

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

a. How the policy data needed for valuation is accessed.
 b. How the valuation bases are supplied to the system.

The IT department provides the data required for performing the valuation. IT extracts the data from the Policy
 The valuation parameters are classified as:

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

	2004-05		2005-06		2006-07		2007-08		2008-09		2009-10		Jun-10	
	Min	Max	Min	Max	Min	Max	Min	Max	Min	Max	Min	Max	Min	Max
1. Individual Business	7%	7%	7%	7%	7%	7%	7%	7%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%
2. Life- Participating policies	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	4.50%	4.50%
3. Annuities- Participating policies														
4. Annuities - Non-participating policies	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
5. Annuities- Individual Pension Plan	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	4.50%	4.50%
6. Unit Linked	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
7. Health Insurance	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
ii. Group Business														

2) Mortality Rates : the mortality rates used for each segment

	2004-05		2005-06		2006-07		2007-08		2008-09		2009-10		Jun-10	
	Min	Max	Min	Max	Min	Max	Min	Max	Min	Max	Min	Max	Min	Max
1. Life- Participating policies	100%	120%	100%	120%	100%	120%	90%	120%	90%	120%	90%	120%	90%	135%
2. Life- Non-participating Policies	100%	120%	100%	120%	100%	120%	90%	120%	90%	120%	90%	120%	90%	135%
3. Annuities- Participating policies														
4. Annuities - Non-participating policies														
5. Annuities- Individual Pension Plan	100%	100%	100%	100%	100%	100%	90%	90%	90%	90%	90%	90%	90%	90%
6. Unit Linked	100%	100%	100%	100%	100%	100%	90%	90%	90%	90%	90%	90%	90%	90%
7. Health Insurance	100%	100%	100%	100%	100%	100%	90%	90%	90%	90%	90%	90%	90%	90%
ii. Group Business	112.5%	112.5%	112.5%	112.5%	112.5%	112.5%	112.5%	112.5%	112.5%	112.5%	112.5%	112.5%	112.5%	112.5%

3) Expense : (all are per policy unless otherwise mentioned)

	2004-05		2005-06		2006-07		2007-08		2008-09		2009-10		Jun-10	
	Min	Max	Min	Max	Min	Max	Min	Max	Min	Max	Min	Max	Min	Max
1. Life- Participating policies	312	520	340	520	354	540	354	540	354	540	368	562	371.63	567.54
2. Life- Non-participating Policies	50	520	52	520	54	540	54	540	54	540	56	562	56.55	567.54
3. Annuities- Participating policies														
4. Annuities - Non-participating policies														
5. Annuities- Individual Pension Plan	520	520	520	520	540	540	540	540	540	540	562	562	567.54	567.54
6. Unit Linked *	500	500	500	500	520	520	520	520	520	520	541	541	546.33	546.33
7. Health Insurance	520	520	520	520	540	540	540	540	540	540	562	562	567.54	567.54
Term Assurance	14.98	14.98	14.98	14.98	15.58	15.58	15.58	15.58	15.58	15.58	16.20	16.20	16.36	16.36

* In addition to this in respect of UL policies additional expenses varying from 0.3% to 0.8% based on type of fund was also allowed. In respect of traditional paid up policies expenses @ 200 per policy upto 2005-06 and 208 per policy thereafter was also allowed for in valuation. For financial year 2009-10 this was changed to 216 per policy. In case of IPP where premium discontinued beyond a year, expense @ 405 has been used for valuation with effect from 2007-08 which was changed to 421 in 2009-10 valuation.

4) Bonus Rates :

Bonus rates declared were above the bonus rates illustrated @8% and below that illustrated @10% (the lower and higher rates prescribed by Life Council)
Allowed in case of participating portfolio at 12.5% Base Rate + applicable Surcharge + Education Ceas
Set up assumed 2 month reporting delay in respect of death claims

Participating

	2004-05		2005-06		2006-07		2007-08		2008-09		2009-10		2009-10	
	Min	Max	Min	Max	Min	Max	Min	Max	Min	Max	Min	Max	Min	Max
1. Interest	7.2%	7.2%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%
2. Expenses	5.5%	6.0%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%
3. Inflation														
	Increased as per Table 3 above													
	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%

ii. Annuities

1. Interest	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
a. Annuity in payment	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
b. Annuity during deferred	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
c. Pension - All Plans														
2. Expenses	Increased as per Table 3 above													
3. Inflation	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%

iii. Unit Linked

1. Interest	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2. Expenses	Increased as per Table 3 above													
3. Inflation	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%

iv. Health

1. Interest	5.5%	6.0%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%
2. Expenses	Increased as per Table 3 above													
3. Inflation	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%

v. Group

1. Interest	5.5%	6.0%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%
2. Expenses	Increased as per Table 3 above													
3. Inflation	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%

Bonus Rates

Product name	Reversionary bonus for year ended 31-3-2010 for policies in force	Interim Bonus rate for claims occurring during Inter valuation period
Reassuring Life Endowment Plan with cash bonus	5% of annualized premium payable on 1st Policy anniversary and thereafter increasing @ 15% p.a.	5% of annualized premium payable on 1st Policy anniversary and thereafter increasing @ 15.7% p.a.
Maximising Life Money Back Plan (Cash Bonus)	5% of annualized premium payable on 1st Policy anniversary and thereafter increasing @ 12% p.a.	5% of annualized premium payable on 1st Policy anniversary and thereafter increasing @ 16.9% p.a.
Falling Life Anticipated Whole Life Plan	6.5% p.a. simple reversionary bonus	5.25% p.a. simple reversionary bonus
Rewarding Life Whole of Life Plan	6% p.a. compound reversionary bonus	5.6% p.a. compound reversionary bonus
Reassuring Life Endowment Plan with reversionary bonus	7% p.a. compound reversionary bonus	7.7% p.a. compound reversionary bonus
Powering Life - Limited Premium Endowment Plan	7.5% p.a. simple reversionary bonus	6.75% p.a. simple reversionary bonus
Cresting Life Child Protection Plan	7% p.a. compound reversionary bonus	7.7% p.a. compound reversionary bonus
Safe Haven Endowment Plan	7% p.a. compound reversionary bonus	7.7% p.a. compound reversionary bonus
New Falling Life Anticipated Whole Life Plan	7.5% p.a. simple reversionary bonus	7% p.a. simple reversionary bonus
Cresting Life Money Back Plan	6% p.a. simple reversionary bonus	5.6% p.a. simple reversionary bonus
Safe Haven Money Back Plan	7% p.a. compound reversionary bonus	7.7% p.a. compound reversionary bonus
Platinum Life	0.5% pa over and above the guaranteed bonus rate of 5%	None
Best Years' Retirement Plan and ING New Best Years' Retirement Plan	11.35% p.a.	8.15% p.a.

