

Public disclosure requirement (March 31, 2016)

1. Data

Policy data is maintained on the following administration systems.

System	Description
Life Asia	Individual retail products including some individual annuities
	Group bancassurance products
	Individual annuities
WEGA and Wega Plus	Group gratuity Endowment
	Group Superannuation Endowment
	Group Leave Encashment Endowment
	Group term insurance
	Group gratuity
	Superannuation
	Employer Deposit Linked Insurance (EDLI)
	Group Unit Linked Superannuation
	Group Unit Linked Employee Benefit Plan
	Leave Encashment- LE2
Maintain in spreadsheet	Leave Encashment- LE1
	Group Term Gold
Compulsory Annuity Management System (CAMS)	Group annuities
Renova	Administration, reinsurance premium calculations for life, group and health products
Claims Automated Processing System (CAPS)	Health and non-par health claims, standalone CI, crisis cover
Cordys system	Managing death claims and living benefits for individual policies and for Health Saving Benefit claims for Health products.

The key considerations from the statutory valuation perspective are to ensure the completeness and accuracy of data.

There are a series of validation checks based on product rules built into the business systems of the four outsourced data centres for retail business. Data is then uploaded into the Life Asia system for policy issue. Besides this, the Actuarial Department carries out its own checks to be reasonably certain that the data is complete and accurate.

2. Treatment of valuation parameters

The liability valuation calculations have been carried out using actuarial software called "Prophet". The assumptions for each plan are updated in Prophet. Monthly cash flows are then projected in Prophet to determine the reserves using the specific characteristics of each policy such as age at entry, sum assured, term, etc.

The valuation parameters have been calculated as detailed here:

- Age at entry has been extracted from LifeAsia.
- Valuation age has been calculated by summing age nearer birthday at entry with curtate duration, i.e. the age would change only on policy anniversaries.
- Premium paying term under the plan has been extracted from Life Asia.
- Maturity date has been calculated as the sum of date of commencement and policy term as extracted from LifeAsia.
- Period from valuation date to maturity has been calculated in Prophet as the difference between the maturity date and the valuation date.

3. Treatment of future premiums

3.1. Incidence of premium income

The premiums are assumed to be received when due.

For linked business, premium income is recognized when the associated units are allocated. Fees on linked policies are recognized when due. For the purpose of projections in the actuarial models, future premiums are assumed to be received when due.

3.2. Premiums payable otherwise than annually

As premiums are taken to be received when due, no adjustment is required for non-annual plans.

4. Valuation method – non-linked business

4.1. Methods adopted in the determination of mathematical reserves

The prescribed method of valuation is the gross premium valuation. The reserve held represents the net present value of benefits and expenses less premiums. Following is the broad basis of the valuation:

- The cash flows are projected assuming zero lapses.
- The reserves are calculated on a per policy basis.
- Any negative reserves are zeroised, so that a policy is not treated as an asset.
- The minimum value of reserves is the higher of guaranteed surrender value, non guaranteed surrender value, and zero.

Valuation parameters are set prudently and include a margin for adverse deviation (MAD) in accordance to APS7 issued by the Institute of Actuaries of India.

For linked business, unit liabilities are fully matched. A non-unit reserve is also held which includes provision for the cost of any guarantee.

The following sections contain specific details about reserving for different lines of business, riders, guarantees and other reserves.

4.2. Non-participating business

Contract status	Category	Applicability	Method
In-force	Individual products	Base plan	Higher of the gross premium valuation (GPV) reserve and surrender value (if applicable) and zero
		Riders – excluding accident benefit riders	Higher of GPV reserve and unearned premium reserve (UPR) on a policy basis
		Riders – accident benefit riders	UPR
	Group products – non-par	All group risk products and riders	Higher of GPV reserve and Surrender value
Group Term, Group Term Plus and riders		Unearned premium plus an IBNR reserve of 1/3rd of the annual premium	
Reduced paid up	Individual products	Base plan	Higher of GPV reserve or surrender value on reduced benefit with no future premiums payable
Lapse reserve	Individual products	Base plan	Reserve for expenses till the end of the revival period

Contract status	Category	Applicability	Method
Lapsed/reduced paid up, in respect of those that are expected to revive	Individual products	Reinstatement reserve	Reinstatement rate is applied to the difference between (A) & (B) where, (A) = the reserve assuming contract is In force and (B) = the outstanding premiums plus the paid-up/lapsed reserve, Subject to a floor of zero.

4.3. Participating business

For the purpose of asset shares on the participating business at the valuation date, we have estimated the book value asset shares in order to be consistent with the reported value of assets.

Supportable future reversionary bonus rates are calculated at a product level. These bonus rates are consistent with the other valuation assumptions, subject to a floor of zero, and with policyholders' reasonable expectations (PRE), and is targeted to exhaust the asset shares at maturity. The prospective reserves based on the supportable bonus rates as calculated above are subject to a floor of the higher of the guaranteed and non-guaranteed surrender values at the valuation date.

The cost of the one off special bonus declared in 2010 is treated as an addition to the reserves calculated above. It is valued prospectively on the valuation basis.

For the group participating business we hold the face value of the policies as the liability. However, we check that this liability would support a prospective gross premium valuation, as required by IRDA (ALSM) Regulations, 2000, Schedule II- A, 2(6).

The additional one off bonus declared in 2010 was added to the liability at March 31, 2010, and is included in the face value. The asset shares are also adjusted to reflect the value of this additional bonus.

Conventional participating business (further details)

Further details regarding the valuation of conventional par business are given below:

Contract status	Category	Applicability	Method
In-force	Individual products	Base plan	Higher of the GPV reserve and surrender value (if applicable) and zero, with allowance for future bonus and associated tax and transfers to shareholders
		Riders – excluding accident benefit riders	Higher of GPV reserve and UPR on a policy basis
		Riders – accident benefit riders	UPR
	Group products – par		Higher of the GPV reserve with allowance for future bonus and associated tax and transfers to shareholders and face value of liability

Contract status	Category	Applicability	Method
Reduced paid up (all)	Individual products	Base plan	Higher of GPV reserve or surrender value on reduced benefit with no future premiums payable
Lapse reserve (all)	Individual products	Base plan	Reserve for expenses till the end of the maximum revival period
Lapsed or reduced paid up, in respect of those that are expected to revive	Individual products	Reinstatement reserve	Reinstatement rate is applied to the difference between (A) & (B) where, (A) = the reserve assuming contract is In force and (B) = the outstanding premiums plus the paid-up/lapsed reserve, Subject to a floor of zero.

4.4. Bonus rates (retail products)

Historical reversionary bonus rates

Retail Participating Assurance

Financial year	Products	Compound reversionary
FY 2014-15	Save 'n' Protect Series I and II Cashbak Series I and II Smartkid Series I and II Save 'n' Protect Mass	2.50%
FY 2013-14		2.25%
FY 2012-13		2.25%
FY 2011-12		2.25%
FY 2010-11		2.50%
FY 2009-10		2.50%
FY 2008-09		2.25%
FY 2007-08		3.00%
FY 2006-07		3.25%
Financial year	Products	Compound reversionary
FY 2014-15	Cash Advantage	5.25%
FY 2013-14		5.25%
FY 2014-15	Saving Suraksha LP	3.50%
FY 2013-14		3.50%
FY 2014-15	Saving Suraksha RP	2.25%
FY 2013-14		2.25%
FY 2014-15	Anmol Bachat RP	1.40%
FY 2013-14		1.40%
FY 2014-15	Anmol Bachat SP	3.20%
FY 2013-14		3.20%

Financial year	Product	Simple	
FY 2010-11 till FY2014-15	Whole Life	Premium Payment Term	
		Up to 15 years	3.50%
		16 to 20 years	3.90%
		21 to 25 years	4.70%
Future Secure	Policy term: up to 15 years	26 years and above	5.10%
		16 years and above	4.00%

Retail Participating Pension

Products	Financial Year	Bonus Rates
Forever Life Regular Premium Series I and II	FY 2014-15	3.00%
	FY 2013-14	2.75%
	FY 2012-13	2.75%
Forever Life Single Premium	FY 2011-12	2.75%
	FY 2010-11	3.00%
	FY 2009-10	2.75%
	FY 2008-09	2.50%
	FY 2007-08	3.00%
	FY 2006-07	3.25%

Special bonuses were declared in FY2010 of the following rates:

Financial Year	Retail Participating Life	Retail Participating Pension
2010-11	1.50%	1.25%

Reversionary bonus rates for the current year:

Line of business	Product	Bonus type	Bonus rate
Life	Save 'n' Protect Series I and II	Compound	2.25%
Life	Cashbak Series I and II	Compound	2.25%
Life	Smartkid Series I and II	Compound	2.25%
Life	Save 'n' Protect Mass	Compound	2.25%
Life	Cash Advantage ¹	Compound	5.00%
Life	Savings Suraksha LP ¹	Compound	3.25%
Life	Savings Suraksha RP ¹	Compound	2.00%
Life	Anmol Bachat RP ¹	Compound	1.15%
Life	Anmol Bachat SP	Compound	2.95%

¹ The reversionary bonus rates are applicable on the Guaranteed Maturity Benefit and vested reversionary bonus, if any.

Line of business	Product	Bonus type	Bonus rate
Life	Whole Life	Simple	Premium payment term: up to 15 years 3.25% 16 to 20 years 3.65% 21 to 25 years 4.45% 26 years and above 4.85%
Life	Future Secure	Simple	Policy term: up to 15 years 3.35% 16 years and above 3.75%
Pension	Forever Life Regular Premium Series I and II	Compound	2.75%
Pension	Forever Life Single Premium	Compound	2.75%

Terminal bonus rates for the current year (Par assurance):

Product	UIN	Term (in years)	Terminal Bonus Rate
Save 'n' Protect Series I	105N004V01	10	20%
Save 'n' Protect Series I	105N004V01	11 and above	30%
Save 'n' Protect Series II	105N004V02	10 & 11	20%
Save 'n' Protect Series II	105N004V02	12 and above	25%
Smartkid Series I	105N014V01	14 and above	35%
Smartkid Series II	105N014V02	10	15%
Smartkid Series II	105N014V02	11	20%
Smartkid Series II	105N014V02	12 and above	25%
Cashbak Series I	105N005V01	15 and above	35%

Terminal bonus rates for the current year (Par pension):

Product	UIN	Term (in years)	Terminal Bonus Rate
Forever Life Regular Premium Series I	105N001V01	14 and above	35%
Forever Life Regular Premium Series II	105N001V02	5 to 9	20%
Forever Life Regular Premium Series II	105N001V02	10 and 11	30%
Forever Life Regular Premium Series II	105N001V02	12 and above	35%
Forever Life Single Premium	105N002V01	14 and above	35%

Interim bonus rates:

Line of business	Product	Bonus Type	Interim bonus rate
Life	Save' n' Protect Series I and II	Compound	2.25%
Life	Cashbak Series I and II	Compound	2.25%
Life	Smartkid Series I and II	Compound	2.25%
Life	Save' n' Protect Mass	Compound	2.25%
Life	Cash Advantage ²	Compound	5.00%
Life	Savings Suraksha LP ²	Compound	3.25%
Life	Savings Suraksha RP ²	Compound	2.00%
Life	Anmol Bachat RP ²	Compound	1.15%
Life	Anmol Bachat SP ²	Compound	2.95%
Life	Whole Life	Simple	Premium payment term:

² The interim bonus rates are applicable on the Guaranteed Maturity Benefit and vested reversionary bonus, if any.

Line of business	Product	Bonus Type	Interim bonus rate	
			up to 15 years	3.25%
			16 to 20 years	3.65%
			21 to 25 years	4.45%
			26 years and above	4.85%
Life	Future Secure	Simple	Policy term:	
			up to 15 years	3.35%
			16 years and above	3.75%
Pension	Forever Life Regular Premium Series I and II	Compound	2.75%	
Pension	Forever Life Single Premium	Compound	2.75%	

Interim Bonus is paid in respect of the following:

- Contracts that have completed their contractual period of guaranteed additions and have received a reversionary bonus and that result in death claim in the period from the date of declaration to the day immediately preceding any subsequent declaration;
- Contracts that will be completing their contractual period of guaranteed additions and that result in death claim in the period from the date of declaration to the day immediately preceding any subsequent declaration.

4.5. Bonus rates (group products)

Bonus rates declared in the previous financial years:

Financial year	Bonus rate for group par assurance products	Bonus rate for group par pension products
FY 2014-15	7.50%	8.50%
FY 2013-14	8.50%	8.50%
FY 2012-13	9.00%	9.00%
FY 2011-12	9.10%	9.10%
FY 2010-11	9.85%	9.85%
FY 2009-10	7.50%+3.50%	8.50%+2.50%

Bonus rates for the current financial year:

Product	Bonus rate
Group Gratuity Suraksha	7.50%
Group Leave Encashment Suraksha	7.50%
Group Superannuation Suraksha	8.50%

In case of group par products, interim bonus has been recommended on contracts that result in death claims and on withdrawals, in the period, from the date of the bonus declaration to the day immediately preceding any subsequent declaration.

Product	Interim bonus rate
Group Gratuity Suraksha	7.00%
Group Leave Encashment Suraksha	7.00%
Group Superannuation Suraksha	8.00%

4.6. Policyholders' reasonable expectations (PRE) (retail products)

Due consideration is given to the reasonable expectations of policyholders when making a distribution of surplus. "Reasonable" is not explicitly defined in the regulations and is left to the interpretation of the Appointed Actuary. Our interpretation of "Reasonable" refers to a well-informed, financially literate policyholder.

PRE can be formed with respect to many areas including the following:

- Nature of bonus
- Reversionary (added each year) vs. terminal (added only on claim)
- Type of reversionary bonus
- Simple vs. compound vs. super compound
- Level of bonus

- Level of guarantees implicit in the declaration

The main drivers of PRE are currently our point of sale material, the bonus rates declared last year and past communication with policyholders. We interpret our point of sale material as having created the expectation that bonuses would be compound reversionary for all products except for the products "Wholelife" and "Future Secure" for which it would be simple reversionary.

PRE ultimately needs to be set to the principle that each customer should receive a fair return on the premiums he has paid, allowing for the insurance protection and guarantees provided over the duration of his policy. The basic reference point for this, and therefore PRE, will be the asset share under the policy.

Policyholders enjoy the benefits and protection of both guarantees and smoothing for which they may be charged appropriately. However, the Company will not seek to make any systematic profit through these charges over generations of policies.

PRE will be shaped and actively managed through appropriate communication to the policyholder. The tools that will be used for this purpose are Sales Brochures, Policy Illustrations and annual communications of bonus rates.

Early duration surrender benefits will be established at a level that enables the Company to recover the cost of acquisition and capital support provided subject to the minimum surrender values written into the contracts.

4.7. Policyholder reasonable expectations (PRE) (group products)

This being a relatively new line of business we interpret the main drivers of PRE currently as our point of sale material.

PRE ultimately needs to be set to the principle that each customer should receive at least a fair return on the premiums he has paid, allowing for the insurance protection and guarantees provided over the duration of his policy. The basic reference point for this, and therefore PRE, will be the asset share under the policy.

4.8. Tax Rate

Tax is provided on surplus emerging under participating products. For the current valuation, we have assumed that the participating pension business is tax exempt. However, our interpretation of PRE would be that future bonuses would in any case reflect the taxes charged to the fund. As a result, the reserves would not be changed even if taxes came to be charged.

5. Valuation method – linked business

5.1. Methods adopted in the determination of mathematical reserves

For linked business, unit liabilities are fully matched. A non-unit reserve is also held which includes provision for the cost of any guarantee. Further details are given here:

Contract status	Category	Applicability	Method
In-force premium paying/ premium holiday	Unit reserves	Unit fund	The unit reserve is number of units held by the policyholder multiplied by the NAV at the valuation date.
	Non-unit reserves- except for group linked	Life cover, rider benefits and adequacy of charges to cover expenses	For base policy and associated mortality benefit we take the higher of the unearned risk benefit charges and all the projected cash flows. We allow for zeroisation under all contracts at a policy level, so that credit is taken for future positive cash flows only to the extent that they offset subsequent negative cash flows. For riders, where charges are taken by a deduction of units a UPR, in other cases higher of UPR or GPV is held as reserve.
Lapsed	Unit reserves	Unit fund	Paid up/surrender value to the credit of the policyholders
		Reinstatement reserve	A reinstatement rate is applied to the difference between the full unit value and the paid up/surrender value. We adjust this reserve for death benefits payable prior to revival or foreclosure. The balance of the unit fund forms the linked FFA. (This does not apply to ULIPs sold since September 2010.) Full values of units of Premier Life and Elite Pension are held as reserve.
	Non-unit reserves	Adequacy of charges to cover expenses during the maximum revival period.	Projected cash flows as for in force contracts allowing for zeroisation. The cash flows do not include cost of insurance charges and claims out go.
		Reinstatement reserve	For pre-September 2010 policies Reinstatement rate is applied to the difference between the reserve assuming contract is in force and the charges on outstanding premiums and non-unit reserve For post-September 2010 policies the reinstatement reserve is calculated by allowing for refund of surrender penalty, levy of back charges, release of lapsed non-unit reserve and setting up of in-force non unit reserve, all multiplied by probability of revival, subject to a floor of zero.
Additional	Cost of	Linked Plans	For guarantees on products other than Pinnacle,

Contract status	Category	Applicability	Method
reserves	guarantee	with capital guarantee (other than Return Guarantee Funds)	<p>the gross cost of guarantee is computed based on principles of market consistency. The fund values are projected using risk neutral asset return scenarios and the payout on account of the guarantee is calculated for each simulation. The present value of the payouts for each simulation is calculated by discounting using the forward rates of that simulation. The average of the present value of payouts from the simulations is the gross cost of the guarantee.</p> <p>For Pinnacle there is no requirement for additional reserves on account of guarantee as the guarantee will be managed by following a Constant Proportion Portfolio Insurance strategy on the assets. The strategy dynamically allocates the investments between risky assets (equity) and risk free assets (debt), based on the performance of risky assets and yields available on risk free assets.</p>
Additional reserves	Cost of guarantee	Return Guarantee Funds (RGF)	<p>The RGF are closed ended tranches of funds that are intended to provide customers a return over a specified period, subject to a guarantee.</p> <p>The investments in this fund are in fixed income (debt) instruments. The expected returns achievable on the fund will be known at the outset.</p> <p>The quantum of the guarantee would depend upon our assessment of the risk adjusted yield of the portfolio, allowing in particular for any credit or reinvestment risk. Reserving for guarantee on these funds is done by deterministic modelling.</p> <p>The non unit reserve is on a prospective gross premium basis and is the present value of all future outgo less future income of the non unit fund calculated on a prudent basis, including the additional estimated cashflow associated with the guarantee.</p>
Group linked	Non-unit reserves		No reserves are held on account of expenses as charges are currently higher than expenses and expected to remain so. In case of mortality benefits Unexpired risk premium is held as non unit reserve.

6. Valuation assumptions

6.1. Interest Rate

The valuation interest rates for the various lines of business along with the details of the previous valuation are set out below:

Valuation interest rate (%)	March 2016	March 2015
Par life in-force	5.11	5.07
Par life paid up	5.46	5.27
Par group life	5.52	5.37
Par pension in-force	5.10	5.08
Par pension paid up	5.34	5.24
Par group pension	5.26	5.15
Annuity	5.52	5.39
Non-par protection	5.40	5.36
Non-par health	5.12	5.27
Non-par group	5.11	5.20
Non-par investment (other than GSIP and ASIP)	5.53	5.33
GSIP	5.09	5.05
ASIP	5.52	4.47
Health	5.47	5.29
Non-unit life, pension and health	4.92	5.03

6.2. Inflation

Expense inflation

The inflation assumption is 5.18% at March 31, 2016. The inflation assumption at March 31, 2015 was 4.49%.

Medical inflation

The medical inflation assumption is 20.18% at March 31, 2016. This is calculated as assumption for expense inflation + 15%.

6.3. Mortality and morbidity rates for each product

The mortality assumptions are based on the Standard Mortality Table, IALM 06 -08.

Plan	Valuation basis at March 31, 2015 (best estimate + MAD)	Valuation basis at March 31, 2016 (best estimate + MAD)																																				
Participating Business (Assurance and Pension)	% of IALM 06-08 rated up by 1 year for males and rated down 1 year for females <table border="1" style="margin-left: 20px;"> <tr> <th>Premium <= 18k</th> <th>Premium > 18k</th> </tr> <tr> <td>125% (105%+20%)</td> <td>90% (70%+20%)</td> </tr> </table>	Premium <= 18k	Premium > 18k	125% (105%+20%)	90% (70%+20%)	% of IALM 06-08 rated up by 1 year for males and rated down 1 year for females <table border="1" style="margin-left: 20px;"> <tr> <th>Premium <= 18k</th> <th>Premium > 18k</th> </tr> <tr> <td>125% (105%+20%)</td> <td>90% (70%+20%)</td> </tr> </table>	Premium <= 18k	Premium > 18k	125% (105%+20%)	90% (70%+20%)																												
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Term Products - Mortgage	<p>Home Assure, Home Protect and Loan Protect: 80% (60%+20%) of IALM 06-08 rated up by 1 year for males and rated down by 1 year for females</p> <p>Credit Assure 120% (100%+20%) of IALM 06-08 rated up by 1 year for males and rated down by 1 year for females</p>	<p>Home Assure, Home Protect, Loan Protect, Loan Protect Plus and Credit Assure:</p> <p>% of IALM 06-08 rated up by 1 year for males and rated down by 1 year for females</p> <table border="1" data-bbox="919 1341 1505 1554"> <thead> <tr> <th>Sum Assured <= 10Lac</th> <th>Sum Assured 10Lac to 25Lac</th> <th>Sum Assured >25Lac</th> </tr> </thead> <tbody> <tr> <td>85% (65%+20%)</td> <td>75% (55%+20%)</td> <td>65% (45%+20%)</td> </tr> </tbody> </table>	Sum Assured <= 10Lac	Sum Assured 10Lac to 25Lac	Sum Assured >25Lac	85% (65%+20%)	75% (55%+20%)	65% (45%+20%)																																										
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Term Products – Offline Non Mortgage	<p>Pure Protect and Life Guard: 80% (60%+20%) of IALM 06-08 rated up by 1 year for males and rated down by 1 year for females</p>	<p>Pure Protect and Life Guard: % of IALM 06-08 rated up by 1 year for males and rated down by 1 year for females</p> <table border="1" data-bbox="919 1733 1505 1944"> <thead> <tr> <th>Sum Assured <= 10Lac</th> <th>Sum Assured 10Lac to 25Lac</th> <th>Sum Assured >25Lac</th> </tr> </thead> <tbody> <tr> <td>115% (95%+20%)</td> <td>95% (75%+20%)</td> <td>65% (45%+20%)</td> </tr> </tbody> </table>	Sum Assured <= 10Lac	Sum Assured 10Lac to 25Lac	Sum Assured >25Lac	115% (95%+20%)	95% (75%+20%)	65% (45%+20%)																																										
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Term Products – Online Non Mortgage	<p>I Care: 70% (50%+20%) of IALM 06-08 rated up by 1 year for males and rated down 1 year for females</p> <p>I Protect: 60% (40%+20%) of IALM 06-08 rated up by 1 year for males and rated down 1 year for females</p>	<p>I Care, I Protect and I Protect Smart:</p> <p>% of IALM 06-08 rated up by 1 year for males and rated down 1 year for females whether medically underwritten on not.</p> <p>For non-medical (Jet cases)</p> <table border="1"> <thead> <tr> <th>Sum Assured <= 25Lac</th> <th>Sum Assured 25Lac to 50Lac</th> <th>Sum Assured >50Lac</th> </tr> </thead> <tbody> <tr> <td>85% (65%+20%)</td> <td>85% (65%+20%)</td> <td>80% (60%+20%)</td> </tr> </tbody> </table> <p>For medically underwritten business</p> <table border="1"> <thead> <tr> <th></th> <th>Sum Assured <= 25Lac</th> <th>Sum Assured 10Lac to 50Lac</th> <th>Sum Assured >50Lac</th> </tr> </thead> <tbody> <tr> <td>Non Smoker</td> <td>85% (65%+20%)</td> <td>55% (35%+20%)</td> <td>45% (25%+20%)</td> </tr> <tr> <td>Smoker</td> <td>85% (65%+20%)</td> <td>85% (65%+20%)</td> <td>65% (45%+20%)</td> </tr> </tbody> </table>	Sum Assured <= 25Lac	Sum Assured 25Lac to 50Lac	Sum Assured >50Lac	85% (65%+20%)	85% (65%+20%)	80% (60%+20%)		Sum Assured <= 25Lac	Sum Assured 10Lac to 50Lac	Sum Assured >50Lac	Non Smoker	85% (65%+20%)	55% (35%+20%)	45% (25%+20%)	Smoker	85% (65%+20%)	85% (65%+20%)	65% (45%+20%)
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Life Raksha	Not Applicable	120% (100%+20%) of IALM 06-08 rated up by 1 year for males and rated down by 1 year for females has been used.																		
Rural products	Mitr, Sarv Jan Suraksha and Anmol Bachat: 330% (300%+30%) of IALM 06-08	Mitr, Sarv Jan Suraksha and Anmol Bachat: 200% (175%+25%) of IALM 06-08																		
Non Linked Health Products – With Death Benefit	<p>% of IALM 06-08 rated up by 1 year for males, rated down by 1 year for females:</p> <p>Crisis Cover:</p> <table border="1"> <thead> <tr> <th>Age <=30</th> <th>Age >30</th> </tr> </thead> <tbody> <tr> <td>148.5% (135%+13.5%)</td> <td>105% (95%+10%)</td> </tr> </tbody> </table> <p>Health Assure Plus:</p> <table border="1"> <thead> <tr> <th>Age <=30</th> <th>Age >30</th> </tr> </thead> <tbody> <tr> <td>145% (135%+10%)</td> <td>105% (95%+10%)</td> </tr> </tbody> </table>	Age <=30	Age >30	148.5% (135%+13.5%)	105% (95%+10%)	Age <=30	Age >30	145% (135%+10%)	105% (95%+10%)	<p>% of IALM 06-08 rated up by 1 year for males, rated down by 1 year for females:</p> <p>Crisis Cover and Health Assure Plus:</p> <table border="1"> <thead> <tr> <th>Age <=30</th> <th>Age >30</th> </tr> </thead> <tbody> <tr> <td>155% (135%+20%)</td> <td>115% (95%+20%)</td> </tr> </tbody> </table>	Age <=30	Age >30	155% (135%+20%)	115% (95%+20%)						
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Major Surgical Benefit Rider and Critical Illness Rider	% of IALM 06-08 rated up by 1 year for males, rated down by 1 year for females: <table border="1"> <thead> <tr> <th>Age <=30</th> <th>Age >30</th> </tr> </thead> <tbody> <tr> <td>90%</td> <td>65%</td> </tr> <tr> <td>(90%+0%)</td> <td>(65%+0%)</td> </tr> </tbody> </table>	Age <=30	Age >30	90%	65%	(90%+0%)	(65%+0%)	% of IALM 06-08 rated up by 1 year for males, rated down by 1 year for females: <table border="1"> <thead> <tr> <th>Age <=30</th> <th>Age >30</th> </tr> </thead> <tbody> <tr> <td>90%</td> <td>65%</td> </tr> <tr> <td>(90%+0%)</td> <td>(65%+0%)</td> </tr> </tbody> </table>	Age <=30	Age >30	90%	65%	(90%+0%)	(65%+0%)												
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The mortality and morbidity assumptions for health products are given below:

Plan	Product	Valuation basis at March 31, 2015 (best estimate + MAD)	Valuation basis at March 31, 2016 (best estimate + MAD)
Non Linked Health Products – With Death Benefit	Crisis Cover	150% (100%+50%) of reinsurance premium rates	130% (100%+30%) of reinsurance premium rates
	Health Assure Plus	140% (85%+55%) of reinsurance premium rates	115% (85%+30%) of reinsurance premium rates
Non Linked Health Products – Without Death Benefit	Health Assure	135% (85%+50%) of reinsurance premium rates	115% (85%+30%) of reinsurance premium rates
	Cancer Care	120% (85%+35%) of reinsurance premium rates	
	Cancer Care Plus	130% (85%+45%) of reinsurance premium rates	
	Hospital Care I	160% (130%+30%) of reinsurance premium rates	160% (130%+30%) of reinsurance premium rates
	Hospital Care II	400% (300%+100%) of reinsurance premium rates	230% (200%+30%) of reinsurance premium rates
	MediAssure	100% (90%+10%) of reinsurance premium rates	120% (90%+30%) of reinsurance premium rates
	Diabetes Care Active	120% (100%+20%) of pricing basis	130% (100%+30%) of pricing basis
Linked Business	Health Saver	125% (100%+25%) of reinsurance premium rates	130% (100%+30%) of reinsurance premium rates
Term Products	Loan Protect Plus	Not Applicable	95% (75%+20%) of CIBT 93
	I Protect Smart	Not Applicable	170% (150%+20%) of reinsurance risk rates
Riders	Waiver of Premium Benefits Rider (Disability and CI)	100% of reinsurance risk rates	130% (100%+30%) of reinsurance risk rates
	Death Benefit Rider	120% (100%+20%) of pricing basis	130% (100%+30%) of pricing basis
	Diabetes rider (modified)	110% of pricing basis	130% (100%+30%) of pricing basis
	Major Surgical Benefit rider	125% of reinsurance premium rates	155% (125%+30%) of reinsurance premium rates

Plan	Product	Valuation basis at March 31, 2015 (best estimate + MAD)			Valuation basis at March 31, 2016 (best estimate + MAD)		
	Critical Illness Rider (Accelerated and Standalone)	Based on CIBT 93			Based on CIBT 93		
		Age	Males	Females	Age	Males	Females
		18-20	171%	157%	18-20	171%	157%
		21-25	149%	157%	21-25	149%	157%
		26-30	165%	160%	26-30	165%	160%
		31-35	175%	171%	31-35	175%	171%
		36-40	155%	171%	36-40	155%	171%
		41-45	157%	171%	41-45	157%	171%
		46-50	161%	166%	46-50	161%	166%
		51-55	144%	153%	51-55	144%	153%
		56-60	120%	140%	56-60	120%	140%
		61-65	109%	137%	61-65	109%	137%

6.4. IBNR

Late reported claims are analysed periodically and are allowed in the experience analysis for setting the valuation bases. However for one year renewable Group Term policies we hold an IBNR of 4 months of premium.

6.5. Expense Assumptions

Type of expense (₹)	FY2015	FY2016
Renewal expense per policy		
All conventional and unit linked (includes in-force premium paying, paid up policies, lapsed/premium discontinuance state within revival period policies) except 1. Annuity 2. Riders 3. Rural 4. Life Raksha	475	525
Annuity	Annual annuity payment – 989 Semi-annual payment – 989 Quarterly annuity payment – 1,031 Monthly annuity payment – 1,169	390
Riders	0	0
Rural (Mitr, Sarv Jan Suraksha, Anmol Bachat) and Life Raksha	40	45
Renewal expense per premium		
All conventional and unit linked in force, paid up and lapsed policies (% of annual premium) except 1. MRTA 2. Credit Assure 3. Old Conventional SP Bond 4. Retail Immediate Annuity 5. Group Business 6. Riders 7. Rural	1.65%	1.65%
Post-September unit linked single premium product		
Post-September unit linked regular premium contracts (for in force policies throughout the term and for premium discontinuance state policies in the first two years in this state)	0.83%	0.83%
Claim expenses per policy (₹)³		
Cancer Care		
Cancer Care Plus		
Crisis Cover	7,368	7,795
Diabetes Care Active		

³ For FY2016 the claim expense assumption and screening expense assumption has been assumed to be the same as FY2015, adjusted for the current year's inflation.

Type of expense (₹)	FY2015	FY2016
Heath Assure		
Heath Assure Plus		
I Protect		
I Protect Smart		
Loan Protect		
Loan Protect Plus	11,787	12,470
I Care		
I Care II		
Hospital Care		
Health Saver		
MediAssure	155	165
Disability claims		
Life Raksha	Not Applicable	265
Screening expense per policy (₹)⁴		
Diabetes Care Active		
Cancer Care Plus	3,098	3,280
COA (premium frequency dependent) Unit Linked and Conventional		
Tied agencies		
Others	0%	0%

⁴ For FY2016 the claim expense assumption and screening expense assumption has been assumed to be the same as FY2015, adjusted for the current year's inflation.