



SECP
Insurance Division
Karachi

Reference No: ID/PR&D/PDW-II/MT/2013/003

Date: September 13, 2013

Circular No: 17 of 2013

Subject: Mortality Rates as a part of the Minimum Valuation Basis for the Determination of Minimum Actuarial Reserves for Policyholders' Liabilities

Sub-section 5 of Section 50 of the Insurance Ordinance, 2000 (the Ordinance) stipulates that the financial condition report prepared under sub-section (1) of Section 50 of the Ordinance shall include a statement of the minimum actuarial reserve for policyholders' liabilities calculated in the manner and on the basis prescribed by the Commission in this behalf. According to Rule 20 and paragraph 6(2) of Annexure V to the SECP (Insurance) Rules 2002 as modified on January 9, 2012, the mortality rates to be used in the determination of minimum actuarial reserve for policyholder liabilities shall be in accordance with the table of mortality rates prescribed by the Pakistan Society of Actuaries (PSOA).

Based on the recommendation of the PSOA, a new mortality table namely – *SLIC (2001-05) Individual Life Ultimate Mortality Table* is being circulated as annexed to this circular for the determination of minimum actuarial reserve for policyholders' liabilities required under sub-section (5) of Section 50 of the Ordinance.

This circular shall be effective immediately.


13/9/2013
Syed Nayyar Hussain
Director

Distribution:

1. Chief Executives of all Life Insurance Companies and Family Takaful Operators.
2. Chairman Insurance Association of Pakistan (IAP).
3. President (Institute of Chartered Accountants of Pakistan)
4. President (Pakistan Society of Actuaries)
5. President (Institute of Cost and Management Accountants of Pakistan)
6. Executive Director (IS & T) (SECP Islamabad)
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SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Insurance Division

Continuation Sheet - 1 -

Annexure to Circular No: 17 of 2013

Mortality Rates as a part of the Minimum Valuation Basis for the Determination of Minimum Actuarial Reserves for Policyholders' Liabilities

SLIC (2001-05) Individual Life Ultimate Mortality Table of the Pakistan Society of Actuaries (PSOA)									
Age (x)	q _x	l _x	Age (x)	q _x	l _x	Age (x)	q _x	l _x	Age (x)
0	0.0021064	1,000,000	36	0.0016775	969,039	72	0.0387569	624,629	
1	0.0005381	997,894	37	0.0017926	967,413	73	0.0424229	600,420	
2	0.0004987	997,357	38	0.0019243	965,679	74	0.0463834	574,949	
3	0.0004921	996,859	39	0.0020751	963,821	75	0.0507006	548,281	
4	0.0004790	996,369	40	0.0022477	961,821	76	0.0554370	520,482	
5	0.0004528	995,891	41	0.0024451	959,659	77	0.0606463	491,628	
6	0.0004331	995,441	42	0.0026705	957,312	78	0.0662301	461,813	
7	0.0004068	995,009	43	0.0029277	954,756	79	0.0722332	431,227	
8	0.0003806	994,605	44	0.0032208	951,961	80	0.0787090	400,078	
9	0.0003740	994,226	45	0.0035539	948,895	81	0.0857111	368,588	
10	0.0003675	993,854	46	0.0039319	945,522	82	0.0932841	336,996	
11	0.0003871	993,489	47	0.0043596	941,804	83	0.1013923	305,560	
12	0.0004265	993,104	48	0.0048420	937,699	84	0.1100535	274,578	
13	0.0004987	992,681	49	0.0053843	933,158	85	0.1192588	244,360	
14	0.0005774	992,186	50	0.0059913	928,134	86	0.1290350	215,218	
15	0.0006693	991,613	51	0.0066677	922,573	87	0.1394177	187,447	
16	0.0007612	990,949	52	0.0074177	916,422	88	0.1506567	161,314	
17	0.0008399	990,195	53	0.0082444	909,624	89	0.1626094	137,011	
18	0.0008990	989,363	54	0.0091499	902,125	90	0.1753202	114,732	
19	0.0009383	988,474	55	0.0101348	893,870	91	0.1889855	94,617	
20	0.0009580	987,546	56	0.0111980	884,611	92	0.2039709	76,736	
21	0.0009737	986,600	57	0.0123361	874,903	93	0.2206064	61,084	
22	0.0009911	985,639	58	0.0135439	864,110	94	0.2394720	47,608	
23	0.0010105	984,663	59	0.0148134	852,407	95	0.2608351	36,207	
24	0.0010322	983,668	60	0.0161348	839,780	96	0.2849634	26,763	
25	0.0010566	982,652	61	0.0174960	826,230	97	0.3123474	19,137	
26	0.0010840	981,614	62	0.0188832	811,774	98	0.3436562	13,159	
27	0.0011150	980,550	63	0.0202819	796,445	99	0.3792108	8,637	
28	0.0011501	979,456	64	0.0216766	780,292	100	0.4196696	5,362	
29	0.0011899	978,330	65	0.0230523	763,378				
30	0.0012351	977,166	66	0.0243946	745,780				
31	0.0012866	975,959	67	0.0256905	727,587				
32	0.0013454	974,703	68	0.0275119	708,895				
33	0.0014125	973,392	69	0.0294624	689,392				
34	0.0014893	972,017	70	0.0322454	669,081				
35	0.0015770	970,569	71	0.0353316	647,506				

Notes:

"x" means age of the assured life as on the valuation date.

"q_x" means the probability of death in the year x+1 given survival of the assured life till age x.

"l_x" means number of assured lives aged 'x' survived as at the valuation age.

13/9/2013

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