBS : - All Type of premium per life: 175

Inflation @ 5.75% p.a.

Annexure A

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 ## |
|---------|-----------------------------------|-----------------|---------------------------|------------------------------|---|---------------------------|
| 1 | Sudarshan Plan A | Regular Premium | 5-9 | 2.50% | 2.50% | 10.00% |
| | | | 10-14 | 1.80% | 1.80% | 10.00% |
| | | | 15 - 19 | 1.65% | 1.65% | 5.00% |
| | | | 20 - 24 | 1.55% | 1.55% | 5.00% |
| | | | 25 & above | 1.45% | 1.45% | 5.00% |
| | | Single Premium | 5-9 | 3.00% | 3.00% | 10.00% |
| | | | 10-14 | 2.50% | 2.50% | 10.00% |
| | | | 15 - 19 | 2.25% | 2.25% | 5.00% |
| | | | 20 - 24 | 2.25% | 2.25% | 5.00% |
| | | | 25 & above | 2.25% | 2.25% | 5.00% |
| 2 | Sudarshan Plan B | Regular Premium | 5-9 | 2.00% | 2.00% | 10.00% |
| | | | 10-14 | 1.70% | 1.70% | 10.00% |
| | | | 15 - 19 | 1.55% | 1.55% | 5.00% |
| | | | 20 - 24 | 1.55% | 1.55% | 5.00% |
| | | | 25 & above | 1.55% | 1.55% | 5.00% |
| | | Single Premium | 5-9 | 3.00% | 3.00% | 10.00% |
| | | | 10-14 | 3.00% | 3.00% | 10.00% |
| | | | 15 - 19 | 3.00% | 3.00% | 5.00% |
| | | | 20 - 24 | 3.00% | 3.00% | 5.00% |
| | | | 25 & above | 3.00% | 3.00% | 5.00% |
| 3 | Scholar | Regular Premium | 6-11 | 2.75% | 2.75% | 10.00% |
| | | | 12-16 | 2.75% | 2.75% | 10.00% |
| | | | 17 - 21 | 2.75% | 2.75% | 5.00% |
| | | Single Premium | 6-11 | 3.25% | 3.25% | 10.00% |
| | | | 12-16 | 3.25% | 3.25% | 10.00% |
| | | | 17 - 21 | 3.25% | 3.25% | 5.00% |
| 4 | Scholar II | Regular Premium | 6-11 | 3.00% | 3.00% | 10.00% |
| | | | 12-16 | 3.10% | 3.10% | 5.00% |
| | | | 17 - 21 | 3.10% | 3.10% | 5.00% |
| | | Single Premium | 6-11 | 4.00% | 4.00% | 10.00% |
| | | | 12-16 | 4.00% | 4.00% | 5.00% |
| | | | 17 - 21 | 4.00% | 4.00% | 5.00% |
| 5 | Money Back | Regular Premium | 10 (Plan-1) | 1.80% | 1.80% | 10.00% |
| | | | 15 (Plan-2) | 1.30% | 1.30% | 5.00% |
| | | | 20 (Plan-3) | 1.30% | 1.30% | 5.00% |
| | | | 25 (Plan-4) | 1.75% | 1.75% | 5.00% |
| | | | 25 (Plan-4) | 1.75% | 1.75% | 5.00% |
| 6 | Sanjeevan Supreme | Regular Premium | 15 (Plan-1) | 3.25% | 3.25% | 5.00% |
| | | | 20 (Plan-2) | 3.25% | 3.25% | 5.00% |
| | | | 20 (Plan-3) | 3.25% | 3.25% | 5.00% |
| | | | 25 (Plan-4) | 3.25% | 3.25% | 5.00% |
| | | Single Premium | 15 (Plan-1) | 3.25% | 3.25% | 5.00% |
| | | | 20 (Plan-2) | 3.25% | 3.25% | 5.00% |
| | | | 20 (Plan-3) | 3.50% | 3.50% | 5.00% |
| | | | 25 (Plan-4) | 3.50% | 3.50% | 5.00% |
| 7 | Shubh Nivesh (UIN: 111N055V01) | Regular Premium | 5-9 | 3.00% | 3.00% | 10.00% |
| | | | 10-14 | 3.00% | 3.00% | 5.00% |
| | | | 15 - 19 | 3.00% | 3.00% | 5.00% |
| | | | 20 - 24 | 3.10% | 3.10% | 5.00% |
| | | | 25 & above | 3.10% | 3.10% | 5.00% |
| | | Single Premium | 5-9 | 3.25% | 3.25% | 10.00% |
| | | | 10-14 | 3.25% | 3.25% | 5.00% |
| | | | 15 - 19 | 3.25% | 3.25% | 5.00% |
| | | | 20 - 24 | 3.25% | 3.25% | 5.00% |
| | | | 25 & above | 3.25% | 3.25% | 5.00% |
| 8 | Shubh Nivesh (UIN: 111N055V02) | Regular Premium | 7-9 | 2.75% | 2.75% | 5.00% |
| | | | 10-14 | 2.75% | 2.75% | 5.00% |
| | | | 15 - 19 | 2.75% | 2.75% | 5.00% |
| | | | 20 - 24 | 2.75% | 2.75% | 5.00% |
| | | | 25 & above | 2.75% | 2.75% | 5.00% |
| | | Single Premium | 5-9 | 2.75% | 2.75% | 5.00% |
| | | | 10-14 | 2.75% | 2.75% | 5.00% |
| | | | 15 - 19 | 2.75% | 2.75% | 5.00% |
| | | | 20 - 24 | 2.75% | 2.75% | 5.00% |
| | | | 25 & above | 2.75% | 2.75% | 5.00% |

| | | | | | | |
|----|---------------------------------|-----------------|-------------|-------|-------|--------|
| 9 | Sanjeevan | Single Premium | 20 (Plan 1) | 1.25% | 1.25% | 5.00% |
| | | | 15 (Plan 2) | 1.25% | 1.25% | 5.00% |
| | | | 10 (Plan 3) | 1.25% | 1.25% | 10.00% |
| 10 | Young Sanjeevan | Single Premium | All | 1.25% | 1.25% | 10.00% |
| 11 | Saral Life | Regular Premium | 10 (Plan-1) | 2.75% | 2.75% | 5.00% |
| | | | 15 (Plan-2) | 2.75% | 2.75% | 5.00% |
| | | | 20 (Plan-3) | 3.00% | 3.00% | 5.00% |
| | | | 25 (Plan-4) | 3.00% | 3.00% | 5.00% |
| 12 | Smart Money Back | Regular Premium | 12 (Plan-1) | 3.00% | 3.00% | 5.00% |
| | | | 15 (Plan-2) | 3.00% | 3.00% | 5.00% |
| | | | 20 (Plan-3) | 3.00% | 3.00% | 5.00% |
| | | | 25 (Plan-4) | 3.00% | 3.00% | 5.00% |
| 13 | Smart Money Back Gold | Regular Premium | 12 (Plan-1) | 2.50% | 2.50% | 5.00% |
| | | | 15 (Plan-2) | 2.50% | 2.50% | 5.00% |
| | | | 20 (Plan-3) | 2.50% | 2.50% | 5.00% |
| | | | 25 (Plan-4) | 2.50% | 2.50% | 5.00% |
| 14 | Smart Income Protect | Regular Premium | 5 (Plan-1) | 2.75% | 2.75% | 5.00% |
| | | | 10 (Plan-2) | 2.75% | 2.75% | 5.00% |
| | | | 15 (Plan-3) | 2.75% | 2.75% | 5.00% |
| 15 | Saral Pension (UIN: 111N088V01) | Regular Premium | All | 2.75% | 2.75% | 5.00% |
| | | Single Premium | All | 2.75% | 2.75% | 5.00% |
| 16 | Saral Pension (UIN: 111N088V02) | Regular Premium | All | 2.75% | 2.75% | 5.00% |
| | | Single Premium | All | 2.75% | 2.75% | 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) and not a percentage of Sum Assured.

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

Table B1 - Pension Products

| Sr. No. | Product Name | Premium Type | Policy Term (in years) | Regular Accumulating Bonus Rate * | Interim Bonus Rate * | Terminal Bonus Rate * |
|---------|-------------------------------------|-----------------|------------------------|-----------------------------------|----------------------|-----------------------|
| 1 | Life Long Pension Plan - Individual | Regular Premium | All | 7.50% | 7.00% | 7.50% |
| | | Single Premium | All | 7.50% | 7.00% | 7.50% |
| 2 | Life Long Pension Plan - Group | Regular Premium | All | 7.50% | 7.00% | 7.50% |
| | | Single Premium | All | 7.50% | 7.00% | 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 Regular Premium | (A) Min. Guaranteed Bonus Interest Rate | All | 1.00% | 1.00% | - |
| | | (B) Regular Bonus interest Rate | All | 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 Rate as a percentage of { net premium paid & already attached bonuses} & Terminal bonus rate as a percentage of Total Bonus Allocated to PFA.