

ACTUARIAL VALUATION REPORT
AS AT 31st DECEMBER 2023
CHARTERED LIFE INSURANCE COMPANY LIMITED
ISLAM TOWER (8th Floor), 464/H, DIT Road, West Rampura,
DHAKA-1219, 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



Afsar Uddin Ahmed M.Sc.

Qualified Actuary from Institute of Actuaries, London, FCA (Fellow of C C Actuaries, USA)

Diploma of Superannuation Management (Aust.), Dip in Risk Management

Consulting Actuary Email address: afsar_a@hotmail.com, actuary@actuarybangladesh.com

CHARTERED LIFE INSURANCE COMPANY LIMITED

ISLAM TOWER (8TH FLOOR), 464/H, DIT Road, West Rampura, DHAKA-1219

FOURTH SCHEDULE

Actuarial Valuation Report

1. The valuation date was 31st December 2023.
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 insurance Liability has been calculated using 1/24th method of calculating unearned premium and chain ladder method for monthly covers.
- 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: Bangladesh Assured Lives (2015-2018)
Interest Rate : @ 3.75% |
| b. | All policies without participating in profits and all with and without profit paid up policies | Mortality: Bangladesh Assured Lives (2015-2018)
Interest Rate : @ 7.00% |



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

4.

With participation of profits : 26.07%

Without participation of profits : 22.75%
(excluding single premium)

5.

The average investment returns for the years 2021 to 2023 is 14.67%

6.

The basis of distribution of surplus between the insurer and the policyholders was determined by the Company as per the current active rules and the recommendation of the actuary.

7.

The valuation disclosed a surplus. A part of the surplus has been distributed to policy holders and shareholders. 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 in force.



8 (i) Appropriation of surplus for the year 2023		
	Taka in thousand	Taka in thousand
Surplus as at 31 st December 2023		104,406
Less Surplus remained un appropriated on Shareholders account in 2022	505	
Less Surplus reserved for future bonuses to policyholders in 2022	5,030	
Total un appropriated amount in 2022		5535
Surplus for the year 2023		98,871
<u>Appropriation of Surplus-Policy Holder</u>		
Surplus brought from last valuation	5,030	
Shares from current year's surplus	88,984	
Total surplus available to policyholders		94,014
Surplus allocated to policyholders for bonus in 2023	61,186	
Surplus carried forward for policyholders' account future bonuses		32,828
<u>Appropriation of Surplus-Share Holder</u>		
Surplus brought forward from last valuation	505	
Share of current year's surplus	9887	
Total surplus available to shareholders		10392
Surplus allocated for dividend	9,400	
Surplus carried forward for shareholders' account		992



It is recommended that the surplus disclosed is used by Chartered Life Insurance Company Limited to allocate Reversionary bonus and Terminal bonus for with-profit policies as listed in the table below. The reversionary bonus, when declared, increases the sum insurance by the amount of accrued reversionary bonus.

Bonus declaration description	Rates
Reversionary Bonus per taka 1000 sum insurance for with profit fully in force policies as at 31/12/2023.	Tk. 24 for policies with terms up to 15 years Tk 35 for policies with terms 16-20 years Tk.45 for policies with terms above 20 years
Terminal Bonus for policies with term 15 years or more for with profit in force policies as at 31/12/2023 and completed at least 3 years duration.	Tk. 25 for Premium payment only for matured policies and death claims

The cost of Reversionary at above rates = Tk 61,186 thousand. The terminal bonus is not accrued to a policy. It becomes a liability if it is paid. Since terminal is recommended for payment on maturity or on death. The cost of terminal bonus is expected to be negligible.

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 2023 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 2023**

Sl. No.	Capital and Liabilities	Notes	Amount in Taka
			2023

Share Capital and Liabilities

1 SHAREHOLDERS'

CAPITAL AUTHORIZED

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

2,500,000,000

2 Issued, Subscribed and Paid-up Capital
3,75,00,000 Ordinary Shares of Tk.10 each fully paid up

375,000,000

3 BALANCE OF FUNDS AND ACCOUNTS

Life Insurance Fund

3

585,079,814



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

A.		Reserves		Tk.(000's)
	i)	Assurance business with immediate participation of profits including single premium assurances		311,851
	ii)	Assurance business without participation of profits including single premium assurances		82,711
			Sub Total (A)	394,562
B.	i)	Group Term Insurance (monthly Rolling)		11,145
	ii)	Group Term Insurance (yearly)		65,672
			Sub Total (B)	76,817
C.	i)	Supplementary Rider and Extra premium		9864
	ii)	Revival of lapsed policies and policies which may not have been included in the valuation		9500
	iii)	Allowance for reinsurance ceded		-10,069
			Sub Total(C)	9,295
		Grand Total (A+B+C)		480,674



Form-I

Valuation Balance sheet of Chartered Life Insurance Company Limited
as at 31st December 2023.

Tk. (000's)

Net Liability under business as shown in the summary and valuation of Policies	480,674	Balance of Life Insurance Fund as shown in the Balance Sheet	585,080
Surplus	104,406		



Chartered Life Insurance Company Limited

Islam Tower (8th Floor), 464/H, DIT Road, West Rampura,, Dhaka-1219
FORM – H

Actuarial Valuation of liabilities under -valued policies as at 31.12.2023 – **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)	Annualized Premium (Tk. 000)	net premium (Tk. 000)	Vested Bonuses (Tk. 000)	Sum Assured and bonus (Tk. 000)	Annualized Premium (Tk. 000)	Net Premium (Tk. 000)	Net liabilities (Tk. 000)
1	CHARTERED-THREE PAYMENT PLAN	9272	1563544	141210	104333	26802	1152903	1335452	1138171	57905
2	CHARTERED-FIVE PAYMENT PLAN	5359	981319	91900	67035	12627	733642	908684	761507	16560
3	CHARTERED-ENDOWMENT PLAN-1	1849	257104	24407	17623	3673	176671	207735	174665	9476
10	CHARTERED - EDUCATION PLAN	1762	311844	28721	23170	6473	269581	271564	249940	21663
12	CHARTERED - MONTHLY SAVINGS PLAN	5962	1196372	114117	83539	21048	863536	899856	768524	114594
24	CHARTERED- HAJJ BIMA WITH PROFIT	17	3425	313	218	66	2398	2570	2073	391
25	CHARTERED- DENMOHAR BIMA	20	5513	432	294	71	3378	4527	3629	40
34	AL-BARAKAH MONTHLY SAVINGS PLAN	60	14681	1580	1189	107	10521	12543	10936	132
35	CHARTERED AL-BARAKAH SINGLE PLAN (DOUBLE BENEFIT)	10	534	980	89	0	439	4820	486	7
36	AL-BARAKAH SINGLE PLAN	24	952	858	122	5	762	4763	732	68
37	AL-BARAKAH SINGLE PLAN PLUS (WITH PROFIT)	65	7403	7267	1099	60	6202	34005	5844	256
39	AL-BARAKAH HAJJ BIMA WITH PROFIT	5	820	92	62	22	594	709	560	10
40	AL-BARAKAH-THREE PAYMENT PLAN	71	18541	1632	1031	86	11463	17176	12797	10
42	CHARTERED AL-BARAKAH-THREE PAYMENT PLAN PLUS	226	45635	4161	2635	484	29365	41181	30672	299
43	CHARTERED AL-BARAKAH MONTHLY SAVINGS PLAN GOLD	15	3895	406	304	44	2778	3282	2854	12
44	CHARTERED AL-BARAKAH CHILD EDUCATION PROTECTION PLAN	35	13174	1129	678	159	8025	12172	8674	32
46	CHARTERED SAMRIDHI PLAN	94	28250	28250	4138	0	23179	140295	23238	332
47	CHARTERED CRITICAL ILLNESS PROTECTION PLAN	298	51954	3094	2589	0	29373	34373	35050	0
48	CHARTERED AL-BARAKAH SPP	8	3289	280	162	0	1898	3277	2260	0
Total		25,152	4,508,249	450,829	310,310	71,727	3,326,708	3,938,984	3,232,612	221,787



Chartered Life Insurance Company Limited
Islam Tower (8th Floor),464/H, DIT Road,West Rampura,,Dhaka-1219

FORM – H

Actuarial Valuation of liabilities under valued policies as at 31.12.2023- **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)	Annualized Premium (Tk. 000)	Bonus (Tk. 000)	Paid-up Sum Assured (Tk. 000)	Net liabilities (Tk. 000)
1	CHARTERED-THREE PAYMENT PLAN	2765	82116	31758	1925	35444	18007
2	CHARTERED-FIVE PAYMENT PLAN	779	22804	9760	695	8709	3130
3	CHARTERED-ENDOWMENT PLAN-1	323	8749	3609	240	5409	3413
10	CHARTERED - EDUCATION PLAN	568	17719	7192	401	10558	6609
12	CHARTERED - MONTHLY SAVINGS PLAN	2361	116501	40509	2703	78965	58770
24	CHARTERED- HAJJ BIMA WITH PROFIT	11	195	106	5	87	10
25	CHARTERED- DENMOHAR BIMA	6	345	140	12	194	113
39	AL-BARAKAH HAJJ BIMA WITH PROFIT	2	39	23	1	24	12
Total		6,813	248,429	93,074	5,981	139,366	90,064

Group A - Total - with immediate participation of profit

311,851

Group B - with deferred participation of profits – Nil

Group C - under discontinued bonus system – Nil



Chartered Life Insurance Company Limited
Islam Tower (8th Floor),464/H, DIT Road,West Rampura,,Dhaka-1219

FORM – H

Actuarial Valuation of liabilities under valued policies as at 31.12.2023 - **Inforce Policies**

Group D - without participation in profits

Plan no.	Description	Particulars of policies for valuation				VALUATION			
		No. of policies	Sum Assured (Tk. 000)	Annualized	Net Yearly Premium	Sum Assured and bonus (Tk. 000)	Annualized Premium (Tk. 000)	Net Premium (Tk. 000)	Net liabilities (Tk. 000)
Premium (Tk. 000)	(Tk. 000)								
4	CHARTERED ENDOWMENT PLAN-2	21	1570	87	62	666	711	651	42
5	CHARTERED-MONEY BACK PLAN	2644	329352	12823	10047	110935	116243	124426	4115
8	CHARTERED-SINGLE PREMIUM PLAN	866	66261	77850	2201	89338	369808	15560	73777
9	CHARTERED- PENSION PLAN	118	147251	5704	3771	42260	52447	50217	1354
		3,649	544,434	96,464	16,081	243,199	539,209	190,854	79,288

Chartered Life Insurance Company Limited
Islam Tower (8th Floor),464/H, DIT Road,West Rampura,,Dhaka-1219

FORM – H

Actuarial Valuation of liabilities under valued policies as at 31.12.2023 - **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 (Tk. 000)	Annualized Premium (Tk. 000)	Paid-up Sum Assured (Tk. 000)	Net liabilities (Tk. 000)
4	CHARTERED ENDOWMENT PLAN	15	141	41	63	25
5	CHARTERED-MONEY BACK PLAN	1031	17126	4046	7725	2682
9	CHARTERED- PENSION PLAN	25	4002	886	1637	716
Total		1071	21269	4973	9425	3423

Group D - Total - without participation of profit

82,711



Summary of Form H	(TK. 000)
Group A - with participation of profit	311,851
Group B - with deferred participation of profits –	Nil
Group C – under discontinued bonus system -	Nil
Group D - without participation in profits	82,711
Group Term Insurance	76,817
Supplementary cover, substandard and extra occupational risk	9864
Revival of lapsed policies and policies may not have been included in the valuation	9500
Allowance for reinsurance ceded	-10,069
Grand Total	480,674



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 of 31st December 2023.

Regards



S.M Ziaul Hoque, FLMI

Chief Executive Officer 



Afsar Uddin Ahmed *M.Sc.*

Qualified Actuary from Institute of Actuaries, London, FCA (Fellow of C C Actuaries, USA)

Diploma of Superannuation Management (Aust.), Dip in Risk Management

Consulting Actuary Email address: afsar_a@hotmail.com,actuary@actuarybangladesh.com

Certification Under Regulation 4, Part I of the Fourth Schedule of the Repealed Insurance Act, 1.938 read with Section 160 of the Insurance Act, 2010

I hereby certify that I have satisfied myself as to the accuracy of the valuation data, and of the valuation of Chartered Life Insurance Limited as at 31st December 2023 made for the purpose of the abstract prepared in accordance with the requirements of part II of the Fourth Schedule of the Repealed Insurance Act 1938 read with Section 160 of the Insurance Act, 2010. The data was supplied by the IT department. I have checked the data and held discussions with IT manager and the senior management to reasonably ensure accuracy of the data supplied to me.



Afsar Uddin Ahmed

Actuary

29 July 2024

