

Annexure IV (a)

Reference of the forms of Regulations	Clarifications on ARA Forms
Sum Assured	<p>NB Sum assured is the benefit payable, including the rider benefit, as at 31st March (of the year of valuation) on death/health contingency covered for the new business.</p> <p>The Maturity Sum Assured under DDD/NLB1 shall be the maturity benefit payable as on 31st March of the valuation year. Movement in SA should be captured through Change & Increase or Change & decrease with a foot note wherever applicable. For Linked business, Maturity Benefit Sum assured shall mean the current fund value. Movements, if any shall be captured accordingly. Annualized Premium shall mean 'Office Yearly Premium'. This does not consider 10% of Single premium. Accordingly, the Annualized premium should tally as appearing under various forms. 'Office Yearly Premium' shall refer regular premium (excluding extra premiums which are required to be shown separately) payable under the policy contract to secure benefits in the policy in a policy year. Annualized Premium for Single premium, fully paid-up and reduced paid up policies to be shown as Zero. In DDD, SI No. 07 &17: 'Total on' and 'Total off' shall refer to movements during the valuation period.</p>
Opening and closing balances	<p>Ideally, the CB of 2015-16 should be the opening balance (OB) for FY 2016-17. However, due to changes in form, the AA is to ensure reconciliation as Total of OB with Total of closing balance taken together under various forms.</p>
Form NLB-1	<p>Column (9) – Others, if any: Survival benefits etc. other than death/maturity benefits shall come under this column. Column (21) – Surrender Value is substituted by Surrender Value Deficiency Reserves. Formula under Note -3: The Phrase "Max" is removed from the formula and it shall be: $Col22=Col19+Col20+Col21$. Similar changes need to be done for NLB-2, ULB-1, ULB-3, VIPNLB-1, VIP NLB-2 and VIPLB-1.</p> <p>Computation of liabilities and hence, amongst others, determination of Negative Reserves and Surrender Value Deficiency reserves shall be on policy by policy basis.</p>
ULB1 & 2	<p>Categorization under this form shall be consistent with the break up provided in the form KT 1. Details of discontinuance fund should be reported separately product UIN wise. Fund Administration Charges may be zero where these are not applicable.</p>
VIP NLB 1	<p>Column (11) shall include all benefits/savings element and General reserves</p>

VIPLB1	<p>shall be mentioned under Column (12). A foot note is to be added suitably at the end of the form.</p> <p>The insurers may submit separate forms earmarked for VIP business in respect of Life, Pension etc. as applicable.</p> <p>'Future Premium' under the 'Valuation Details' shall reflect the expected present value of the future charges</p> <p>Other numbers should be as per the applicable column under the forms.</p>
Form - S	Item No. 01- in order to avoid any confusion on double counting of cash flows, the opening balance may be adjusted taking into account the shareholders transfer during the year. More specifically, the first item would be 'Surplus before shareholder's contribution'.
Form - KT1	RSM factors for pension business (group business) shall also be applicable to Non-linked variable VIP pension business.

List of checks to be applied to various forms under the captioned Regulations and additional information required to be submitted along with the Actuarial Report and Abstract are enclosed as **Annexure – IV (b), IV(c) & IV(d)** .