



Actuarial Department, Central Office, 'Yogakshema', Nariman Point, Mumbai 400 021
Tel : 022-22852174 / 66598370, Fax : 022-22028321

Ref : Actuarial/ Valuation/2189/4

29th October, 2010

To,

All HODs in Central Office
All Zonal Offices
All Divisional Offices
All Branch Offices (through Divisional Offices)
MDC, ZTCs, Audit & Inspection Departments, NIA

Results of Valuation as at 31st March 2010

1. Introduction

The Valuation of the Corporation's Business as on 31st March 2010 has been completed and the bonuses in respect of participating policies have been declared as a result thereof. The following instructions regarding Simple Reversionary Bonus, Interim Bonus, Final (Additional) Bonus and Loyalty Additions will apply to participating policies (as per details below), other than policies on UK, Fiji and Mauritius Registers.

2. Bonus Rates

a) The rates of Simple Reversionary Bonus, and Interim Bonus declared in respect of participating policies issued by the Corporation and also those issued by erstwhile insurers before 19/01/1956 (excluding those on UK, Fiji and Mauritius Registers) are as given in Table 1.

Table 1: Simple Reversionary and Interim Bonus Rates

Group	Plan	Term	Reversionary Bonus Rate %o Sum Assured (**)	Interim Bonus Rate %o Sum Assured (**)
		(*)		
1	Whole Life type (Plans 2, 5, 6, 8, 10, 28 (Before Conversion), 35, 36, 37, 38, 49, 77, 78, 85 & 86)		70	70
2	Endowment type (Plans 14, 17, 27 (After Conversion), 28 (After Conversion), 34, 39 40, 41, 42, 50, 54, 79, 80, 81, 84, 87, 90, 91, 92, 95, 101, 102, 103, 109, 110 & 121)	< 11	34	34
		11 to 15	38	38
		16 to 20	42	42
		> 20	48	48

Group	Plan		Reversionary Bonus Rate %o Sum Assured (**)	Interim Bonus Rate %o Sum Assured (**)
		Term		
3	Money Back and Anticipated Endowment Assurances (Plans 24, 25, 26, 73, 74, 75, 76 & 93)	12 & 15	32	32
		20	39	39
		25	44	44
4	Jeevan Surabhi (Plans 106, 107 & 108)	15	34	34
		20	41	41
		25	50	50
5	Jeevan Mitra (Double Cover plan), Jeevan Sathi, Limited Premium Endowment (Plans 88, 89, 48)	<16	40	40
		16 to 20	44	44
		> 20	48	48
6	Jeevan Mitra (Triple Cover Plan . Plan 133)	<16	40	40
		16 to 20	45	45
		> 20	50	50
7	Jeevan Anand (Plan 149)	<11	34	34
		11 to 15	37	37
		16 to 20	41	41
		>20	45	45
8	Jeevan Rekha (Plan 152)	< 11	49	49
		11 to 15	44	44
		16 to 20	40	40
		> 20	34	34
9	Jeevan Anurag (Plan 168)	< 11	38	38
		11 to 15	40	40
		16 to 20	42	42
		> 20	44	44
10	New Jeevan Suraksha – I (Plan 147)	< 6	21	21
		6 to 10	27	27
		11 to 15	31	31
		>15	35	35
11	New Jeevan Dhara - I (Plan 148)	< 6	20	20
		6 to 10	25	25
		11 to 15	28	28
		>15	32	32
12	Jeevan Tarang (Plan 178)	10	40	40
		15	44	44
		20	48	48
13	Jeevan Madhur (Plan 182)	< 11	20	20
		11 – 15	25	25
14	Child Career Plan (Plan 184)	11 – 15	34	34
		16 -20	38	38
		> 20	40	40
15	Child Future Plan (Plan 185)	11 – 15	36	36
		16 – 20	40	40
		> 20	42	42
16	Jeevan Bharati (Plan 160)	15	38	38
		20	40	40
17	Jeevan Shree – I (Plan 162)	10 & 15	40	40
		20	44	44
		25	48	48

Group	Plan	Term	Reversionary Bonus Rate	Interim Bonus Rate
			%o Sum Assured (**)	%o Sum Assured (**)
18	Jeevan Nidhi (Plan 169)	<11	32	32
		11 - 15	34	34
		16 - 20	36	36
		> 20	38	38
19	Jeevan Pramukh (Plan 167)	10 & 15	40	40
		20	44	44
		25	48	48
20	Jeevan Amrit (Plan 186)	10 – 15	30	30
		16 – 20	30	30
		> 20	30	30
21	Jeevan Bharati I (Plan 192)	15	28	28
		20	30	30

(*) Premium Paying Term in case of Jeevan Anand (Plan 149) & Jeevan Rekha (Plan 152); Accumulation period in case of Jeevan Tarang (Plan 178); Deferment Period in case of New Jeevan Suraksha – I (Plan 147), New Jeevan Dhara - I (Plan 148) & Jeevan Nidhi (Plan 169);

(**) In case of New Jeevan Suraksha – I (Plan 147) and New Jeevan Dhara – I (Plan 148), bonus rates are per thousand Cash Option. In case of Jeevan Madhur (Plan 182), bonus rates are per thousand death benefit Sum assured. In case of Jeevan Amrit Plan, bonus rates are per thousand premium paid.

b) The above reversionary bonus rates are applicable for policy year entered upon during the inter valuation period i.e. 01/04/2009 to 31/03/2010 and in force for full sum assured as on 31/03/2010. It would apply to policies resulting into claims by death or maturity (including those discounted within one year of maturity) or surrendered on or after 01/01/2011.

c) The above interim bonus rates are applicable to policies in respect of each policy year entered upon after 31/03/2010 and result into claims by death or maturity (including those discounted within one year of maturity) or are surrendered during the period commencing from 01/01/2011 and ending 9 months from the date of next valuation.

d) No cash bonus has been declared in respect of New Jeevan Akshay - I (Plan 146).

e) For General Annuity / Pension policies (Plans 147, 148 & 169), the bonus rates are applicable only during the deferment period. The bonus rates in case of Plan 147 & 148 are not applicable for policies exiting by death during the deferment period. However, cash value of bonuses is payable in case of surrenders during the deferment period.

f) No bonus has been declared for any other General Annuity or Pension plans.

g) Policies issued by erstwhile insurers: In respect of policies issued by erstwhile insurers on or before 19/01/1956, the rates of Simple Reversionary Bonus would be as shown below, on the basis of the respective bonus group indices. It may be noted that the bonus rates for policies with Group Index 0 to 9 would be the same as that applicable to policies issued by the Corporation (Group Index 10), for the Valuation as at 31/03/1986 onwards.

Table 2: Simple Reversionary Rates for policies issued by erstwhile insurers

Group Index	Bonus per thousand Sum Assured per annum	
	Whole Life Assurance	Endowment Assurance
49	343.00	-
25	175.00	120.00
23	161.00	110.40
21	147.00	100.80
20	140.00	96.00
19	133.00	91.20
18	126.00	86.40
17	119.00	-
16	112.00	76.80
15	105.00	72.00
14	98.00	67.20
13	91.00	62.40
12	84.00	57.60
11	77.00	52.80
10	70.00	48.00
0 to 9	70.00	48.00

h) With profit policies transferred from the UK, Fiji & Mauritius Branch Registers and also those from LIC (International) BSC (Closed) will be allowed bonus at the same rate as applicable to corresponding plans on Indian Registers. Cash Back policies issued for term 18 by LIC (International) BSC (Closed) will be allowed bonus rate as applicable to 15 year Money Back policies.

3. VESTING OF BONUS

a) The bonuses declared will vest in such policies provided they have been in-force for the full sum assured for a period of 3 years from the date of commencement and are on the books of the Corporation either for full sum assured or in force as on 31.03.2010, with the exceptions mentioned in paras (b) and (c) below. Further, the above condition shall not apply to policies, where by reason of death occurring at any time within the said period of 3 years, claims are payable for full sum assured along with all attached bonuses subject to any special conditions on vesting of bonuses as applicable to that plan.

b) Under individual annuity or pension policies, bonuses will vest provided the policies have been in force for full sum assured / notional cash option, for a period of at least 2 years from the date of commencement and two full years' premiums have been paid.

c) Under Jeevan Amrit Plan (Table No. 186) bonuses will vest under the policy provided at least one year's premiums have been paid **and** the policy has been in force for a period of at least one year from the date of commencement.

d) In case of policies which become reduced paid-up after the date of valuation but before the payment of all the instalments of premium for the policy year current as at the date of Valuation, only proportionate bonus is to be allowed in respect of that policy year.

If a participating policy had become reduced paid-up during the period 01.04.2009 to 31.03.2010, (i.e., it was in force for full sum assured as on 31.03.2009 but is in reduced paid up condition as at 31.03.2010) and if the policy had been in force for full sum assured for a period of at least 3 years from its date of commencement, then the bonuses will vest under such a policy at the rates applicable for the period in which it was in force for full sum assured.

e) Under New Jana Raksha (with profit) policy, if at least two years' premiums have been paid and any subsequent premiums be not duly paid and if death occurs during the period of 3 years from the due date of the first unpaid premium but within 3 years from the date of commencement of the policy, the above condition of vesting of bonus will not apply. The bonuses under such policies shall be payable with reference to the number of years for which premiums have been paid.

f) Under Jeevan Madhur (Plan No.182), Child Career Plan (Plan No. 184) and Child future Plan (Plan No.185), if at least two years' premiums have been paid and any subsequent premiums be not duly paid and if death occurs during the period of 2 years from the due date of the first unpaid premium (Auto cover period) but within 3 years from the date of commencement of the policy, the above condition of vesting of bonus will not apply. The bonuses under such policies shall be payable with reference to the number of years for which premiums have been paid.

g) Without profit policies converted to with-profit will participate in profits from the policy anniversary coinciding with the date of conversion. i.e. for determining the number of years of bonus payable, the period will be reckoned from the date of conversion. However, bonuses on such policies will vest subject to conditions mentioned above. In respect of conversion on or before 31/12/1998, the qualifying period of 3 years will be reckoned from the date of commencement and the term for determining the Bonus rate will be reckoned from the date of commencement. For conversion from 01/01/1999 onwards, the qualifying period of 3 years for vesting of bonus, the term for determining the bonus rate and the number of years' bonus will be reckoned from the date of conversion.

h) In respect of Children Plans the following provisions shall apply:

Table 3 – Bonus Provisions in respect of Children Plans and Jeevan Tarang Plan

Sl. No.	Plans	Participate from	Term to be used for arriving Bonus rates	
(1)	CDA Limited Payment Whole Life(Plans 35 to 38 & 49)	The deferred date	For policies vested on or before 31-12-1998	For policies vesting after 31-12-1998
	CD Endowment Assurance (Plans 39 to 42 & 50)		The Bonus rate will be determined with reference to the policy term counted from the date of commencement of the policy.	The Bonus rate will be determined with reference to the policy term counted from the deferred date.
	CAP Policy (Plan 80 & 81)			
(2)	New CDA Policy (Plan92)	The date of commencement of risk	The Bonus rate will be determined with reference to the policy term counted from the date of commencement of risk.	
(3)	Jeevan Balya policy (Plan 101)	The Vesting date	The Bonus rate will be determined with reference to the policy term counted from the vesting date.	
(4)	Jeevan Kishore (Plan 102) Jeevan Sukanya (Plan 109) Child Career Plan (Plan 184) Child Future Plan (Plan 185) ##Jeevan Tarang (Plan 178)	The date of commencement of Policy.	The Bonus rate will be determined with reference to the policy term counted from the date of commencement of policy. Bonuses will vest under the policy at the policy anniversary at which risk commences or after completion of 3 policy years whichever is later.	

Note : (## In case of Jeevan Tarang where age at entry of the life assured is less than or equal to 12 years nearest birthday then conditions as per para 3 h)(4) is applicable otherwise para 3 a) is applicable

4. INTERIM BONUS

Interim Bonuses at the rates specified in Table 1 above are also declared in respect of the following policies for the period specified against each: -

a) For all participating policies becoming claims by death or maturity or discounted (i.e. surrendered within one year preceding the date of maturity) during the period commencing January 1, 2011 and ending 9 months from the date of next valuation in respect of each policy year entered upon after March 31, 2010 provided the policies are in force for the full sum assured as on the date of claim or discount as the case may be.

b) For all participating policies which are surrendered (excluding discounted claims, i.e. those policies which are surrendered within one year of maturity) during the period commencing 1st January 2011 and ending 9 months following the date of next valuation in respect of each policy year entered upon after 31st March 2010 provided such policies are entitled to participate in profits as on the date of next valuation.

c) The Interim Bonus rates declared under Table 1 would also be applicable to those policies issued on or after 01/04/2010 and resulting in to death claim during the period commencing from 01/01/2011 and ending 9 months from the date of next valuation in respect of each policy year entered upon after 31st March 2010 provided such policies are entitled to participate in profits.

d) Entitlement to Interim Bonuses is further subject to the conditions mentioned under Paragraph 3 above.

5. FINAL (ADDITIONAL) BONUS

(i) In addition to the Simple Reversionary Bonuses and Interim Bonuses, Final (Additional) Bonus (FAB) have also been declared in respect of participating policies (excluding policies on U.K., Fiji and Mauritius Registers) resulting into claims by maturity or claim discounted (i.e., surrendered with one year preceding the date of maturity) or death claims during the period commencing from January 1, 2011 and ending 9 months from the date of next valuation (i.e. upto 31.12.2011), at the rates mentioned below, provided they are kept in force for full sum assured till the date of maturity or the date of discounting or the date of death as the case may be subject to the qualifying conditions being satisfied. It may be noted that the rates of Final (Additional) Bonus are related to the sum assured group under the policy.

(ii) Plans of Groups 1, 2, 5 and 6 of Table 1

In case of Plans of Groups 1, 2, 5 and 6 of Table 1 the Final (Additional) Bonuses as per Table 4 is payable on maturity (including discounted claims) or in case of claims by death, provided the policy is in full force and premiums have been paid for 15 years or more. The rates of Final (Additional) Bonus are as follows:

Table 4

Terms in respect of maturities, discounted maturity claims / Number of years' premiums paid in respect of claims by death (#)	Amount of Final (Additional) Bonus per Rs. 1000/- Sum Assured for policies with sum assured			
	Up to 25,000	25,001 to 50,000	50,001 to 1,99,999	2,00,000 and above
15	0	0	10	20
16	0	0	15	25
17	0	10	20	30
18	10	15	25	35
19	15	20	30	50
20	20	25	40	70
21	25	30	50	100
22	30	50	80	150
23	35	100	150	250
24	70	150	230	350
25	170	250	330	450
26	270	350	430	550
27	370	450	540	670
28	470	550	650	790
29	570	650	760	910
30	670	750	900	1100
31	800	900	1100	1300
32	950	1050	1300	1550
33	1100	1200	1550	1800
34	1250	1350	1700	2050
35	1400	1500	1850	2300
36	1550	1650	2050	2550
37	1700	1800	2250	2800
38	1850	1950	2500	3050
39	2000	2100	2750	3300
40 & above	2150	2500	3000	3550

(#) In the case of death claims under Single Premium / Fully Paid-up Limited Premium Payment policies the number of years in the first column indicates the number of policy years elapsed inclusive of the policy year in which the death takes place.

(iii) Plans of Group 3 of Table 1

The Final (Additional) Bonuses as per Table 5 are applicable in respect of Plans of Group 3 of Table 1 and are payable at the following rates:

Table 5

Terms in respect of maturities, discounted maturity claims / Number of years' premiums paid in case of premium paying policies, Duration** elapsed in case of fully paid up policies in respect of claims by death	Amount of Final (Additional) Bonus Per Rs. 1000/- Sum Assured for policies with Sum Assured			
	Up to 25,000	25,001 to 50,000	50,001 to 1,99,999	2,00,000 & above
Below 15	0	0	0	0
15 – 19	0	0	15	20
20	0	10	30	40
21 – 24	10	20	30	40
25	40	150	175	225

** Duration = Policy anniversary following date of claim minus Date of commencement

(iv) Plans of Group 4 of Table 1

Table 6

Policy Term in respect of Maturities / Duration elapsed in respect of claims by death	Amount of Final (Additional) Bonus Per Rs.1000/- sum assured for policies with sum assured			
	Up to 25,000/-	25,001 to 50,000	50,001 to 1,99,999	2,00,000 and above
Below 15	0	0	0	0
15 – 19	0	0	20	30
20	40	50	75	100

** Duration = Policy anniversary following date of claim minus Date of commencement

(v) No final (additional) bonus has been declared in respect of Jeevan Akshay (Plan 97) policies, Jeevan Dhara (Plan 96) policies (both on vesting and after vesting and on death), Immediate Annuities (Plan 115), Deferred Annuities (Plan 116) and Jeevan Suraksha Policies (Plan 122).

Notes:

1. In the case of policies with mode of payment of premiums other than yearly, unpaid premiums if any, falling due before the policy anniversary are deducted from the claim amount and hence they should be treated to have been received for this purpose.

2. In case of the Progressive Protection Policies which are in full force, the Final (Additional) Bonus will be based on the sum assured in force on the date of death / maturity, subject to other qualifying conditions mentioned above.

- 3.** For payment of Final additional bonuses - In case of Children's Deferred Assurance Policies (Plans 35 to 42, 49, 50, 80 & 81), the term / duration at death will be reckoned from the deferred date. In case of New Children's Deferred Assurance Policies (Plan 92), the term / duration at death will be reckoned from the risk commencing date. In case of Jeevan Balya (Plan 101), the term / duration at death would be reckoned from the vesting date. In the case of Jeevan Kishore (Plan 102) and Jeevan Sukanya (Plan 109), the term or duration at death would be reckoned from the date of commencement of the policy.
- 4.** In case of multi-purpose policies in respect of death claims, the Final (Additional) Bonus will be paid only at the end of the original term along with the Reversionary Bonus, subject to other qualifying conditions mentioned above.
- 5.** Where a non-participating policy has been altered to a participating policy, the period of Final (Additional) Bonus both as regards death claims and maturity claims will be reckoned from the date of such alteration.
- 6.** In case of Convertible Whole Life Policy converted to With Profit Endowment Policy after 5 years, the period for Final (Additional) Bonus will be reckoned from the scheduled date of conversion. In respect of Convertible Whole life With Profit Policy (Plan 28) the period will be reckoned from the date of commencement of the policy.
- 7.** In case of Marriage Endowment and Jeevan Chaya policies, in respect of death claim, the final additional bonus will be paid at the end of the original term along with reversionary bonuses subject to other qualifying conditions mentioned above.
- 8.** In case of policies transferred from UK, Fiji and Mauritius branch registers and also those from LIC (International) BSC (Closed), the term / duration at death for the purpose of Final Additional Bonus will be reckoned from the actual date of transfer of policies to India.
- 9.** The above rate of Final (Additional) Bonus and qualifying conditions will apply to participating assurance policies of a similar nature issued by erstwhile insurers irrespective of their bonus indices.
- 10.** In case of doubt in respect of any special plan of any of the erstwhile insurers regarding eligibility for Final (Additional) Bonus, reference may be made to Actuarial Department, Central Office giving details of Plan, Benefits, etc.
- 11.** In case of maturity claims, if no premiums have been paid during the last policy year, but the policy was in force for full sum assured on the policy anniversary prior to the maturity date, the claim is paid for full sum assured on the maturity date along with reversionary and interim bonus subject to the deduction of the unpaid instalments of premium with interest, if any, for the last year of the Policy. Such policies will be eligible for payment of Final (Additional) Bonus for full sum assured if other qualifying conditions stated herein are satisfied.
- 12.** Where a policyholder discounts the policy within one year preceding the date of maturity, the policy will be eligible for Final (Additional) Bonus provided other qualifying conditions are satisfied.
- 13.** The policies for which death claim is payable as per Claims Concession Clause, the Final (Additional) Bonus would be payable provided other qualifying conditions stated in this circular are satisfied.

6. LOYALTY ADDITIONS

a) Maturity and Death: The Loyalty addition rates in respect of the plans given below will apply to all maturing policies after remaining in force for full sum assured and also to all policies discounted in the last year of the policy. The Loyalty additions are payable in case of death subject to the conditions applicable to each plan as given in the policy document. These rates are applicable during the period commencing 01/01/2011 and ending 9 months from the date of next valuation (i.e., up to 31/12/2011).

Table 7 (A)

Payable on Maturity per thousand Sum assured		
Plan	Term	Loyalty Addition
135	11 and 12	200
142	10	25
166	5	60
171	5	70

Payable on Maturity or death as a percentage of premiums paid		
Plan	Term\Duration on death	Loyalty addition
111	15 - 19	25%

Payable on Maturity or on Death per thousand Sum assured		
Plan	Term/Duration on death	Loyalty addition
137	All	40

Table 7 (B)

Loyalty addition payable on death or on maturity per thousand sum assured under all plans except Plan 150 where Loyalty additions is a percentage of premiums paid and applicable from 01.01.2011 to the period up to 9 months from the date of next valuation in respect of the following plans :

Plan	154 to 157	159	150	151	151	151	151	112	112	112	112
Term	All	All	All	10	15	20	25	10	15	20	25
Duration on death/Term on Maturity											
2		Nil									
3		Nil									
4		20									
5	15	25	2%								
6	20	30	2%								
7	25	35	3%								
8	30	45	4%	35	35	35	35				
9	40	55	5%	70	35	35	40	40	Nil	Nil	Nil
10			25%	130	35	40	45	70	25	10	10
11									25	15	15
12									45	20	15
13									80	30	25
14									160	45	35
15									250	70	45
16										105	60

* In case of Bima Kiran (Table No. 111), if death occurs in 15th policy year, loyalty addition is payable provided policy is in force for full sum assured and premiums are recovered for 15th policy year.

(No Loyalty Additions have been declared for any other Plan)

b) Surrender: No Loyalty Additions have been declared under any Policies resulting into Surrenders.

Notes:

1. In the case of policies with mode of payment of premiums other than yearly, unpaid premiums if any, falling due before the policy anniversary are deducted from the claim amount and hence they should be treated to have been received for this purpose.
2. In case of maturity claims, if no premiums have been paid during the last policy year, but the policy was in force for full sum assured on the policy anniversary prior to the maturity date, the claim is paid for full sum assured on the maturity date along with Guaranteed Additions, reversionary and interim bonus (if any) subject to the deduction of the unpaid instalments of premium with interest, if any, for the last year of the Policy. Such policies will be eligible for payment of Loyalty Additions for full sum assured if other qualifying conditions stated herein are satisfied.
3. Where a policyholder discounts the policy within one year preceding the date of maturity, the policy will be eligible for Loyalty Additions provided other qualifying conditions are satisfied.

4. The policies for which death claim is payable as per Claims Concession Clause, the Loyalty additions would be payable provided other qualifying conditions stated in this circular are satisfied.
5. In case of Komal Jeevan (Plan 159) the duration elapsed is reckoned from the date of commencement of risk.

CHIEF (ACTUARIAL)