

PERIODIC DISCLOSURES**FORM L-24 Valuation of net liabilities****NAME OF THE INSURER: MAX NEW YORK LIFE INSURANCE COMPANY LIMITED****REGISTRATION NO 104: DATE OF REGISTRATION WITH IRDA : NOVEMBER 15, 2000**

(In Rs Lacs)

Valuation of net liabilities

Sl.No.	Particular	2007-08	2006-07
1	Linked		
a	Life	176,661	62,814
b	General Annuity		
c	Pension	9,221	2,645
d	Health		
2	Non-Linked		
a	Life	134,219	89,239
b	General Annuity		
c	Pension	2,641	2,011
d	Health	-	-

FORM L-32-SOLVENCY MARGIN - KT 3

(See Regulation 4)

Insurance Regulatory and Development Authority (Actuarial Report and Abstract) Regulations, 2000.

AVAILABLE SOLVENCY MARGIN AND SOLVENCY RATIO.

Date: 31st March'2008
 Insurer: MAX NEW YORK LIFE INSURANCE COMPANY LIMITED
 Registration No. 104
 Classification Code:
 Form Code:
 Classification:

Item	Description	Adjusted Value	
		[Amount (in rupees lakhs)]	
(1)	(2)	(4)	
01	Available Assets in Policyholders' Fund:		33,022,582
	Deduct:		
02	Mathematical Reserves		32,274,276
03	Other Liabilities		
04	Excess in Policyholders' funds		748,306
05	Available Assets in Shareholders Fund:		7,891,332
	Deduct:		
06	Other Liabilities of shareholders' fund		4,739,305
07	Excess in Shareholders' funds		3,152,027
08	Total ASM (04)+(07)		3,900,333
09	Total RSM		1,730,452
10	Solvency Ratio (ASM/RSM)		2.25

Certification:

I, _____, the Appointed Actuary, certify that the above statements have been prepared in accordance with the section 64VA of the Insurance Act, 1938, and the amounts mentioned therein are true and fair to the best of my knowledge.

Place: _____ Name and Signature of Appointed Actuary
 Date: _____

Notes

- Item No. 01 shall be the amount of the Adjusted Value of Assets as mentioned in Form IRDA-Assets- AA as specified under Schedule I of Insurance Regulatory and Development Authority (Assets, Liabilities, and Solvency Margin of Insurers) Regulations, 2000;
- Item No. 02 shall be the amount of Mathematical Reserves as mentioned in Form H;
- Item Nos. 03 and 06 shall be the amount of other liabilities as mentioned in the Balance Sheet;
- Item No. 05 shall be the amount of the Total Assets as mentioned in Form IRDA-Assets- AA as specified under Schedule I of Insurance Regulatory and Development Authority (Assets, Liabilities, and Solvency Margin of Insurers) Regulations, 2000.

L-42- Valuation Basis (Life Insurance)

Policy data is downloaded in text files from policy administration system through an automated query post completion of new business processing for the year. Various checks are applied on the data before using it for policy liability calculations.

An actuarial software is used for valuation of policyholders' liabilities and the assumption tables of the software are updated to reflect current valuation basis.

b. How the valuation bases are supplied to the system

1) Interest : Maximum and minimum interest rate taken for each segment

i. Individual Business		Minimum Interest Rate	Max Int Rate
1.	Life- Participating policies	6.75%	6.75%
2.	Life- Non-participating Policies	5.75% - 6.50%	5.75% - 6.50%
3.	Annuities- Participating policies	6.75%	6.75%
4.	Annuities – Non-participating policies	NA	NA
5.	Annuities- Individual Pension Plan	NA	NA
6.	Unit Linked	5.75%	5.75%
7.	Health Insurance	5.75%	5.75%
ii. Group Business (Non-Par Single Premium)		5.75%	5.75%

2) Mortality Rates : the mortality rates used for each segment

i. Individual Business		
1.	Life- Participating policies	71.5%-176% of IALM(94-96) in Yr1 to 88%- 176% of IALM(94-96) in Yr 5
2.	Life- Non-participating Policies	112.5%-125% of IALM
3.	Annuities- Participating policies	88% of IALM
4.	Annuities – Non-participating policies	NA
5.	Annuities- Individual Pension Plan	NA
6.	Unit Linked	100% of IALM
7.	Health Insurance	156.25% of IALM
ii. Group Business (Non-Par Single Premium)		110%-220% of IALM(94-96)

3) Expense :		Per Policy	Premium Related	Reserve Related Expenses
1.	Life- Participating policies	Rs.273	2.36%	0.10%
2.	Life- Non-participating Policies	Rs.286	2.48%	0.10%
3.	Annuities- Participating policies	Rs.273	2.36%	0.10%
4.	Annuities – Non-participating p	NA	NA	
5.	Annuities- Individual Pension PNA	NA	NA	
6.	Unit Linked	Rs341.25	1.05%	0.25%
7.	Health Insurance	Rs.286	2.48%	
ii. Group Business		Rs.121	0.00%	

4) Bonus Rates :

The Company's bonus system is such that the rates for each product are a function of entry age and policy duration. Specimen valuation bonus rates (per thousand sum assured) for Whole Life Par policies used in March 2008 valuations are shown in table below

Whole of Life- Era 1 (Policy issue dates Dec 2000 to Jan 2002)									
Policy	Age at entry								
Year	0	10	20	30	40	50	60	70	
3	0.49	0.95	1.92	3.69	7.74	11.51	17.25	21.36	
5	0.62	1.21	2.43	5	9.83	16.71	22.24	27.53	
10	0.77	1.49	2.99	6.22	12.54	21.35	28.23	34.95	
20	1.05	2.04	4.1	8.66	17.94	30.61	40.22	49.8	
30	1.21	2.36	4.76	10.01	20.7	35.16	46.82	57.96	
40	1.38	2.69	5.4	11.34	23.46	39.7	53.4	0	

Whole of Life- Era 2 (Policy issue dates Feb 2002 to July 2002)									
Policy	Age at entry								
Year	0	10	20	30	40	50	60	70	
3	0.87	1.11	2.13	3.86	6.81	9.36	15.05	19.78	
5	0.94	1.38	2.68	5.24	8.65	13.6	19.38	25.49	
10	1.37	2.5	4.3	7.95	13.46	21.19	29.85	39.15	
20	2.53	4.62	8.02	15.06	26.21	41.34	57.46	75.16	
30	3.69	6.71	11.74	22	38.25	60.07	84.3	110.02	
40	4.19	7.65	13.37	24.94	43.35	67.83	92.19	110.02	

Whole of Life- Era 3 (Policy issue dates August 2002 to January 2006)									
Policy	Age at entry								
Year	0	10	20	30	40	50	60	70	
3	1.11	1.42	2.73	4.95	8.73	11.99	19.28	25.34	
5	1.2	1.77	3.44	6.71	11.08	17.42	24.83	32.66	
10	1.76	3.21	5.51	10.19	17.25	27.15	38.24	50.17	
20	2.86	5.21	9.04	16.98	29.55	46.61	64.79	84.75	
30	4.17	7.57	13.24	24.81	43.13	67.73	95.05	124.05	
40	4.72	8.63	15.07	28.11	48.88	76.48	103.94	124.05	

5) Policyholders Reasonable Expectations

Policyholders' Reasonable Expectations were considered for valuations:

- i) Future bonuses have been allowed for within mathematical reserves. This has been done by projecting the bonuses likely to be paid in accordance with the company's bonus philosophy and the projected levels of experience forming the valuation basis
- ii) Although the Company's participation system is nominally based on cash 'dividends', the preferred dividend option is for dividends to be taken as reversionary additions to sums insured. An election to use cash dividends in this way is incorporated into
- iii) Benefit illustrations have been part of the Company's sales process since it was founded. These illustrations have always been well qualified including statements along the lines 'This is only an illustrative document.....does not convey any
- iv) Prior to implementation of 'dual rate' illustrations conforming with the Circular issued by the life Insurance Council in 2004, single rate illustrations were used with the level of bonuses illustrated conforming broadly with the prevailing projected
- v) Having considered the issues carefully and discussed with senior members of the Company's management familiar with the historic sales processes, the Appointed Actuary concluded that a reasonable expectation would be for the shapes attributable to the v
- vi) Thus within the various participating products, the allowance for future bonuses depends upon the illustration 'era' to which the individual policy concerned. Thus the allowance is effectively the outworking of the single rate illustration used at p
- vii) In addition above, the Company has established a practice whereby bonuses are paid even though there is no distributable surplus in the conventional sense. Shareholders have felt that the early generations of policyholders should receive a bonus a
- viii) However 2008 was a significant year in that for the first time there was no need for the shareholders to transfer assets to the participating fund as a prerequisite for determining a bonus. Going forward it is unlikely that shareholders would wis
- ix) The Appointed Actuary is therefore satisfied that the allowance for bonuses in the reserves is consistent with Policyholder Reasonable Expectations and the assets of the par fund exceed reserves by a small amount. Future bonuses will reflect emergin
- x) The reserves have been set at least equal to the guaranteed surrender value or the currently illustrated surrender value whichever is higher. In allowing for future lapses and surrenders, the illustrated surrender scales have been assumed to continue.

6) Taxation and Shareholder Transfers

Shareholders' transfers linked to bonuses and the potential liability to tax on the surplus distributed have been allowed for by grossing-up the bonus rates used in the valuation for the shareholders' transfer rate and tax rate. The Appointed Actuary took

7) Basis of provisions for Incurred But Not Reported (IBNR)

An exercise was done to find out the delay in reporting the claims. Based on this study an appropriate provision was made for IBNR Claims in the annual accounts as of March 31, 2008.

8) Change in Valuation Methods or Bases (Compared to Year 2006-07)

		i. Individuals Assurances
1.	Interest	Changed from 7% to 6.75% in Par Business and from 5.77% to 5.75% for Npar Policies
2.	Expenses	Per Policy changed from Rs.283 to 273 in Par Business and from Rs.220 to 286 for Npar Policies while Prem related for Par changed from 2.63% to 2.36% for Npar 6.16% to 2.48%
3.	Inflation	No change
		ii. Annuities
1.	Interest	
a.	Annuity in payment	
b.	Annuity during deferred period	
c.	Pension : All Plans	Changed from 7% to 6.75%
2.	Expenses	Per Policy Changed from Rs.283 to 273 while prem related from 2.63% to 2.36%
3.	Inflation	No change
		iii. Unit Linked
1.	Interest	No change
2.	Expenses	Per Policy changed from Rs.325 to 341 while Premium related from 1.47% to 1.05%
3.	Inflation	No change
		iv. Health
1.	Interest	NA
2.	Expenses	NA
3.	Inflation	NA
		v. Group
1.	Interest	No change
2.	Expenses	Per Policy changed from Rs.115.50 to 121
3.	Inflation	No change