

L-42- Valuation Basis (Group Business)**Chapter on Valuation Basis****a. How the policy data needed for valuation is accessed.**

The data is extracted by the branch offices using the extraction software programs given by the Central Office. The extracted data is submitted by the branches to Central Offices through the Zonal Offices.

b. How the valuation bases are supplied to the system

This is done by making changes in the software programs directly at Central Office.

I) Interest : Interest rate taken for each segment	For the Qtr. ending as at 30.06.2012
1.Group Gratuity Cash Accumulation	Note 1
2.Group Superannuation Cash Accumulation**	Note 1
3.Group Leave Encashment	Note 1
4.Deposit Administration Scheme	Note 1
5.Group Saving Linked	Note 1
6.Group Insurance	NA
7.Group Mortgage Redemption Assurance	8.30%
8.Single Premium Group Insurance	8.30%
9.Voluntary Retirement Scheme	8.10%
10.Immediate Annuity Non ROC	8.10%
11.Immediate Annuity with ROC	8.10%
12.Group Superannuation Deferred Annuity	8.10%
13.Individual Deffered Annuity Plan	8.10%
14.Group Gratuity Pure Endowment	9.50%
15.Group Endowment	8.30%
16.Gratuity Plus	8.30%
**INCLUDES KRISHI SHRMIK SAMAJIK SURAKSHA YOJANA SCHEME	

II) Mortality Rates : the mortality rates used for each segment	For the Qtr. ending as at 30.06.2012
1.Group Gratuity Cash Accumulation	valued under GI
2.Group Superannuation Cash Accumulation**	NA
3.Group Leave Encashment	valued under GI
4.Deposit Administration Scheme	NA
5.Group Saving Linked	Valued under GI
6.Group Insurance	Premium Basis using Unearned Premium Reserve Method
7.Group Mortgage Redemption Assurance	100% Indian Assured Lives Mortality (1994-96) modified Ult.
8.Single Premium Group Insurance	125% Indian Assured Lives Mortality (1994-96) modified Ult.
9.Voluntary Retirement Scheme	LIC a(96-98) rated down by 1 Year
10.Immediate Annuity Non ROC	LIC a(96-98) rated down by 1 Year
11.Immediate Annuity with ROC	LIC a(96-98) rated down by 1 Year
12.Group Superannuation Deferred Annuity	NA
13.Individual Deffered Annuity Plan	NA
14.Group Gratuity Pure Endowment	Valued under GI
15.Group Endowment	100% Indian Assured Lives Mortality (1994-96) modified Ult. Rated up by 1 Year.
16.Gratuity Plus	100% Indian Assured Lives Mortality (1994-96) modified Ult.
**INCLUDES KRISHI SHRAMIK SAMAJIK SURAKSHA YOJANA SCHEME	

III) Expense :	For the Qtr. ending as at 30.06.2012
1.Group Gratuity Cash Accumulation	Note 2
2.Group Superannuation Cash Accumulation**	Note 2
3.Group Leave Encashment	Note 2
4.Deposit Administration Scheme	Note 2
5.Group Saving Linked	Note 2
6.Group Insurance	Premium Basis using Unearned Premium Reserve Method
7.Group Mortgage Redemption Assurance	Claim Expenses of Rs. 100 per life inflating at 3% pa. Admn Expenses of Rs. 80 per life inflating at 3% pa.
8.Single Premium Group Insurance	Claim Expenses of Rs. 100 per life inflating at 3% pa. Admn Expenses of Rs. 80 per life inflating at 3% pa.
9.Voluntary Retirement Scheme	Claim Expenses of Rs. 120 per life inflating at 3% pa. Admn Expenses of Rs. 80 per life inflating at 3% pa.
10.Immediate Annuity Non ROC	Admn Expenses of Rs. 80 per life inflating at 3% pa.
11.Immediate Annuity with ROC	Claim Expenses of Rs. 120 per life inflating at 3% pa. Admn Expenses of Rs. 80 per life inflating at 3% pa.
12.Group Superannuation Deferred Annuity	Note 2
13.Individual Deffered Annuity Plan	Note 2
14.Group Gratuity Pure Endowment	Note 2
15.Group Endowment	6%0 SA inflating @3 % pa
16.Gratuity Plus	Rs. 150 per life inflating @3% pa
Note 1: The liability under these schemes has been taken as the fund value as at 30th June,2012	
Note 2: These schemes are valued retrospectively by accumulating the fund for that year after allowing for contributions and outgo during the year at various rates of interest depending upon the size of the fund. The interest rates on the fund is declared net of expenses and Required Solvency Margin.	
**INCLUDES KRISHI SHRMIK SAMAJIK SURAKSHA YOJANA SCHEME	

IV)Change in Valuation Methods or Bases	For the Qtr. ending as at 30.06.2012
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Interest rate basis

Voluntary Retirement Scheme
 Immediate Annuity Non ROC
 Immediate Annuity with ROC
 Group Superannuation Deferred Annuity
 Individual Deffered Annuity Plan

For the above schemes the interest rate taken for the Qtr. Ending on 30.06.2011 was 8.30% which has been changed to 8.10% for the Qtr. ending on 30.06.2012

Expense Basis

Voluntary Retirement Scheme
 Immediate Annuity Non ROC
 Immediate Annuity with ROC

For the above schemes the Admn expenses taken for the Qtr. Ending on 30.06.2011 was Rs.100 per life which has been changed to RS.80 per life in the Qtr. Ending on 30.06.2012