

Form L-44 Embedded Value

(Annual Disclosure)

Name of the Insurer: Life Insurance Corporation of India**Date: 31.03.2024**

Registration No. : 512

Indian Embedded Value as at March 31, 2024**1 ASSUMPTIONS**

LINE OF BUSINESS	Mortality*	Maintenance Expenses	Discontinuance
Participating	25% - 109%	496-1064	0% - 40%
Non Participating **	24% - 172%	159-1060	0 % - 93%
Pension/Annuity***	25% - 109%	173-1060	0% - 15%
Linked	25% - 109%	658-1349	0 % - 33%
Group****	Funded Schemes: NIL Protection: 1. OYRGTA: Loss Ratio 90% 2. More than one year term assurance: 100% IALM12-14	Funded Schemes: 2 -20 bps of Fund under Management Protection: 245 per life p.a.	Funded Schemes: 15% Protection: NIL

* Above assumptions are as a % of IALM 12-14 except for Pension/annuity where it is a % of IIAM 12-15.

** Includes Savings, Protection and Health

***Includes both Par and Non-Par Pension/Annuity

**** Includes funded schemes and protection

REFERENCE RATES (ONE YEAR FORWARD RATES) USED FOR VIF IN % TERMS:

YEAR	RATE
1	7.14%
5	7.25%
10	7.20%
15	7.22%
20	7.27%
25	7.33%
30	7.37%

2 Relevant Actuarial / Professional guidance followed

The Embedded Value (EV) results have been prepared based on the Indian Embedded Value (IEV) methodology and principles as set out in Actuarial Practice Standard 10(version 1.02) (APS10) issued by the Institute of Actuaries of India (IAI).As APS10 is applicable for the limited purpose of an Initial Public Offering (IPO), compliance with APS10 is limited to the methodology and principles used to develop the EV Results presented in this report. The EV methodology is broadly in line with the Market Consistent Embedded Value (MCEV).

The methodology, assumptions and the results of Embedded Value have been reviewed by BDO.

3 Analysis of changes / movement in EV :

Particulars	Embedded Value (Rs. Lakhs)	
	31/Mar/24	31/Mar/23
Opening EV	5,82,24,267	5,41,49,225
Opening Adjustment	-	-
Adjustment Opening EV	5,82,24,267	5,41,49,225
Value added by new business during the period	9,58,271	9,15,575
Expected return on existing business	52,19,789	41,57,732
Variance in operating experience		
Persistency	69,244	4,57,831
Mortality / morbidity	30,546	38,337
Expenses	(2,13,993)	(1,00,919)
Change in operating assumptions	4,82,919	2,05,971
Other operating variance	1,51,140	2,13,758
EV operating earnings (EVOP)	66,97,915	58,88,286
Economic variances	1,09,83,318	(17,08,740)
Other non-operating variances/ Change in economic assumptions	(14,36,907)	(9,629)
Total EV earnings	1,62,44,326	41,69,917
Future charge to SH fund*	(12,91,410)	-
Capital contributions / Dividend payouts	(4,42,750)	(94,875)
Closing EV	7,27,34,433	5,82,24,267
Components of EV		
Free Surplus	40,58,383	36,40,299
Required Capital	28,85,878	9,71,200
VIF	6,57,90,171	5,36,12,768
Embedded Value	7,27,34,433	5,82,24,267

* Future charge of INR 12914 crores to Shareholders' fund over a period of three years starting from FY 2024-25, towards excess of expenses over allowable limits as per regulatory approval