

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	2011-12 for the quarter ending as at 31.12.2011
	9.00% to 9.66% depending upon fund
1.Group Gratuity Cash Accumulation	9.00% to 9.66% depending upon fund
2.Group Superannuation Cash Accumulation**	9.00% to 9.66% depending upon fund
3.Group Leave Encashment	9.00% to 9.66% depending upon fund
4.Deposit Administration Scheme	6%
5.Group Saving Linked	8%
6.Group Insurance	NA
7.Group Mortgage Redemption Assurance	8.30%
8.Single Premium Group Insurance	8.30%
9.Voluntary Retirement Scheme	8.30%
10.Immediate Annuity Non ROC	8.30%
11.Immediate Annuity with ROC	8.30%
12.Group Superannuation Deferred Annuity	8.30%
13.Individual Deffered Annuity Plan	8.30%
14.Group Gratuity Pure Endowment	9.50%
15.Group Endowment	8.30%
16.Gratuity Plus	8.30%
**INCLUDES KRISHI SHRAMIK SAMAJIK SURAKSHA YOJANA SCHEME	

II) Mortality Rates : the mortality rates used for each segment	2011-12 for the quarter ending as at 31.12.2011
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	Year ROC portion-100% Indian Assured Lives
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	

	2011-12 for the quarter ending as at 31.12.2011
III) Expense :	
1.Group Gratuity Cash Accumulation	*
2.Group Superannuation Cash Accumulation**	*
3.Group Leave Encashment	*
4.Deposit Administration Scheme	*
5.Group Saving Linked	*
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. 100 per life inflating at 3% pa.
10.Immediate Annuity Non ROC	Admn Expenses of Rs. 100 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. 100 per life inflating at 3% pa.
12.Group Superannuation Deferred Annuity	*
13.Individual Deffered Annuity Plan	*
14.Group Gratuity Pure Endowment	*
15.Group Endowment	6%0 SA inflating @ 3 % pa
16.Gratuity Plus	Rs. 150 per life inflating @3% pa
* 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 SHRAMIK SAMAJIK SURAKSHA YOJANA SCHEME	

	2011-12 for the quarter ending as at 31.12.2011
IV)Change in Valuation Methods or Bases	
There is no change in valuation basis. The assumptions are same as that used in valuation as at 31.03.2011	