

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	2019-20 for the year ending as on 31.03.2020
1.Group Gratuity Cash Accumulation	Note 1
2.Group Superannuation Cash Accumulation**	Note 1
3.Group Leave Encashment	Note 1
4.Deposit Administration Scheme & Group Equalisation Account	Note 1
5.Group Saving Linked	Note 1
6.Group Insurance	NA
7.Group Mortgage Redemption Assurance	7.60%
8.Single Premium Group Insurance	7.60%
9.New Single Premium Group Insurance	7.60%
10.Voluntary Retirement Scheme	7.40%
11.Immediate Annuity Non ROC	7.40%
12.Immediate Annuity with ROC	7.60%
13.Group Superannuation Deferred Annuity	7.40%
14.Individual Deffered Annuity Plan	7.40%
15.Group Gratuity Pure Endowment	7.80%
16. Gratuity Plus	5.50%
17.LIC's Group Flexible Income Benefit Plan	7.40%
18.LIC's New Group Gratuity Cash Accumulation V2	Note 2
19.LIC's New Group Superannuation Cash Accumulation V2	Note 2
20.LIC's New Group Leave Encashment V2	Note 3
21.LIC's New Group Gratuity Cash Accumulation V3	Note 1
22.LIC's New Group Superannuation Cash Accumulation V3	Note 1
23.LIC's New Group Leave Encashment V3	Note 1
24.LIC's New OYRGTA Plan I	NA
25.LIC's New OYRGTA Plan II	NA
26.Group Credit Life Insurance	7.60%
27.PMJBY	NA
28. Social Security Schemes including PMJDY, Converged PMJBY & Converged AABY	NA
29.Micro Insurance	NA
30. Riders	NA

**INCLUDES KRISHI SHRAMIK SAMAJIK SURAKSHA YOJANA SCHEME

II) Mortality Rates : the mortality rates used for each segment	2019-20 for the year ending as on 31.03.2020
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 & Group Equalisation Account	NA
5.Group Saving Linked	Valued under GI
6.Group Insurance	Premium Basis using Unearned Premium Reserve Method
7.Group Mortgage Redemption Assurance	145% Indian Assured Lives Mortality (2012-14) Ult.
8.Single Premium Group Insurance	145% Indian Assured Lives Mortality (2012-14) Ult.
9.New Single Premium Group Insurance	145% Indian Assured Lives Mortality (2012-14) Ult.
10.Voluntary Retirement Scheme	LIC a(96-98) rated down by 6 Year
11.Immediate Annuity Non ROC	LIC a(96-98) rated down by 6 Year
12.Immediate Annuity with ROC	LIC a(96-98) rated down by 6 Year
13.Group Superannuation Deferred Annuity	145% Indian Assured Lives Mortality (2012-14) Ult.
14.Individual Deffered Annuity Plan	145% Indian Assured Lives Mortality (2012-14) Ult.
15.Group Gratuity Pure Endowment	145% Indian Assured Lives Mortality (2012-14) Ult.
16.Gratuity Plus	145% Indian Assured Lives Mortality (2012-14) Ult.
17.Group Flexible Income Benefit Plan	LIC a(96-98) rated down by 6 Year
18.LIC's New Group Gratuity Cash Accumulation V2	145% Indian Assured Lives Mortality (2012-14) Ult.
19.LIC's New Group Superannuation Cash Accumulation V2	145% Indian Assured Lives Mortality (2012-14) Ult.
20.LIC's New Group Leave Encashment V2	145% Indian Assured Lives Mortality (2012-14) Ult.
21.LIC's New Group Gratuity Cash Accumulation V3	valued under GI
22.LIC's New Group Superannuation Cash Accumulation V3	NA
23.LIC's New Group Leave Encashment V3	valued under GI
24.LIC's New OYRGTA Plan I	Premium Basis using Unearned Premium Reserve Method
25.LIC's New OYRGTA Plan II	Premium Basis using Unearned Premium Reserve Method
26.Group Credit Life Insurance	145% Indian Assured Lives Mortality (2012-14) Ult.
27.PMJBY	Premium Basis using Unearned Premium Reserve Method + Premium Deficiency Reserve
28. Social Security Schemes including PMJDY, Converged PMJBY & Converged AABY	Premium Basis using Unearned Premium Reserve Method
29.Micro Insurance	Premium Basis using Unearned Premium Reserve Method
30. Riders	Premium Basis using Unearned Premium Reserve Method
**INCLUDES KRISHI SHRAMIK SAMAJIK SURAKSHA YOJANA SCHEME	

III) Expense :	2019-20 for the year ending as on 31.03.2020
1.Group Gratuity Cash Accumulation	note 1
2.Group Superannuation Cash Accumulation**	note 1
3.Group Leave Encashment	note 1
4.Deposit Administration Scheme & Group Equalisation Account	note 1
5.Group Saving Linked	note 1
6.Group Insurance	Premium Basis using Unearned Premium Reserve Method
7.Group Mortgage Redemption Assurance	Claim Expenses of Rs. 184 per life inflating at 3% pa. Admn Expenses of Rs. 148 per life inflating at 3% pa.
8.Single Premium Group Insurance	Claim Expenses of Rs. 184 per life inflating at 3% pa. Admn Expenses of Rs. 148 per life inflating at 3% pa.
9.New Single Premium Group Insurance	Claim Expenses of Rs. 184 per life inflating at 3% pa. Admn Expenses of Rs. 148 per life inflating at 3% pa.
10.Voluntary Retirement Scheme	Claim Expenses of Rs. 184 per life inflating at 3% pa. Admn Expenses of Rs. 191 per life inflating at 3% pa.
11.Immediate Annuity Non ROC	Admn Expenses of Rs. 191 per life inflating at 3% pa.
12.Immediate Annuity with ROC	Claim Expenses of Rs. 184 per life inflating at 3% pa. Admn Expenses of Rs. 191 per life inflating at 3% pa.
13.Group Superannuation Deferred Annuity	Admn Expenses of Rs. 330 per life inflating at 3% pa.
14.Individual Deffered Annuity Plan	Admn Expenses of Rs. 330 per life inflating at 3% pa.
15.Group Gratuity Pure Endowment	Admn Expenses of Rs. 300 per life inflating at 3% pa.
16.Gratuity Plus	Admn Expenses of Rs. 335 per life inflating at 3% pa.
17.Group Flexible Income Benefit Plan	Claim Expenses of Rs. 184 per life inflating at 3% pa. Admn Expenses of Rs. 191 per life inflating at 3% pa.
18.LIC's New Group Gratuity Cash Accumulation V2	Rs.27500 per policy inflating at 3% pa.
19.LIC's New Group Superannuation Cash Accumulation V2	Rs.34000 per policy inflating at 3% pa.
20.LIC's New Group Leave Encashment V2	Rs.29000 per policy inflating at 3% pa.
21.LIC's New Group Gratuity Cash Accumulation V3	note 1
22.LIC's New Group Superannuation Cash Accumulation V3	note 1
23.LIC's New Group Leave Encashment V3	note 1
24.LIC's New OYRGTA Plan I	Premium Basis using Unearned Premium Reserve Method
25.LIC's New OYRGTA Plan II	Premium Basis using Unearned Premium Reserve Method
26.Group Credit Life Insurance	Claim Expenses of Rs. 184 per life inflating at 3% pa. Admn Expenses of Rs. 148 per life inflating at 3% pa.
27.PMJBY	Premium Basis using Unearned Premium Reserve Method
28. Social Security Schemes including PMJDY, Converged PMJBY & Converged AABY	Premium Basis using Unearned Premium Reserve Method
29.Micro Insurance	Premium Basis using Unearned Premium Reserve Method
30. Riders	Premium Basis using Unearned Premium Reserve Method
Note 1: The liability under these schemes has been taken as the fund value as at 31.03.2020.	

Note 2: The liability under these schemes has been taken as the fund value as at 31.03.2020 plus additional reserves for mortality and expenses are calculated using discount rate of 6.70%p.a

Note 2: The liability under these schemes has been taken as the fund value as at 31.03.2020 plus additional reserves for mortality and expenses are calculated using discount rate of 6.25%p.a

**INCLUDES KRISHI SHRAMIK SAMAJIK SURAKSHA YOJANA SCHEME