

**ACTUARIAL VALUATION REPORT AS AT 31st DECEMBER
2022 CHARTERED LIFE INSURANCE COMPANY LIMITED
ISLAM TOWER (8th Floor), 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

CHARTERED LIFE INSURANCE COMPANY LIMITED
ISLAM TOWER (8TH FLOOR), 464/H, WEST DIT ROAD, DHAKA

FOURTH SCHEDULE

Actuarial Valuation Report

1. The valuation date was 31st December 2022.
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..
- 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 : @ 6.50% |

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

4.

With participation of profits : 26.03%

Without participation of profits : 22.05%
(excluding single premium)

5.

The average investment returns for the year 2021 and 2022 is 13.72%

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.

8 (i) Appropriation of surplus for the year 2022		
	Taka in thousand	Taka in thousand
Surplus as at 31 st December 2022		58,531
Less Surplus remained un appropriated on Shareholders account in 2021	174	
Surplus allocated for dividend in 2021 but not distributed	4,500	
Less Surplus reserved for future bonuses to policyholders in 2021	5,544	
Total un appropriated amount in 2021		10,218
Surplus for the year 2022		48,313
<u>Appropriation of Surplus-Policy Holder</u>		
Surplus brought from last valuation	5,544	
Shares from current year's surplus	43,482	
Total surplus available to policyholders		49,026
Surplus allocated to policyholders for bonus in 2022	43,996	
Surplus carried forward for policyholders' account future bonuses		5030
<u>Appropriation of Surplus-Share Holder</u>		
Surplus brought forward from last valuation	174	
Share of current year's surplus	4,831	
Surplus allocated for dividend in 2021 but not distributed	4,500	
Total surplus available to shareholders		9,505
Surplus allocated for dividend	9,000	
Surplus carried forward for shareholders' account		505

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 31/12/2022.	Tk. 15 for policies with terms up to 15 years Tk 25 for policies with terms 16-20 years Tk.32 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 31/12/2022 and completed at least 5 years duration.	Tk. 32 for Premium payment only for matured policies and death claims

The cost of Reversionary at above rates = Tk 43,996 thousands. The terminal bonus is not accrued to a policy. It becomes a liability if it is paid. The total cost of terminal bonus is Tk.2581 thousands. 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 2022 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 2022**

Sl. No.	Capital and Liabilities	Notes	Amount in Taka
			2022

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 375,000,000
3,75,00,000 Ordinary Shares of Tk.10 each fully paid up

3 BALANCE OF FUNDS AND ACCOUNTS

Life Insurance Fund 3 **45,65,89,851**

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

A.			Tk.(000's)
	i)	Assurance business with immediate participation of profits including single premium assurances	235,856
	ii)	Assurance business without participation of profits including single premium assurances	72,645
			Sub Total (A)
			308,501
B.	i)	Group Term Insurance	85867
			Sub Total (B)
			85867
C.	i)	Supplementary Rider and Extra premium	675
	ii)	Revival of lapsed policies and policies may not have been included in the valuation	6700
	iii)	Allowance for reinsurance ceded	-3684
			Sub Total(C)
			3,691
		Grand Total (A+B+C)	398,059

Form-I

**Valuation Balance sheet of Chartered Life Insurance Company Limited
as at 31st December 2022.**

Tk. (000's)

Net Liability under business as shown in the summary and valuation of Policies	398,059	Balance of Life Insurance Fund as shown in the Balance Sheet	456,590
Surplus	58,531		

Chartered Life Insurance Company Limited

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

Actuarial Valuation of liabilities under -valued policies as at 31.12.2022 – **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	9147	1308591	120449	88559	15220	937,439	1137096	916494	43,994
2	CHARTERED-FIVE PAYMENT PLAN	3537	636545	59771	43100	5629	459,558	597039	470524	11,872
3	CHARTERED-ENDOWMENT PLAN-1	1968	297742	31500	20149	1928	194,360	269896	197807	6,376
10	CHARTERED - EDUCATION PLAN	1562	256226	23003	18649	3443	213,022	222807	196965	16,259
12	CHARTERED - MONTHLY SAVINGS PLAN	7952	1499719	141599	107960	15336	1,026,640	1173743	950857	102,166
24	CHARTERED- HAJJ BIMA WITH PROFIT	22	3711	323	226	51	2,402	2892	2222	301
25	CHARTERED- DENMOHAR BIMA	24	6499	525	357	51	3,861	5431	4080	69
Total		24,212	4,009,033	377,170	279,000	41,658	2,837,282	3,408,904	2,738,949	181,037

Chartered Life Insurance Company Limited

Islam Tower (8th Floor),464/H, West DIT Road,Dhaka

FORM – H

Actuarial Valuation of liabilities under valued policies as at 31.12.2022- **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	1367	45314	16951	377	19090	14,019
2	CHARTERED-FIVE PAYMENT PLAN	387	10426	4467	88	4057	2,622
3	CHARTERED-ENDOWMENT PLAN-1	125	3552	1561	34	2084	1,576
10	CHARTERED - EDUCATION PLAN	327	10339	4261	71	5992	4,668
12	CHARTERED - MONTHLY SAVINGS PLAN	1129	56326	20298	395	37570	31,910
24	CHARTERED- HAJI BIMA WITH PROFIT	7	96	52	0	39	14
25	CHARTERED- DENMOHAR BIMA	2	37	20	0	18	10
Total		3,344	126,090	47,610	965	68,850	54,819

Group A - Total - with immediate participation of profit

235,856

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, West DIT Road,Dhaka

FORM – H

Actuarial Valuation of liabilities under valued policies as at 31.12.2022 - **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	28	2047	111	81	835	935	806	51
5	CHARTERED-MONEY BACK PLAN	2832	352684	13798	11100	117500	126326	124779	3929
8	CHARTERED-SINGLE PREMIUM PLAN	706	54234			73304			65219
9	CHARTERED- PENSION PLAN	95	97021	3797	2620	29080	34480	30530	1320
		3,661	505,986	17,706	13,801	220,719	161,741	156,115	70,519

Chartered Life Insurance Company Limited

Islam Tower (8th Floor),464/H, West DIT Road,Dhaka

FORM – H

Actuarial Valuation of liabilities under valued policies as at 31.12.2022 - **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	7	38	14	13	2
5	CHARTERED-MONEY BACK PLAN	491	7892	1936	3449	1808
9	CHARTERED- PENSION PLAN	14	1636	361	616	316
	Total	512	9566	2311	4078	2126

Group D - Total - without participation of profit

72,645

Summary of Form H	(TK. 000)
Group A - with participation of profit	235,856
Group B - with deferred participation of profits –	Nil
Group C – under discontinued bonus system -	Nil
Group D - without participation in profits	72,645
Group Term Insurance	85867
Supplementary cover, substandard and extra occupational risk	675
Revival of lapsed policies and policies may not have been included in the valuation	6700
Allowance for reinsurance ceded	-3684
Grand Total	398,059

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. Afzar Uddin Ahmed, for valuation of Policy liabilities of Chartered Life Insurance Company Limited as on 31st December 2022.

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

Regards



S.M Ziaul Hoque FLMI

Chief Executive officer *etc*

Chartered Life Insurance Company Ltd

Afsar Uddin Ahmed M.Sc.
Qualified Actuary from Institute of Actuaries, London, FCA (Fellow of C I
Actuaries, USA) Diploma of Superannuation Management (Aust.) Dip In
Risk Management Consulting Actuary
Email address: afsar_u@hotmail.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 2022 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
2 July 2023