

**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>2013-14 for the year ending as at 31.12.2013</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	Note 1
5.Group Saving Linked	Note 1
6.Group Insurance	NA
7.Group Mortgage Redemption Assurance	7.90%
8.Single Premium Group Insurance	7.90%
9.Voluntary Retirement Scheme	7.90%
10.Immediate Annuity Non ROC	7.90%
11.Immediate Annuity with ROC	7.90%
12.Group Superannuation Deferred Annuity	7.90%
13.Individual Deffered Annuity Plan	7.90%
14.Group Gratuity Pure Endowment	9.50%
15.Group Endowment	8.30%
16. Gratuity Plus	4.90%
17.LIC's Group Flexible Income Benefit Plan	7.70%
18.LIC's New Group Gratuity Cash Accumulation	Note 1
19.LIC's New Group Superannuation Cash Accumulation	Note 1
20.LIC's New Group Leave Encashment	Note 1
21.LIC's New OYRGTA Plan I	NA
22.LIC's New OYRGTA Plan II	NA
<b>**INCLUDES KRISHI SHRAMIK SAMAJIK SURAKSHA YOJANA SCHEME</b>	

<b>II) Mortality Rates : the mortality rates used for each segment</b>	<b>2013-14 for the year ending as at 31.12.2013</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	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 2 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 2 Year.
16.Gratuity Plus	100% Indian Assured Lives Mortality (1994-96) modified Ult.
17.Group Flexible Income Benefit Plan	LIC a(96-98)
18.LIC's New Group Gratuity Cash Accumulation	valued under GI
19.LIC's New Group Superannuation Cash Accumulation	NA
20.LIC's New Group Leave Encashment	valued under GI
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
**INCLUDES KRISHI SHRAMIK SAMAJIK SURAKSHA YOJANA SCHEME	

	<b>2013-14 for the year ending as at 31.12.2013</b>
<b>III) Expense :</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	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. 120 per life inflating at 3% pa. Admn Expenses of Rs. 90 per life inflating at 3% pa.
8.Single Premium Group Insurance	Claim Expenses of Rs. 120 per life inflating at 3% pa. Admn Expenses of Rs. 90 per life inflating at 3% pa.
9.Voluntary Retirement Scheme	Admn Expenses of Rs. 110 per life inflating at 3% pa.
10.Immediate Annuity Non ROC	Admn Expenses of Rs. 110 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. 110 per life inflating at 3% pa.
12.Group Superannuation Deferred Annuity	note 1
13.Individual Deffered Annuity Plan	note 1
14.Group Gratuity Pure Endowment	note 1
15.Group Endowment	Rs 420/- per life par annum inflating @3 % pa
16.Gratuity Plus	Rs. 160 per life inflating @3% pa
17.Group Flexible Income Benefit Plan	Claim Expenses of Rs. 120 per life inflating at 3% pa. Admn Expenses of Rs. 110 per life inflating at 3% pa.
18.LIC's New Group Gratuity Cash Accumulation	note 1
19.LIC's New Group Superannuation Cash Accumulation	note 1
20.LIC's New Group Leave Encashment	note 1
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
Note 1: The liability under these schemes has been taken as the fund value as at 31.12.2013.	
**INCLUDES KRISHI SHRMIK SAMAJIK SURAKSHA YOJANA SCHEME	
<b>IV)Change in Valuation Methods or Bases</b>	<b>2013-14 for the year ending as at 31.12.2013</b>
There is no change in valuation basis. The assumptions are same as that used in valuation as at 31.03.2013	