Exide Life Insurance Company Limited

(Registration No: 114; Date of registration: 2 August 2001)

L-42- Valuation Basis (Life Insurance)

EXIDE Life Insurance

a. How the policy data needed for valuation is accessed:

The IT department provides the data required for performing the valuation. IT extracts the data from the Policy Administration System by means of a query. Fields that are necessary for the purpose of valuation are extracted. Validation checks are performed on the data received from the Policy administration system with that recieved from other departments like finance and operations. The download contains details of both base policies and riders. The data is then converted in to the requisite format, used for valuation purpose, using a Data Conversion System (DCS) package. The actuarial valuation process is done by means of the actuarial software – Prophet.

b. How the valuation bases are supplied to the system:

The valuation parameters are classified as:
Global: These are common across businesses and do not vary according to product, e.g., tax on surplus, inflation, etc.
Input: These are product-specific, e.g., expenses, commission, etc.
The non-variants are classified as constants and the individual modal points are generated using DCS package after validation checks. These model points are fed into the Prophet System for generating the valuation output.

Type	Category of business	Interest Rate		Mortality Rate		Morbidity Rate		Fixed Expenses		Variable Expenses		Inflation Rate		Withdrawal rates		Future Bonus Rates (Assumption)	
		As at March 2022 for the year 2021-22	As at March 2021 for the year 2020-21	As at March 2022 for the year 2021-22	As at March 2021 for the year 2020-21	As at March 2022 for the year 2021-22	As at March 2021 for the year 2020-21	As at March 2022 for the year 2021-22	As at March 2021 for the year 2020-21	As at March 2022 for the year 2021-22	As at March 2021 for the year 2020-21	As at March 2022 for the year 2021-22	As at March 2021 for the year 2020-21	As at March 2022 for the year 2021-22	As at March 2021 for the year 2020-21	As at March 2022 for the year 2021-22	As at March 2021 for the year 2020-21
Par	**Non-Linked -VIP**																
	Life	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
	General Annuity	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
	Pension	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
	Health	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
	Non-Linked -Others																
	Life	6.50%	6.50%	100% to 148.50%	100% to 148.50%	NA	NA	588.64 to 901.19	565.99 to 866.81	0.275% to 0.66%	0.275% to 0.66%	4% p.a	4% p.a	5% to 10% in first year and 0 to 5% in second year	5% to 10% in first year and 0 to 5% in second year	1.55% to 3.30% compound reversionary bonus 2.60% to 7.00% simple reversionary bonus 1.30% to 2.60% cash bonus	1.55% to 3.30% compound reversionary bonus 2.60% to 7.00% simple reversionary bonus 1.30% to 2.60% cash bonus
	General Annuity	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
	Pension	6.50%	6.50%	100% to 148.50%	100% to 148.50%	NA	NA	0	0	3.30%	3.30%	4% p.a	4% p.a	5% to 10% in first year and 0 to 5% in second year	5% to 10% in first year and 0 to 5% in second year	7% simple reversionary bonus	7% simple reversionary bonus
	Health	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
	Linked -VIP																
	Life	4.50%	4.50%	100%	100%	NA	NA	901.19	866.82	0%	0%	4% p.a	4% p.a	NA	NA	NA	NA
	General Annuity	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
	Pension	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
	Health	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
	Linked-Others																
	Life	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
	General Annuity	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
	Pension	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
	Health	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Non-Par	**Non-Linked -VIP**																
	Life	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
	General Annuity	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
	Pension	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
	Health	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
	Non-Linked -Others																
	Life	6.00% to 7.65%	6.00% to 7.65%	27.39% to 148.50%	27.39% to 148.50%	NA	NA	306.51 to 901.19	294.73 to 866.81	0.11% to 0.61%	0.11% to 0.61%	4% pa	4% pa	10% for 1st year and 5% in 2nd Year and 0% thereafter	10% for 1st year and 5% in 2nd Year and 0% thereafter	NA	NA
	General Annuity	6%	6%	63% to 90%	63% to 70%	NA	NA	415.76 to 415.76	400.06 to 400.06	0%	0%	4% pa	4% pa	NA	NA	NA	NA
	Pension	4.5% to 7.5%	4.5% to 7.5%	63% to 70%	63% to 70%	NA	NA	901.48	866.81	0%	0%	4% pa	4% pa	0%	0%	NA	NA
	Health	6%	6%	54.90 % to 100%	54.90 % to 100%	110% to 192.50% of CIBT 93 rates	110% to 192.50% of CIBT 93 rates	618.32	594.54	0%	0%	4% pa	4% pa	NA	NA	NA	NA
	Linked -VIP																
	Life	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
	General Annuity	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
	Pension	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
	Health	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
	Linked-Others																
	Life	6%	6%	100%	100%	NA	NA	558.63 to 867.80	537.14 to 876.35	0% to 0.036%	0% to 0.036%	4% pa	4% pa	0%	0%	NA	NA
	General Annuity	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
	Pension	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
	Health	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Group	Group Business	6%	6%	107.13% to 224.40%	107.13% to 224.40%	NA	NA	18.61 to 94.39	17.89 to 90.77	NA	NA	4% pa	4% pa	NA	NA	NA	NA

1) The percentages shown above refer to the adjustments made to the base tables. The base table used For Non-participating annuity products was "Mortality for Annuitants - LIC (a) (1996-98) Ultimate Rates" and for all other assurance products both Indian Assured Lives Mortality (2012 -2014) (modified) Ult.

2) The morbidity assumption used in valuaton varies from 110% to 192.5% of CIBT 93 rates and 100% of K_x factor (proportion of Post-CI deaths out of total deaths at age x in any year).

3) In addition to this in respect of Unit Linked policies, additional expenses varying from 0.3% to 0.8% to unit balance based on type of fund was also allowed. In respect of traditional paid up policies, expenses @40% of that of inforce policy expense was allowed for in the valuation as at 00 January 1900. In case of Individual Pension Plan where premium discontinued beyond a year, expense @ 75% of inforce policy expense has been used for valuation as on 00 January 1900.

4) Bonus Rates : Each year bonus rates are declared on 31st of March post annual actuarial valuation in accordance with section 49 of Insurance Act,1938 and IRDA (Distribution of Surplus) Regulations, 2002.

5) Policyholders Reasonable Expectations — Bonus rates declared were in line with with the bonus rates illustrated at the time of sale based on rates prescribed by the Life Council/IRDA Regulations.

6) Taxation and Shareholder Transfers — Both allowed for in the valuation of participating business. Taxes charged were at **12.5% Base Rate** + applicable Surcharge + Education Cess

7) Basis of provisions for Incurred But Not Reported (IBNR) — Set up assumed 2 - 4 month reporting delay in respect of death claims based on Line of Business

8) Change in Valuation Methods or Bases (comparison to valuation bases as at 00 January 1900)

i. Individuals Assurances

		Mar-22	
		Min	Max
1.	Interest		
	Participating	No Change	No Change
	Non participating	No Change	No Change
2.	Expenses	No change other than allowing for implied inflation	
3.	Inflation	No Change	No Change

ii. Annuities

1.	Interest		
a.	Annuity in payment	No Change	No Change
b.	Annuity during deferred period	No Change	No Change
c.	Pension : All Plans	No Change	No Change
2.	Expenses	No change other than allowing for implied inflation	
3.	Inflation	No Change	No Change

iii. Unit Linked

1.	Interest	No Change	No Change
2.	Expenses	No change other than allowing for implied inflation	
3.	Inflation	No Change	No Change

iv. Health

1.	Interest	No Change	No Change
2.	Expenses	No change other than allowing for implied inflation	
3.	Inflation	No Change	No Change

v. Group

1.	Interest	No Change	No Change
2.	Expenses	No change other than allowing for implied inflation	
3.	Inflation	No Change	No Change