

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 received 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 model 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 June 2022 for the year 2022-23	As at June 2021 for the year 2021-22	As at June 2022 for the year 2022-23	As at June 2021 for the year 2021-22	As at June 2022 for the year 2022-23	As at June 2021 for the year 2021-22	As at June 2022 for the year 2022-23	As at June 2021 for the year 2021-22	As at June 2022 for the year 2022-23	As at June 2021 for the year 2021-22	As at June 2022 for the year 2022-23	As at June 2021 for the year 2021-22	As at June 2022 for the year 2022-23	As at June 2021 for the year 2021-22	As at June 2022 for the year 2022-23	As at June 2021 for the year 2021-22
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	594.44 to 910.07	571.79 to 875.35	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	910.07	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	309.53 to 910.07	297.43 to 875.35	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%	NA	NA
	General Annuity	6%	6%	63% to 90%	63% to 70%	NA	NA	418.86 to 418.86	403.998 to 404	0%	0%	4% na	4% na	NA	NA	NA	NA
	Pension	4.5% to 7.5%	4.5% to 7.5%	6% to 70%	6% to 70%	NA	NA	910.36	875.35	0%	0%	4% na	4% na	0%	0%	NA	NA
	Health	6%	6%	54.50 % to 100%	54.50 % to 100%	110% to 192.50% of CIBT 93 rates	110% to 192.50% of CIBT 93 rates	624.41	600.23	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	564.13 to 876.35	542.44 to 842.64	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	18.79 to 95.32	18.08 to 91.30	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 valuation varies from 110% to 192.5% of CIBT 93 rates and 100% of K₁ 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 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)

		Mar-22	
		Min	Max
I. Interest	Participating	No Change	No Change
	Non participating	No Change	No Change
2. Expenses	Inflation	No change other than allowing for implied inflation	
		No Change	No Change
II. Annuities	1. Interest	No Change	No Change
	a. Annuity in payment	No Change	No Change
b. Annuity during deferred period	Pension - All Plans	No Change	No Change
		No change other than allowing for implied inflation	
c. Expenses	Inflation	No Change	No Change
		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
		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
		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
		No Change	No Change