

**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.

| <b>I) Interest : Interest rate taken for each segment</b>                     | <b>2017-18 for the year ending as on 30.09.2018</b> |
|---|---|
| 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  | 7.60%   |
| 11.Immediate Annuity Non ROC  | 7.60%   |
| 12.Immediate Annuity with ROC   | 7.60%   |
| 13.Group Superannuation Deferred Annuity                                      | 7.60%   |
| 14.Individual Deffered Annuity Plan   | 7.60%   |
| 15.Group Gratuity Pure Endowment  | 7.80%   |
| 16. Gratuity Plus   | 5.50%   |
| 17.LIC's Group Flexible Income Benefit Plan                                   | 7.60%   |
| 18.LIC's New Group Gratuity Cash Accumulation                                 | Note 2  |
| 19.LIC's New Group Superannuation Cash Accumulation                           | Note 2  |
| 20.LIC's New Group Leave Encashment   | Note 2  |
| 21.LIC's New OYRGTA Plan I  | NA  |
| 22.LIC's New OYRGTA Plan II   | NA  |
| 23.Group Credit Life Insurance  | 7.60%   |
| 24.PMJBY  | NA  |
| 25. Social Security Schemes including PMJDY, Converged PMJBY & Converged AABY | NA  |
| 26. Riders  | NA  |

\*\*INCLUDES KRISHI SHRMIK SAMAJIK SURAKSHA YOJANA SCHEME

| <b>II) Mortality Rates : the mortality rates used for each segment</b>        | <b>2017-18 for the year ending as on 30.09.2018</b>                              |
|---|--|
| 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   | 135% Indian Assured Lives Mortality (2006-08) Ult.                               |
| 8.Single Premium Group Insurance  | 135% Indian Assured Lives Mortality (2006-08) Ult.                               |
| 9.New Single Premium Group Insurance  | 135% Indian Assured Lives Mortality (2006-08) 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                                      | 135% Indian Assured Lives Mortality (2006-08) Ult.                               |
| 14.Individual Deffered Annuity Plan   | 135% Indian Assured Lives Mortality (2006-08) Ult.                               |
| 15.Group Gratuity Pure Endowment  | 135% Indian Assured Lives Mortality (2006-08) Ult.                               |
| 16.Gratuity Plus  | 135% Indian Assured Lives Mortality (2006-08) Ult.                               |
| 17.Group Flexible Income Benefit Plan   | LIC a(96-98) rated down by 6 Year  |
| 18.LIC's New Group Gratuity Cash Accumulation                                 | 135% Indian Assured Lives Mortality (2006-08) Ult.                               |
| 19.LIC's New Group Superannuation Cash Accumulation                           | NA   |
| 20.LIC's New Group Leave Encashment   | 135% Indian Assured Lives Mortality (2006-08) Ult.                               |
| 21.LIC's New OYRGTA Plan I  | Premium Basis using Unearned Premium Reserve Method                              |
| 22.LIC's New OYRGTA Plan II   | Premium Basis using Unearned Premium Reserve Method                              |
| 23.Group Credit Life Insurance  | 135% Indian Assured Lives Mortality (2006-08) Ult.                               |
| 24.PMJBY  | Premium Basis using Unearned Premium Reserve Method + Premium Deficiency Reserve |
| 25. Social Security Schemes including PMJDY, Converged PMJBY & Converged AABY | Premium Basis using Unearned Premium Reserve Method                              |
| 26. Riders  | Premium Basis using Unearned Premium Reserve Method                              |

\*\*INCLUDES KRISHI SHRMIK SAMAJIK SURAKSHA YOJANA SCHEME

| III) Expense :   | 2017-18 for the year ending as on 30.09.2018  | IRDA Public Disclosures |
|--|---|-------------------------|
| 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. 173 per life inflating at 3% pa.<br>Admn Expenses of Rs. 138 per life inflating at 3% pa. |                         |
| 8.Single Premium Group Insurance   | Claim Expenses of Rs. 173 per life inflating at 3% pa.<br>Admn Expenses of Rs. 138 per life inflating at 3% pa. |                         |
| 9.New Single Premium Group Insurance   | Claim Expenses of Rs. 173 per life inflating at 3% pa.<br>Admn Expenses of Rs. 138 per life inflating at 3% pa. |                         |
| 10.Voluntary Retirement Scheme   | Claim Expenses of Rs. 173 per life inflating at 3% pa.<br>Admn Expenses of Rs. 181 per life inflating at 3% pa. |                         |
| 11.Immediate Annuity Non ROC   | Admn Expenses of Rs. 181 per life inflating at 3% pa.   |                         |
| 12.Immediate Annuity with ROC  | Claim Expenses of Rs. 173 per life inflating at 3% pa.<br>Admn Expenses of Rs. 181 per life inflating at 3% pa. |                         |
| 13.Group Superannuation Deferred Annuity   | Admn Expenses of Rs. 310 per life inflating at 3% pa.   |                         |
| 14.Individual Deffered Annuity Plan  | Admn Expenses of Rs. 310 per life inflating at 3% pa.   |                         |
| 15.Group Gratuity Pure Endowment   | Admn Expenses of Rs. 275 per life inflating at 3% pa.   |                         |
| 16.Gratuity Plus   | Admn Expenses of Rs. 275 per life inflating at 3% pa.   |                         |
| 17.Group Flexible Income Benefit Plan  | Claim Expenses of Rs. 173 per life inflating at 3% pa.<br>Admn Expenses of Rs. 181 per life inflating at 3% pa. |                         |
| 18.LIC's New Group Gratuity Cash Accumulation  | Rs.25500 per policy inflating at 3% pa.   |                         |
| 19.LIC's New Group Superannuation Cash Accumulation  | Rs.31500 per policy inflating at 3% pa.   |                         |
| 20.LIC's New Group Leave Encashment  | Rs.26500 per policy inflating at 3% pa.   |                         |
| 21.LIC's New OYRGTA Plan I   | Premium Basis using Unearned Premium Reserve Method   |                         |
| 22.LIC's New OYRGTA Plan II  | Premium Basis using Unearned Premium Reserve Method   |                         |
| 23.Group Credit Life Insurance   | Claim Expenses of Rs. 173 per life inflating at 3% pa.<br>Admn Expenses of Rs. 138 per life inflating at 3% pa. |                         |
| 24.PMJBY   | Premium Basis using Unearned Premium Reserve Method   |                         |
| 25. Social Security Schemes including PMJDY, Converged PMJBY & Converged AABY  | Premium Basis using Unearned Premium Reserve Method   |                         |
| 26. Riders   | Premium Basis using Unearned Premium Reserve Method   |                         |
| Note 1: The liability under these schemes has been taken as the fund value as at 30.09.2018.   |   |                         |
| Note 2: The liability under these schemes has been taken as the fund value as at 30.09.2018 plus additional reserves for mortality and expenses are calculated using discount rate of 6.70%p.a |   |                         |
| **INCLUDES KRISHI SHRAMIK SAMAJIK SURAKSHA YOJANA SCHEME   |   |                         |