

ACTUARIAL VALUATION REPORT AS AT 31st DECEMBER
2021 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


S.M. Ziaul Hogue FLMI
Chief Executive Officer (Acting)
Chartered Life Insurance Co.Ltd.

Afsar Uddin Ahmed M.Sc.
Actuary from Institute of Actuaries, London, FCA (Fellow of C C Actuaries, USA)
Diploma in Superannuation Management (Aust.), Dipl in Risk Management
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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 2021.
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




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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%




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4. The proportions of future office premiums provided for future expenses (and profits) were
- | | |
|---|----------|
| With participation of profits | : 26.24% |
| Without participation of profits (excluding single premium) | : 22.31% |

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

Year	Return (%)
2021	17.38%

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. 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 inforce.




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8 (i) Appropriation of surplus for the year 2021		
	Taka in thousand	Taka in thousand
Surplus as at 31 st December 2021		46,745
Appropriation of Surplus-Policy Holder		
Shares from current year's surplus	42,071	
Total surplus available to policyholders		42,071
Surplus allocated to policyholders for bonus in 2021		36,527
Surplus carried forward for policyholders' account future bonuses		5,544
Appropriation of Surplus-Share Holder		
Share of surplus	4,674	
Total surplus available to shareholders		4,674
Surplus allocated for dividend		4500
Surplus carried forward for shareholders' account		174

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 31/12/2021.	Tk. 20 for policies with terms up to 15 years Tk. 25 for policies with terms 16-20 years Tk. 30 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 31/12/2021 and completed at least 5 years duration.	Tk. 30 for Premium payment only for matured policies and death claims

The cost of Reversionary and Terminal Bonus at above rates = Tk.36527 thousands.



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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.




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FORM – G

No G-Form has prepared as Revenue Account of Chartered Life Insurance Company Limited for the year ending 31st December 2021 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 2021**

Sl. No.	Capital and Liabilities	Notes	Amount in Taka
			2021

Share Capital and Liabilities

1	SHAREHOLDERS'		
	CAPITAL AUTHORIZED		
	250,000,000 Ordinary shares of Tk.10/- each		<u><u>2,500,000,000</u></u>
2	Issued, Subscribed and Paid-up Capital 22,500,000 Ordinary Shares of Tk.10 each fully paid up		225,000,000
3	BALANCE OF FUNDS AND ACCOUNTS		
	Life Insurance Fund	3	352,168,720


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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	170,608
	ii)	Assurance business without participation of profits including single premium assurances	54,744
		Sub Total (A)	225,352
B.	i)	Group Term Insurance	76844
		Sub Total (B)	76844
C.	i)	Supplementary Rider and Extra premium	497
	ii)	Revival of lapsed policies and policies may not have been included in the valuation	6700
	iii)	expense allowance for nonprofit policies	0
	iv)	Allowance for reinsurance ceded	-3969
		Sub Total(C)	3,228
		Grand Total (A+B+C)	305,424


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Form-I

Valuation Balance sheet of Chartered Life Insurance Company Limited
as at 31st December 2021.

Tk. (000's)

Net Liability under business as shown in the summary and valuation of policies	305,424	Balance of Life Insurance Fund as shown in the Balance Sheet	352169
Surplus	46,745		




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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 31.12.2021 – **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 Yearly 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	7287	934767	85200	62685	0	676187	816488	650218	34262
2	CHARTERED-FIVE PAYMENT PLAN	1959	285852	25932	18727	0	209168	259297	201981	8434
3	CHARTERED-ENDOWMENT PLAN-1	897	109074	10251	7459	0	73295	89092	70526	3620
10	CHARTERED - EDUCATION PLAN	1233	182736	16355	13278	0	154019	159203	139389	11490
12	CHARTERED - MONTHLY SAVINGS PLAN	6215	1094792	103737	75985	0	756551	870503	695408	70293
24	CHARTERED- HAJJ BIMA WITH PROFIT	26	2930	220	153	0	1809	2128	1604	244
25	CHARTERED- DENMOHAR BIMA	9	2330	198	139	0	1423	1983	1506	80
Total		17,626	2,612,481	241,893	178,426	0	1,872,452	2,198,694	1,760,632	128,423


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FORM – H

Actuarial Valuation of liabilities under valued policies as at 31.12.2021- **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	916	32902	12332		13439	10353
2	CHARTERED-FIVE PAYMENT PLAN	281	7972	3568		3113	2157
3	CHARTERED-ENDOWMENT PLAN-1	65	2029	949		1138	873
10	CHARTERED - EDUCATION PLAN	244	7924	3145		4447	3642
12	CHARTERED - MONTHLY SAVINGS PLAN	845	43913	15692		28584	25124
24	CHARTERED- HAJJ BIMA WITH PROFIT	1	33	18		16	9
25	CHARTERED- DENMOHAR BIMA	2	74	39		38	27
Total		2,354	94,847	35,743	0	50,775	42,185

Group A - Total - with immediate participation of profit

170,608

Group B - with deferred participation of profits - Nil

Group C - under discontinued bonus system - Nil



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FORM – H

Actuarial Valuation of liabilities under valued policies as at 31.12.2021 - **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 Premium (Tk. 000)	Net Yearly Premium (Tk. 000)	Sum Assured and bonus (Tk. 000)	Annualized Premium (Tk. 000)	Net Premium (Tk. 000)	Net liabilities (Tk. 000)
4	CHARTERED ENDOWMENT PLAN-2	25	1472	76	55	576	680	557	32
5	CHARTERED-MONEY BACK PLAN	2262	254525	9734	7844	82316	89967	84465	2710
8	CHARTERED-SINGLE PREMIUM PLAN	550	38913			53008			48871
9	CHARTERED- PENSION PLAN	81	72464	2806	1902	20485	25583	21056	1700
		2,918	367,374	12,616	9,801	156,385	116,230	106,078	53,313


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Chartered Life Insurance Company Limited

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FORM - H

Actuarial Valuation of liabilities under valued policies as at 31.12.2021 - **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	5	28	10	16	12
5	CHARTERED-MONEY BACK PLAN	246	4156	1018	1794	1038
9	CHARTERED- PENSION PLAN	10	1705	403	661	381
Total		261	5889	1431	2455	1431

Group D - Total - without participation of profit

54,744




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Summary of Form H	
Description of reserves provision	(TK. '000)
Group A - with participation of profit	170,608
Group B - with deferred participation of profits	Nil
Group C – under discontinued bonus system	Nil
Group D - without participation in profits	54,744
Group Term Insurance	76844
Supplementary cover, substandard and extra occupational risks	497
Revival of lapsed policies and policies may not have been included in the valuation	6700
Expense allowance for non profit policy	0
Allowance for reinsurance ceded	-3969
Grand Total	305,424




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Chartered Life Insurance Company Ltd
চার্টার্ড লাইফ ইন্স্যুরেন্স কোম্পানী লিমিটেড

Chartered Life
Secured Life

**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 on 31st December '2021 .

We also certify that the information & documentations has been given to Actuary as mentioned above are true & fair to the best of our knowledge.

Regards



S.M Ziaul Hoque FLMI
Chief Executive Officer (Acting)
Chartered Life Insurance Company Limited


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