1. Basis used for computing the asset share, the sources of profit and expenses allowed for computing the asset share

   Response:

   The asset share of a life insurance policy is used as a reference to define the benefits that the policyholder would receive on the occurrence of an event (death, maturity and surrender). It is the accumulation of premiums paid rolled up with interest i.e. addition of investment income, less expenses (including commissions), cost of any benefits paid, cost of capital & guarantees, shareholder transfers, along with applicable taxes. This calculation ensures any profits arising out of better experience of any of these parameters are accounted for while arriving at the benefits to the policyholders.

   The below mentioned items form part of the basis used for computing the asset share:

   - Investment Income based on the weighted average of the actual returns on assets in which participating fund is invested
   - Expenses (including commissions) allowed for computing the asset share at a policy level. These are same as or lower than those assumed in the Benefit Illustrations shown at the point of sale of respective products (which allows for inflation), even if the actual expenses being incurred are higher by the participating fund
   - Death cost based on actual deaths in the participating fund
   - Shareholder transfers in respect to declared bonuses
   - A charge for cost of capital on per policy basis in respect to the return on the capital provided by the shareholders to support the writing of policies in the participating fund
   - Cost of guarantee in respect to the additional cost incurred, if any, for explicit guarantees such as minimum guaranteed maturity value or surrender values
   - Applicable taxes at prevailing tax rates

2. The asset category involved along with the yield earned in the last one year

   Response:

   The Company periodically updates Public Disclosure information on its official website, whereby:
   (i) “FORM L-26-INVESTMENT ASSETS(LIFE INSURERS)-3A”, provides information in respect to asset categories involved in the participating fund, and
   (ii) “FORM L-22 Analytical Ratios”, provides information on the yield earned in the last one year on the participating fund
   Please refer the below link for Public Disclosures for the financial year ended 31st March 2024 on Company’s website:
   https://www.canarahsbclife.com/content/dam/chli/pdf/public-disclosure/disclosure/58/website-disclosure-march-24.pdf
   However, it is important to note that in addition to yield earned, the bonuses declared by the Company depend upon a range of other factors as well, like the policy term and premium payment term chosen, demographic experience of the Company, product structure etc.

3. Bonus earning capacity and the projection of future bonuses

   Response:

   The Company allows for the impact of the declared bonuses till date, as well as of maintaining the current level of bonus rates (as declared at the end of latest Financial Year) in the future in its liability calculations, which are backed by the assets held in the participating fund, indicating that under the prevailing economic environment, the current level of bonuses being declared by the Company are sustainable in the near future. Further, in case of any changes in prevailing economic conditions, the Company has a board approved bonus philosophy for participating business, which defines the bonus rates to be declared under various participating products basis the prevailing economic conditions, ensuring that the same are sustainable in the relevant future. For example, in case of a falling interest rate economic environment, the current level of bonus rates may not be sustainable and may hence be reduced in line with the board approved bonus philosophy.

4. Comparison of expenses allowed for non par and par with rationale, in case of variation, bonuses declared so far

   Response:

   There is no variation in the expense allocation methodology for non-participating and participating fund.

5. Amount of fund available for smoothening of bonuses along with strategy to declare such funds to ensure equitable treatment to all generations of the participating policyholders

   Response:

   The Company has a Fund for Future Appropriation (FFA) of INR 642.4 crores as at 31st March 2024, which can be utilised for smoothening of bonuses and terminal bonus payouts. Further, the FFA is also expected to be used to provide higher investment freedom.

6. Overall internal rate of return since the purchase of the policy

   Response:

   For the illustrative internal rates of return, policyholders can refer the respective Benefit Illustrations shared with them at time of policy issuance.