

**L-42- Valuation Basis (Life Insurance)**

Name of the Insurer: SBI LIFE INSURANCE COMPANY LIMITED

1) a. How the policy data needed for valuation is accessed.	Data is extracted as at the end of each month.Reasonableness checks and reconciliation of movements are done to ensure the quality of the data. After the 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	A single discrete interest rate is assumed for valuation as below:
i. Individual Business	
1. Life- Participating policies	6.10%
2. Pension- Participating policies	6.10%
3. Life- Non-participating policies (Including unitized non-pension policies)	5.85%
4. Pension- Non-participating policies (Including unitized pension policies)	5.85%
5. Annuities- Participating policies	NA
6. Annuities – Non-participating policies	6.10%
7. Annuities- Individual Pension plan	NA
8. Unit Linked	Non Unit Fund: 5.85%
9. Health Insurance	5.85%
ii. Group Business	
1. Annuities – Non-participating policies	6.10%
2. Other Group policies	5.85%
2) Mortality/Morbidity Rates : The mortality/morbidity rates used for each segment	
	<p><b>i. Individual Business</b></p> <p><b>1. Life-participating policies (Including unitized\VIP non-pension policies)</b> Shubh Nivesh (V1 &amp; V2) : 130% of IALM 2006-08 Ultimate Others :115% of IALM 2006-08 Ultimate</p> <p><b>2. Pension-participating policies</b> 110% of IALM 2006-08 Ultimate</p> <p><b>3. Life- Non-participating policies (Including unitized\VIP non-pension policies)</b> Saral Shield ( V1 &amp; V2): 120% of IALM 2006-08 Ultimate Smart Shield ( V1 &amp; V2) : 75% of IALM 2006-08 Ultimate Smart Income Shield : 110% of IALM 2006-08 Ultimate eShield : 85% of IALM 2006-08 Ultimate Flexismart : 120% of IALM 2006-08 Ultimate Others: 115% of IALM 2006-08 Ultimate</p> <p><b>4. Pension- Non-participating policies (Including unitized pension policies)</b> 110% of IALM 2006-08 Ultimate</p> <p><b>5. Annuities – participating policies</b> NA</p> <p><b>6. Annuities – Non-participating policies</b> 90% - 1% pa of Annuitant 1996-98 (adjusted for improvements)</p> <p><b>7. Annuities – Individual Pension Plan</b> NA</p> <p><b>8. Unit Linked</b> 115% of IALM 2006-08 Ultimate</p> <p><b>9. Health Insurance</b> 130% of the Reinsurance rates</p> <p><b>ii. Group Business</b></p> <p><b>1. Annuities – Non-participating policies</b> 90% - 1% pa of Annuitant 1996-98 (adjusted for improvements)</p> <p><b>2. Unit Linked</b> 115% of IALM 2006-08 Ultimate</p> <p><b>3. Other Group policies</b> Dhanarashi,OYRGTA : UPR Grameen Shakti &amp; Grameen Super suraksha : 135% of IALM 2006-08 Ultimate Swarna Ganga : 90% of IALM 2006-08 Ultimate Criti9: 110% of Reinsurance rates Others: 115% of IALM 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.

4) Bonus Rates :	<p><b>i. Individual Business</b></p> <p><b>1. Life-participating policies</b> Refer Annexure A</p> <p><b>2. Pension-participating policies</b> Refer Annexure A</p> <p><b>3. Life- Non-participating policies (Including unitized non-pension policies)</b> NA</p> <p><b>4. Pension- Non-participating policies (Including unitized pension policies)</b> NA</p> <p><b>5. Annuities – participating policies</b> NA</p> <p><b>6. Annuities – Non-participating policies</b> NA</p> <p><b>7. Annuities – Individual Pension Plan</b> NA</p> <p><b>8. Unit Linked</b> NA</p> <p><b>9. Health Insurance</b> NA</p> <p><b>ii. Group Business</b></p> <p><b>1. Annuities – Non-participating policies</b> NA</p> <p><b>2. Pension-participating policies</b> Refer Annexure A</p> <p><b>3. Other Group policies</b> NA</p>
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5) Policyholders Reasonable Expectations	The Policyholders' Reasonable Expectation are being taken into account while giving the 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	14.16250%
7) Basis of provisions for Incurred But Not Reported (IBNR)	Calculated using Extended Chain Ladder Method
8) Change in Valuation Methods or Bases	
i. Individuals Assurances	
1. Interest	No change
2. Expenses	No change
3. Inflation	No change
ii. Annuities	
1. Interest	No change
a. Annuity in payment	NA
b. Annuity during deferred period	No change
c. Pension : All Plans	No change
2. Expenses	No change
3. Inflation	No change
iii. Unit Linked	
1. Interest	No change
2. Expenses	No change
3. Inflation	No change
iv. Health	
1. Interest	No change
2. Expenses	No change
3. Inflation	No change
v. Group	
1. Interest	No change
2. Expenses	No change
3. Inflation	No change

## Annexure A

Table A: Simple Reversionary, Interim and Terminal Bonus Rates

Sr. No.	Product Name	Premium Type	Policy Term	Reversionary Bonus	Interim Bonus	Terminal
			(in years)	Rate #	Rate(Future Bonus Rate) #	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%
			15 (Plan-1)	3.25%	3.25%	5.00%
6	Sanjeevan Supreme	Regular Premium	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%
			15 (Plan-1)	3.25%	3.25%	5.00%
			20 (Plan-2)	3.25%	3.25%	5.00%
		Single Premium	20 (Plan-3)	3.50%	3.50%	5.00%
			25 (Plan-4)	3.50%	3.50%	5.00%
			5-9	3.00%	3.00%	10.00%
			10-14	3.00%	3.00%	5.00%
			15 - 19	3.00%	3.00%	5.00%
7	Shubh Nivesh (UIN: 111N055V01)	Regular Premium	20 - 24	3.10%	3.10%	5.00%
			25 & above	3.10%	3.10%	5.00%
			5-9	3.25%	3.25%	10.00%
			10-14	3.25%	3.25%	5.00%
			15 - 19	3.25%	3.25%	5.00%
		Single Premium	20 - 24	3.25%	3.25%	5.00%
			25 & above	3.25%	3.25%	5.00%
			7-9	2.75%	2.75%	5.00%
			10-14	2.75%	2.75%	5.00%
			15 - 19	2.75%	2.75%	5.00%
8	Shubh Nivesh (UIN: 111N055V02)	Regular Premium	20 - 24	2.75%	2.75%	5.00%
			25 & above	2.75%	2.75%	5.00%
			5-9	2.75%	2.75%	5.00%
			10-14	2.75%	2.75%	5.00%
			15 - 19	2.75%	2.75%	5.00%
		Single Premium	20 - 24	2.75%	2.75%	5.00%
			25 & above	2.75%	2.75%	5.00%
			5-9	2.75%	2.75%	5.00%
			10-14	2.75%	2.75%	5.00%
			15 - 19	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%
17	Smart Champ Insurance (UIN: 111N098V01)	Regular Premium	All	2.50%	2.50%	0.00%
		Single Premium	All	2.50%	2.50%	0.00%

# 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.