

**ACTUARIAL VALUATION REPORT AS AT 31st DECEMBER
2020 CHARTERED LIFE INSURANCE COMPANY LIMITED
ISLAM TOWER (Level-8), 46/H, WEST DIT ROAD,
DHAKA, BANGLADESH**

Actuary:

Afsar Uddin Ahmed M.Sc.

Actuary from Institute of Actuaries, London,

**FCA (Fellow of the C C Actuaries, USA), Dip. of Superannuation Management
(Aust.), Dip. In Risk Management**

Consulting Actuary, 8 Duntroon Avenue, Epping NSW Australia 2121

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CHARTERED LIFE INSURANCE COMPANY LIMITED

ISLAM TOWER (LEVEL-8), 464/H, WEST DIT ROAD, DHAKA

FOURTH SCHEDULE

Actuarial Valuation Report

1. The valuation date was 31st December 2020.
2. (a) The valuation bases were approved by the Chairman of IDRA. The approval was communicated to Chartered Life Insurance Company Limited by Insurance Development and Regulatory Authority (IDRA).
 - (b)
 - i) The liabilities under all classes of assurances were arrived at by deducting from the present value of the benefits (sum assured and bonuses (if any)), the present value of the future net premiums.
 - ii) Net premiums were initially calculated on the basis set out in section 3 of this report. These were adjusted to allow for recovery of initial expenses by adding with the net premium the equivalent value of an additional fixed amount per thousand taka sum assured/pension over term of the policy.
 - iii) The age at entry was taken to be the age nearest birthday at entry age.
 - iv) The actual premium term and the exact maturity date were used.
 - v) Group term assurances were valued by reserving 40% of net premium.
 - c)
 - i) The valuation age was taken as the age at entry plus nearest duration of the policy to the valuation date.
 - ii) The factors for valuing the sum assured and bonuses, if any and the net premiums were calculated for each plan of assurance separately.
 - d) No specific provision has been made for the maintenance of any

specific rate of future bonus.

- e) i) All premiums were assumed to be paid annually.
- ii) Where premiums were paid more frequently than yearly the net premium in respect of outstanding installments of premiums were deducted from liabilities.
- f) i) No specific provision was made for immediate payment of claims.
- ii) No specific provision was made for future expenses and profits on limited payment and paid up policies.
- iii) An adequate reserve has been made for revival of lapsed policies.
- g) Policies were valued according to plans of assurances, risk year and term. Calculations ignored negative liabilities (values) arising as a result of the valuation method adopted.
- h) Extra premiums and supplementary riders were valued by taking 50% of actual premiums received. Allowance for reinsurance ceded is taken as 40% of reinsurance premium paid.
- i) No policy in foreign currency was issued.

3. The mortality tables and the rates of interest used in the valuation have been approved by the office of the Insurance Development and Regulatory Authority (IDRA) and are as follows:

- | | | |
|----|--|--|
| a. | All policies with participating in profits | Mortality Table: A(49-52) Ult
Interest Rate : @ 3.75% |
| b. | All policies without participating in profits and all with and without profit paid up policies | Mortality Table: A(49-52) Ult
Interest Rate : @ 7.0% |

The proportions of future office premiums provided for future expenses (and profits) were

4.

With participation of profits : 21.25%

Without participation of profits : 14.91%
(excluding single premium)

5.

The investment returns for the inter-valuation period was as follows:

Year	Return (%)
2019	33.12%
2020	13.22%

6.

The basis of distribution of surplus between the insurer and the policyholders was determined by the Company as per the Insurance Act 1938 and the recommendation of the actuary.

7.

There is a small amount of surplus disclosed. A part of the surplus has been distributed to policy holders only. The distribution of surplus among the policyholders is usually made by the Reversionary method as follows:

- The distribution of surplus is made by the Company as per recommendation of the actuary.
- The bonus is allocated on the basis of the premium payment term.
- The bonus is allotted in respect of each year's premium paid.
- The bonus vest on the policy anniversary subsequent to allotment provided that the policy is then inforce.

8(ii) Appropriation of surplus

	Taka in thousand	Taka in thousand
Surplus as at 31 st December 2020		1,084
Less Surplus remained un appropriated on Shareholders account in 2019	0	
Less Surplus reserved for future bonuses to policyholders in 2019	0	
Total unappropriated amount in 2019		0
Surplus for the year 2020		1,084
Cost of funded Terminal Bonus		422
Surplus carried forward		662

It is recommended that the surplus disclosed can be used by Chartered Life Insurance Company Limited to allocate Terminal bonus of Tk.20.00 per thousand sum insurance for with-profit policies as follows:

- Policy Term 15 years or more
- Policy is in-force as at 31st December 2020 and
- The policy has completed 5 years' duration on the valuation date.

Term for Premium payment	Terminal Bonus rate which will be payable only for matured policies and death claims
15 years or more	Tk.20.00

Estimated cost of this terminal bonus is Tk.422 thousands. When enough surplus is available in future this terminal bonus will be replaced by Reversionary bonus.

9. Policy documents issued to the policyholders do not contain any minimum guaranteed surrender values and as such 'J' form has not been prepared.
10. Provision for disability benefit was provided under supplementary rider.
11. Forms H and I are attached.
12. Valuation was carried out on a computer under my supervision.

FORM – G

No G-Form has prepared as Revenue Account of Chartered Life Insurance Company Limited for the year ending 31st December 2020 has been submitted to the Insurance Development and Regulatory Authority (IDRA). However a snap shot of the balance sheet containing life fund is shown below:

**Chartered Life Insurance Limited
Balance Sheet
As at 31 December 2020**

Sl. No.	Capital and Liabilities	Notes	2020
			Amount in Taka

Share Capital and Liabilities

1 **SHAREHOLDERS' CAPITAL**

AUTHORIZED

250,000,000 Ordinary shares of Tk.10/- each **25,00,000,000**

Issued, subscribed and paid-up

250,00,000 Ordinary shares of Tk.10/- each **25,00,00,000**

2 **BALANCE OF FUNDS AND ACCOUNTS**

Life Insurance Fund 3 216,008,992

Summary of figures shown in Form H are set out below:

				Tk.(000's)
A	i)	Assurance business with immediate participation of profits including single premium assurances		149,588
	ii)	Assurance business without participation of profits including single premium assurances		39,030
			Sub Total (A)	188,618
B.	i)	Reserve for Group Term Insurance		23,532
			Sub Total (B)	23,532
C.	i)	Reserve for Supplementary Rider and coverage for reinsurance		2,571
	ii)	Reserve for policies which have not been included but may have liabilities, including revival of lapsed policies		1500
	iii)	Allowance for reinsurance ceded		-1296
			Sub Total(C)	2775
		Grand Total (A+B+C)		214,925

Form-I

Valuation Balance sheet of Chartered Life Insurance Company Limited
as at 31st December 2020.

Tk. (000's)

Net Liability under business as shown in the summary and valuation of Policies	214,925	Balance of Life Insurance Fund as shown in the Balance Sheet	216,009
Surplus	1,084		

Chartered Life Insurance Company Limited

Islam Tower (Level-8),464/H, West DIT Road,Dhaka
FORM – H

Actuarial Valuation of liabilities under -valued policies as at 31.12.2020 – **In force Policies**

Division 1
Insurances
Group A - with immediate participation in profits

Plan no.	Description	Particulars of policies for valuation					VALUATION			
		No. of policies	Sum Assured (Tk. 000)	Office Yearly Premium (Tk. 000)	Net Yearly Premium (Tk. 000)	Bonuses (Tk. 000)	Sum Assured and bonus (Tk. 000)	Office premium (Tk. 000)	Net Premium (Tk. 000)	Net liabilities (Tk. 000)
01	Anticipated Endowment (3 stage payment) with profit	4,515	574,242	50,950	40,611		408,699	475,342	377,746	36,542
02	Anticipated Endowment (5 stage payment) with profit	1,284	185,160	16,412	12,637		149,976	164,520	126,039	20,837
03	Ordinary Endowment with Profit	535	66,708	5,919	4,682		43,505	52,053	40,940	3,419
10	Child Protection assurance plan with profit	875	135,534	12,065	8,028		85,092	116,616	76,986	9,824
12	Monthly saving insurance plan with profit	4,036	736,174	68,579	55,267		505,933	583,707	469,485	55,372
24	Hajj Bima with profit	23	2,844	214	162		1,700	2,102	1,563	207
25	Denmohor Bima with profit	8	1,037	63	45		551	783	559	7
Total		11,276	1,701,699	154,202	121,432		1,195,456	1,395,123	1,093,318	126,208

Chartered Life Insurance Company Limited

Islam Tower (Level-8),464/H, West DIT Road,Dhaka

FORM – H

Actuarial Valuation of liabilities under valued policies as at 31.12.2020- **Paid-up Policies**

Group A - with profits plans with no further participation in profits

Plan no.	Description	Particulars of policies for valuation				VALUATION	
		No. of policies	Paid-up Sum Assured (Tk. 000)	Office Yearly Premium (Tk. 000)	Bonuses (Tk. 000)	Sum Assured and bonus (Tk. 000)	Net Liabilities (Tk. 000)
01	Anticipated Endowment (3 stage payment) with profit	685	17,924	9,442		8,007	5,777
02	Anticipated Endowment (5 stage payment) with profit	210	4,535	2,756		1,550	948
03	Ordinary Endowment with Profit	23	607	256		341	250
10	Child Protection assurance plan with profit	210	6,114	2,604		3,246	2,370
12	Monthly saving insurance plan with profit	662	36,475	13,066		23,087	14,002
24	Hajj Bima with profit	1	33	18		15	9
25	Denmohor Bima with profit	2	74	40		36	24
Total		1,793	65,762	28,182		36,282	23,380

Group A - Total - with immediate participation of profit

149,588

Group B - with deferred participation of profits - Nil

Group C - under discontinued bonus system - Nil

Chartered Life Insurance Company Limited

Islam Tower (Level-8),464/H, West DIT Road,Dhaka

FORM – H

Actuarial Valuation of liabilities under valued policies as at 31.12.2020 – **In force Policies**

Group D - without participation in profits

Plan no.	Description	Particulars of policies for valuation					VALUATION			
		No. of policies	Sum Assured/Pension amt. (Tk. 000)	Office Yearly Premium (Tk. 000)	Net Yearly Premium (Tk. 000)	Bonuses (Tk. 000)	Sum Assured/Pension amt. (Tk. 000)	Office premium (Tk. 000)	Net Premium (Tk. 000)	Net liabilities (Tk. 000)
04	Ordinary Endowment without Profit	18	1,182	58	49		436	520	443	18
05	Money Back Term Insurance Plan with Guranteed profit	2,089	226,455	8,373	7,526		76,480	75,481	69,024	7,524
08	Single premium insurance Plan	647	43,700	52,045			30,520			30,520
09	Assurance Cum pension plan without profit	54	58,682	1,964	1,648		14,739	18,271	15,730	435
Sub Total		2,808	330,019	62,440	9,223		122,175	94,272	85,197	38,497

Chartered Life Insurance Company Limited

Islam Tower (Level-8),464/H, West DIT Road,Dhaka

FORM – H

Actuarial Valuation of liabilities under valued policies as at 31.12.2020 - **Paid-up Policies**

Group D - without participation in profits

Plan no.	Description	Particulars of policies for valuation			VALUATION		
		No. of policies	Paid-up Sum Assured/Pension amt. (Tk. 000)	Office Yearly Premium (Tk. 000)	Bonuses (Tk. 000)	Sum Assured/Pension amt. (Tk. 000)	Net Liabilities (Tk. 000)
04	Ordinary Endowment without Profit	5	29	11		9	2
05	Money Back Term Insurance Plan with Guaranteed profit	135	1,815	476		735	376
09	Assurance Cum pension plan without profit	6	550	153		221	155
Sub Total		146	2,394	640		965	533

Group D - Total - without participation of profit	39,030
Total (Group A + Group B + Group C + Group D)	188,618
Group Term Insurance	23,532
Supplementary cover, substandard and extra occupational risk	2,571
Reserves for policies which may not have been included but have liabilities including revival of lapsed Policies	1,500
Allowance for Reinsurance ceded	-1,296
Grand Total	214,925

Summary

Group A - Total - with immediate participation of profit	149,588
Group B - with deferred participation of profits	Nil
Group C - under discontinued bonus system	Nil
Group D - Total - without participation of profit	39,030
Total (Group A + Group B + Group C +Group D)	188,618
Reserve for Group Term Insurance	23,532
Supplementary cover, substandard and extra occupational risk	2,571
Reserves for policies which may not have been included but have liabilities including revival of lapsed policies	1,500
Allowance for Reinsurance ceded	-1,296
Grand Total	214,925

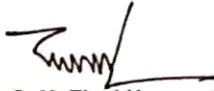
Certificate under Fourth Schedule, Part - 1, Regulation 4 of the Insurance Act 1938 read with Section 160 of the Insurance Act 2010.

This is to certify those full and accurate particulars, of every policy under which there is a liability, either actual or contingent of Chartered Life Insurance Company Limited has been furnished to Consulting Actuary Mr. Afsar Uddin Ahmed, for valuation of policy liabilities of Chartered Life Insurance Company Limited as 31st December 2020.

The details is of Data is as follows:

Type	Number	Sum insured/paid up sum insured	Annual premium
In force	14,084	BDT 2,031,718,000.00	BDT 216,642,000.00
Paid up	1,939	BDT 68,156,000.00	BDT 28,822,000.00

Regards



S. M. Ziaul Hoque, *FLMI*

Chief Executive Officer (Acting)

Chartered Life Insurance Company Limited

Afsar Uddin Ahmed M.Sc.
Actuary from Institute of Actuaries, London, FCA (Fellow of C C Actuaries, USA)
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**Certificate under Regulation 4, Part I
of the Fourth Schedule to The Insurance Act 1938.**

I hereby certify that I have satisfied myself as to the accuracy of the valuation data, and of the valuation of Chartered Life Insurance Company Limited as at 31st December 2020 made for the purpose of the abstract prepared in accordance with the requirements of part II of the Fourth Schedule to the Insurance Act 1938. The data was supplied by the IT department. I have checked the data base and held discussions with IT manager and the senior management to reasonably ensure accuracy of the data supplied to me.



Afsar Uddin Ahmed
Actuary
May 2021