

INSURANCE (LINKED LONG TERM INSURANCE BUSINESS) RULES 2014

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INSURANCE (LINKED LONG TERM INSURANCE BUSINESS) RULES 2014

FSC Rules made by the Financial Services Commission under section 93 of the Financial Services Act 2007 and section 130 of the Insurance Act 2005

PART I – PRELIMINARY

1. Citation

These Rules may be cited as the Insurance (Linked Long Term Insurance Business) Rules 2014.

2. Interpretation

In these Rules –

“Act” means the Insurance Act 2005;

“actuary” has the same meaning as in the Act;

“approved securities exchange” means a market, exchange, place or facility, including an organised over the counter market, licensed under the Securities Act or which is a member of the World Federation of Exchanges, that provides for bringing together, on a regular basis, buyers and sellers of securities to negotiate or conclude purchases or sales of securities in accordance with the rules of the approved securities exchange;

“auditor” has the same meaning as in the Act;

“Commission” has the same meaning as in the Financial Services Act;

“insurer” means a long term insurer carrying out linked long term insurance business;

“linked long term insurance business” has the same meaning as in the Act;

“linked long term policy” has the same meaning as in the Act;

“listed securities” has the same meaning as in the Securities Act;

“LLTIB” means linked long term insurance business;

“LLTIB sub-fund” means each separate sub-fund, within a linked long term policy, from which a policyholder can choose to allocate his premium under the linked long term policy;

“long term insurance business” has the same meaning as in the Act;

“long term insurer” has the same meaning as in the Act;

“manager” means –

- (a) an insurer, where the LLTIB sub-fund is partly or fully self-managed; or
- (b) any other person licensed under the relevant Acts to conduct investment management or asset management, where the LLTIB sub-fund is partly or fully managed by that other person;

“net assets” means the total assets of a LLTIB sub-fund less the amount of the reserve fund in relation to the LLTIB sub-fund;

“policyholder” has the same meaning as in the Act;

“related company” has the same meaning as in the Companies Act;

“securities” has the same meaning as in the Securities Act;

“unallocated premiums” means the part of the regular or the single premium that has not been used to buy units or invested in LLTIB sub-funds.

3. Application of the Rules

These Rules shall apply to any linked long term insurance business conducted by an insurer.

PART II – GENERAL REQUIREMENTS

4. Establishment of a LLTIB sub-fund

- (1) Every insurer shall notify the Commission of its intention to establish a LLTIB sub-fund at least 30 days before the LLTIB sub-fund is established;
- (2) For the purposes of paragraph (1), an insurer shall submit to the Commission –
 - (a) a copy of an actuarial certificate containing the information specified in the First Schedule, where the LLTIB sub-fund does not form part an existing LLTIB product;

- (b) a copy of a product summary containing the information specified in the Second Schedule;
- (c) a copy of the linked long term policy, containing the information specified in the Third Schedule;
- (d) an illustration of the benefits provided under the LLTIB sub fund; and
- (e) a notification of whether the LLTIB sub-fund shall be partly or fully self-managed or, where the management is delegated to another person in accordance with Rule 20, the identity of that person.

5. Significant changes to a LLTIB sub-fund

- (1) Every insurer shall notify the Commission of any significant changes to a LLTIB or LLTIB sub-fund at least 30 days before the change is to take effect.
- (2) Notwithstanding paragraph (1), where an insurer is unable to determine whether a significant change would occur at least 30 days before the change is to take effect, the insurer shall, as soon as practicable, inform the Commission in writing of the significant change, including any change which may materially affect the risks and returns of the LLTIB sub-fund.
- (3) Any significant changes to a LLTIB or LLTIB sub-fund shall be notified to existing policyholders not later than 15 days after the change has taken effect.
- (4) Any notification to policyholders under this Rule shall be in clear and simple language, and where the use of complex terms is unavoidable, the insurer shall provide the policyholders with clear explanations of the meaning of such terms.
- (5) For the purposes of this Rule, a significant change shall include -
 - (a) a change in the investment objective or focus of the LLTIB sub-Fund;
 - (b) a change in the investment approach of the insurer as stated in the product summary or linked long term policy, where the investment approach refers to how the insurer selects securities for the portfolio of the LLTIB sub-fund;

- (c) an increase in the remuneration payable to the insurer or a change in the basis upon which such remuneration is determined;
 - (d) an increase in any other fees or charges payable out of the LLTIB sub-fund that amounts to 0.1% or more of the net assets of the LLTIB sub-fund;
 - (e) a new form of remuneration or expense payable out of the LLTIB sub-fund;
 - (f) the replacement, removal or appointment of a new manager or investment adviser to the LLTIB sub-fund; or
 - (g) a variation in the rights or obligations of a policyholder as set out in the product summary or linked long term policy where the variation is materially prejudicial to policyholders.
- (6) Where a significant change under this Rule results in a change in any of the documents mentioned in Rule 4(2), the insurer shall amend that document accordingly and shall submit a copy of the amended document to the Commission and to existing policyholders for notification purposes.

6. Closure of a LLTIB sub-fund

Every insurer shall, within 1 month, notify the Commission of the closure of a LLTIB sub-fund, other than a closure due to the maturity of the LLTIB sub-fund.

7. Name of a LLTIB sub-fund

- (1) Each LLTIB sub-fund shall be clearly identified by a name which shall –
- (a) be appropriate; and
 - (b) not misleading to policyholders or potential policyholders.
- (2) In assessing whether a name is misleading or otherwise inappropriate, the Commission shall consider such matters it deems fit including whether the name –
- (a) is substantially similar to the name of another LLTIB sub-fund;
 - (b) implies that the LLTIB sub-fund has merits which are not, or might not be, justified;
 - (c) implies that the manager of the LLTIB sub-fund has particular qualities, which may not be justified;

- (d) is inconsistent with the investment objective or approach of the LLTIB sub-fund; or
 - (e) might mislead prospective policyholders into thinking that persons other than the insurer or manager are responsible for the LLTIB sub-fund.
- (3) No LLTIB sub-fund shall be identified by a name which would imply that the LLTIB sub-fund is not a LLTIB or which includes the use of the following terms, or any other derivative or form of such terms –
- (a) “plan”;
 - (b) “account”;
 - (c) “capital protected”; or
 - (d) “principal protected”.

8. Reserve Fund

- (1) For each linked long term policy underwritten, in which there is a sum or interest guaranteed, the insurer shall maintain a Reserve Fund.
- (2) The Reserve Fund shall be used to pay for any shortfall in guarantee when the linked long term policy has reached maturity, or on the occurrence of a contingent event.
- (3) Unallocated premiums, fees and charges, as disclosed in the linked long term policy or product summary, may be paid partly or wholly into the Reserve Fund.
- (4) The Reserve Fund shall meet the solvency requirements provided under Part III of the Act.
- (5) The Reserve Fund shall be part of the total assets of the linked long term business.
- (6) The insurer may maintain additional reserve funds, separate from the Reserve Fund established under paragraph (1), in respect of each LLTIB sub-fund.

9. Audit certificate relating to LLTIB sub-funds which are terminated or have matured

- (1) For every LLTIB sub-fund which is terminated or has matured, the insurer shall appoint an external auditor, or shall require its appointed auditor, to prepare an audit certificate certifying that it has not come to the auditor’s notice, through the course of the audit, that –

- (a) the insurer has failed to realize all the assets of the LLTIB sub-fund as at the date of termination or maturity;
 - (b) the insurer has failed to distribute all resultant proceeds, net of outstanding liabilities, to policyholders in the same proportion as their holdings in the LLTIB sub-fund; and
 - (c) the insurer has failed to comply with any requirements as set out in these rules in relation to the LLTIB sub-fund, from the date immediately following the period of the latest completed audit to the date of termination or maturity of the LLTIB sub-fund and final distribution to policyholders.
- (2) A list and description of liabilities which have accrued to the LLTIB sub-fund but are excluded from the final distribution shall be annexed to the audit certificate.
 - (3) The insurer shall ensure that the audit certificate is completed within 6 months of the termination or maturity of the LLTIB sub-fund.
 - (4) The insurer shall send to the Commission a copy of the auditor's report within 3 months of the completion of the audit.
 - (5) The insurer shall retain a copy of the audit certificate for a period of at least 7 years from the date of termination or maturity of the LLTIB sub-fund.
 - (6) The insurer shall, within 30 days of a policyholder's request, make the audit certificate available to such policyholder, unless the time period of 7 years referred to in paragraph (5) has expired.

PART III – DISCLOSURE

10. Guiding principles

- (1) An insurer conducting LLTIB shall not provide any information about the LLTIB or LLTIB sub-fund that is false or misleading.
- (2) Any marketing materials or brochures concerning a LLTIB or a LLTIB sub-fund issued by an insurer shall contain updated information.

11. Statement and reports to policyholders

- (1) The insurer shall prepare, or cause to be prepared for each LLTIB and LLTIB sub-fund a statement to policyholders containing the information specified in the Fourth Schedule.
- (2) The statement shall be communicated to all policyholders within 30 days from the date of each linked long term policy anniversary or any other date specified in the product summary.
- (3) A communication referred to in paragraph (2) may be sent to policyholders by electronic means.

12. Advertisements and publications

An insurer establishing a LLTIB or LLTIB sub-fund shall ensure that the advertisements and publications relating to the LLTIB or LLTIB sub-fund comply with the requirements specified in the Fifth Schedule.

PART IV – CONDUCT OF BUSINESS AND GOVERNANCE

13. Payments from the LLTIB sub-fund

An insurer shall not pay, cause or permit to be paid, out of the assets of the LLTIB sub-fund –

- (1) any marketing or promotion expenses, including expenses for advertisement in the media, by electronic means or fact sheets;
- (2) any fees or commission that have not been provided for in the product summary and linked long term policy; and
- (3) any payment which is unfair to, or materially prejudicial to the interests of, any policyholder or prospective policyholder.

14. Transactions with related parties

- (1) The insurer shall not invest the assets of the LLTIB sub-fund in the securities of any related company of the insurer or manager.
- (2) Notwithstanding paragraph (1), the insurer of a LLTIB sub-fund which is benchmarked against a widely accepted index constructed by a party independent of the insurer or manager, as applicable, may invest the monies of the LLTIB sub-fund in its own securities or those of any of its related companies up to the weight of those securities in such index.

- (3) The insurer shall not lend monies belonging to the LLTIB sub-fund to related companies of the insurer or manager.

15. Transactions of the LLTIB sub-fund

- (1) The insurer shall conduct all transactions with or for a LLTIB sub-fund at arm's length.
- (2) The insurer shall acquire investments and enter into transactions which are consistent with the investment objectives and approach of the LLTIB sub-fund.

16. Use of credit rating

- (1) The insurer shall not rely solely and exclusively on ratings issued by credit rating agencies.
- (2) The insurer shall, where possible, make its own credit assessments to verify ratings issued by credit rating agencies.
- (3) Where the insurer makes its own credit assessments to verify ratings issued by credit rating agencies, it shall document the credit assessments as well as the basis of computation and assumptions made.
- (4) In the event of a difference between the ratings issued by credit rating agencies and the insurer's internal credit assessment, or between the ratings of different credit rating agencies, the lowest rating shall be used.
- (5) For the avoidance of doubt, all ratings used should be based on a rating scale that is globally comparable.

17. Significant influence

The insurer shall not, through the LLTIB sub-fund, carry out its investment activities in a manner which would enable it to exercise significant influence over the management of an issuer of securities.

18. Exercise of voting rights

Where the insurer exercises its votes, or appoints another party to exercise its votes on its behalf, in relation to investments of a LLTIB sub-fund, the insurer shall –

- (b) maintain a record of how the votes were exercised; and
- (c) ensure that there is no conflict of interest in the exercise of the votes.

19. Suspension and resumption of dealings

- (1) An insurer may suspend dealings in units of a LLTIB sub-fund only in exceptional circumstances, after having determined that a suspension is in the best interests of policyholders.
- (2) Difficulties in realizing LLTIB sub-fund assets or temporary shortfalls in liquidity may not, on their own, be sufficient justification for a suspension referred to in paragraph (1).
- (3) The insurer shall forthwith notify the Commission where the dealing in units is suspended, stating the reasons for the suspension.
- (4) No notification is required where the suspension is due to business interruption caused by unforeseen events.
- (5) The suspension shall cease as soon as practicable when the exceptional circumstances cease to exist, and in any event, within 21 days of the commencement of the suspension.
- (6) The period of suspension may be extended for a period not exceeding one week if the insurer is satisfied that it is in the best interests of policyholders for the dealing in units to remain suspended.
- (7) Any extension under paragraph (6) shall be notified to the Commission as soon as practicable.
- (8) The insurer shall notify the Commission when dealing in units is resumed.

20. Delegation

- (1) A LLTIB sub-fund may be managed in whole or in part by one or more managers.
- (2) Where a LLTIB sub-fund is managed by a manager other than the insurer, the insurer shall ensure that the monies in the LLTIB sub-fund are invested in accordance with these Rules and that there are –
 - (a) adequate procedures in place to monitor the conduct of the manager and to ensure that the function outsourced is performed in a proper and efficient manner; and
 - (b) controls in place to ensure compliance with these Rules.

21. Performance fees

- (1) Where performance fees are payable by the LLTIB sub-fund, the product summary shall disclose –
- (a) that a performance fee is payable and to whom it is payable;
 - (b) if applicable, that a performance fee may be levied even if the return of the LLTIB sub-fund is negative; and
 - (c) the maximum amount or percentage of the net assets of the LLTIB sub-fund that the performance fee might represent in an annual accounting period.
- (2) Performance fees payable by the LLTIB sub-fund to the manager shall meet the following requirements –
- (a) the calculation of performance fees payable shall be equitable to all policyholders;
 - (b) the performance fees shall be calculated and paid after consideration of all other payments;
 - (c) the period over which the performance fee accrues and the frequency with which it crystallizes shall be appropriate; and
 - (d) crystallisation of performance fees shall not be more frequent than once a year.

22. Prohibited activities

A LLTIB sub-fund shall not engage in –

- (a) unsecured lending of monies;
- (b) the granting of guarantees; and
- (c) short selling.

23. Register

An insurer shall maintain a register showing, in respect of each policyholder of a LLTIB, the name, address and occupation of that policyholder and such other information as it considers appropriate.

24. Training

An insurer shall provide adequate training to its insurance agents and insurance salespersons before they start acting on its behalf with respect to a LLTIB sub-fund.

PART V – VALUATION

25. Valuation of units in the LLTIB sub-fund

- (1) The units of a LLTIB sub-fund shall be issued, redeemed or repurchased at a price determined by dividing the net assets of the LLTIB sub-fund by the number of units outstanding.
- (2) The price of units of a LLTIB may be adjusted by adding or subtracting, as the case may be, fees and charges, in compliance with the fees and charges as disclosed in the product summary of the LLTIB.
- (3) This Rule shall not apply during the initial offer period of the LLTIB sub-fund.

26. Valuation of assets of a LLTIB sub-fund

- (1) The value of the assets of a LLTIB sub-fund, in the case of listed securities, shall be based on –
 - (a) the official closing price or the last known transacted price on the approved securities exchange on which the securities are listed; or
 - (b) the transacted price, on the approved securities exchange on which the securities are listed, at a reference time specified in the product summary and applied consistently by the insurer.
- (2) Where the transacted prices are not representative or not available on the approved securities exchange, the value of the assets of the LLTIB sub-fund, whether its securities are listed or not, shall be based on fair value.
- (3) The fair value shall be the price which the sub-fund would reasonably expect to receive upon the current sale of the securities.
- (4) Fair value shall be determined with due care and in good faith and the basis for determining the fair value of the investment shall be documented.
- (5) Except for listed securities, all the assets of a LLTIB sub-fund shall be valued by a person having the necessary qualifications and skills to value such assets.

- (6) Where the market value or fair value, as the case may be, of 10% of the net assets of the LLTIB sub-fund cannot be determined, the insurer shall suspend valuation and trading in the units of the LLTIB sub-fund.

27. Calculation of net assets using basis other than market quotations

- (1) The net assets of a LLTIB sub-fund may be determined using methods other than those specified in Rule 27, provided that the insurer agrees with the alternative method.
- (2) Such a valuation may be performed by a person approved by the insurer as qualified to value the investments of the LLTIB sub-fund.

28. Frequency of valuation

- (1) The insurer shall ensure that the units of a LLTIB sub-fund are valued every business day.
- (2) Where the LLTIB sub-fund –
 - (a) does not offer dealings every business day, it shall be valued every regular dealing day, but in any event, at least once a month;
 - (b) is a property LLTIB sub-fund, it shall have a full valuation at least once a year.
- (3) The insurer shall submit to the Commission, in respect of each quarter and within 1 month of the end of that quarter, information on the fund value and unit value of the LLTIB sub-fund as set out in the Sixth Schedule.

29. Rounding differences

Rounding differences arising from calculating the price of units in a LLTIB sub-fund or arising from calculating the number of units to be issued shall be credited to the LLTIB sub-fund.

30. Valuation errors and compensation

- (1) Where the insurer becomes aware of an error in the calculation of the unit price of a LLTIB sub-fund, the insurer shall, as soon as practicable, notify the Commission of the error as set out in the Seventh Schedule.

- (2) A revised valuation shall be performed by the person responsible for the valuation, for each valuation date during the period of the error to quantify and ascertain the extent of the error.
- (3) Where a valuation error represents 0.5% or more of the unit price of a LLTIB sub-fund, the insurer shall –
 - (a) compensate affected policyholders and notify them of the compensation made; and
 - (b) compensate the LLTIB sub-fund for any losses incurred as a result of the valuation error.
- (4) The requirement to compensate policyholders does not apply if the amount of the compensation due to any single policyholder does not exceed Rs 250.
- (5) For the avoidance of doubt, the requirement to compensate the LLTIB sub-fund for any losses incurred shall apply in all circumstances where the valuation error represents 0.5% or more of the unit price of the LLTIB sub-fund.
- (6) Where a valuation error represents less than 0.5% of the unit price of the LLTIB sub-fund, there is no requirement for the insurer to compensate policyholders or the LLTIB sub-fund for any losses incurred by them as a result of the valuation error.
- (7) Notwithstanding paragraph (6), if the insurer chooses to compensate one or more policyholders, the insurer shall, as far as possible, compensate all other policyholders in the LLTIB sub-fund on the same basis.
- (8) The insurer shall ensure that policyholders who have been compensated and those who have not been compensated are treated fairly.
- (9) The insurer shall not pay or cause to be paid, from the LLTIB sub-fund, any expenses incurred as a result of effecting compensation for a valuation error.
- (10) The insurer shall notify the Commission where compensation has been made in accordance with this Rule.

PART VI – MISCELLANEOUS

31. Report of breaches

An insurer shall inform the Commission of any breach of the requirements and standards set out in these Rules within 3 business days from the date on which the insurer became aware of the breach.

32. Power to issue directions

The Commission may issue directions to the insurer to withdraw any LLTIB sub-fund which does not meet the regulatory standards required under these Rules.

33. Transitional Provisions

- (1) Any insurer conducting LLTIB immediately before the commencement of these Rules shall take such measures as may be necessary to ensure that all its existing linked long term insurance products comply with the provisions of these Rules within 2 years of the commencement of these Rules or such other period as may be approved by the Commission.
- (2) All linked long term insurance products issued on or after the commencement of these Rules shall comply with the provisions of these Rules.

34. Consequential Amendment

The Insurance Act is amended in Part I of the First Schedule, in the second column, by deleting the entry corresponding to the item “Linked long term insurance business” and replacing it by the following new entry —

The business of effecting and carrying out contracts of insurance under which the benefits are wholly or partly to be determined by reference to the value of, or the income from, investments in securities or other financial assets, real property or non-financial assets, or by reference to fluctuations in, or in an index of, the value of such investments in securities or other financial assets, real property or non-financial assets.

35. Commencement

These Rules shall come into operation on

Made by the Financial Services Commission on2014

FIRST SCHEDULE

(Rule 4(4)(a))

INFORMATION TO BE DISCLOSED IN THE ACTUARIAL CERTIFICATE

1. The following particulars are to be provided to the Commission -
 - (a) the formula used by the actuary to calculate the premium rate or a brief description of the methodology used to arrive at the premium rate;
 - (b) the mortality table and rates;
 - (c) the rate of interest or discount rate;
 - (d) the provision included in the premium rate for -
 - (i) initial commission;
 - (ii) other initial expenses;
 - (iii) renewal commission;
 - (iv) renewal expenses;
 - (v) other expenses, e.g. after the expiry of the premium paying period;
 - (e) the provision made for contingencies;
 - (f) the adjustments made for large sums insured and for the payment of premiums more than once a year;
 - (g) the basis on which the actuarial reserve of the linked long term policy would be made; and
 - (h) a certificate signed by a qualified actuary certifying that the rates are suitable and in accordance with sound insurance principles.
2. The description of each provision for expenses shall be made in a form which is readily understandable by a person with reasonable knowledge of long term insurance business and shall include details of the rates of all commissions which shall be paid (including overriding commission) and the conditions for payment.
3. The certificate of the actuary shall be accompanied by a statement setting out the relationship between the assumptions made by the actuary as to mortality, interest earnings and expenses and the actual experience of the company in respect of each of these components of the premium for this type of linked long term policy or similar types of insurance policies.

SECOND SCHEDULE
(Rules 4(4)(b) and 10)

INFORMATION TO BE DISCLOSED IN THE PRODUCT SUMMARY

Description of linked long term policy

1. Provide, in the product summary for the LLTIB, a general description, in non-technical terms, of the principal features of the LLTIB including a description of the manner in which the benefits shall reflect the investment performance of each LLTIB sub-fund and the factors affecting the policy benefits.
2. When providing information in the product summary, comply with the requirements set out in paragraphs 4 to 44 of this Schedule for each LLTIB sub-fund selected for investment under the LLTIB.

Available LLTIB sub-funds

3. List the name of each of the LLTIB sub-funds available for investment under the LLTIB.

Information on the manager

4. List the name of the manager of each of the LLTIB sub-funds.
5. State the track record of the manager, including the number of years the manager has managed LLTIB sub-funds or long term insurance funds whether in Mauritius or elsewhere (if applicable).

Other parties

6. State the name of the person (if any) who advises the insurer in his management of the LLTIB sub-fund. The insurer retains full discretion and accountability with respect to the investments of the LLTIB sub-fund.
7. State the name of the auditor for each LLTIB sub-fund.

Structure of the LLTIB sub-fund

8. State if the LLTIB sub-fund is a single fund or a sub-fund under an umbrella fund.

Investment objectives and focus

9. State the investment objectives and focus of the LLTIB sub-fund, including the types of investment, the countries or markets in which the LLTIB sub-fund invests and the target industry or sector, where applicable.

Risks

10. Provide warning statements on the general risks involved in investing in the LLTIB and each LLTIB sub-fund.
11. State the risks specific to each LLTIB sub-fund by -
 - (a) describing and explaining any major risk specific to the LLTIB sub-fund, including any risk arising from the markets, countries or sectors in which the LLTIB sub-fund invests;
 - (b) stating, where the LLTIB sub-fund has an investment in a market outside Mauritius, whether the insurer intends to hedge its foreign currency exposure and, if so, how it shall do so (e.g. whether an active or passive hedging policy shall be adopted);
 - (c) stating, where the LLTIB sub-fund is not denominated in Mauritian Rupee, whether the insurer intends to fully hedge the foreign currency exposure, and if not, whether the policyholders shall be exposed to exchange rate risk.

Fees and charges

12. Set out the fees and charges listed below (where applicable) for the LLTIB and LLTIB sub-fund. Where there is a provision for a maximum fee or charge payable, highlight that fact and state the maximum amount.

Payable through deduction from premium or cancellation of units

- (a) initial charge
- (b) redemption fee
- (c) switching fee between LLTIB sub-funds
- (d) charges for insurance coverage
- (e) premium allocation rate
- (f) surrender charges (if and when applicable)
- (g) any other fee or charge payable by policyholders, including policy fee

Payable through deduction from asset value of the LLTIB sub-fund

- (a) management fee

- (b) additional fee charged by other underlying funds in which the LLTIB sub-fund invests (if applicable)
- (c) performance fee (if applicable)
- (d) any other substantial fee or charge (i.e. 0.1% or more of the LLTIB sub-fund's asset value). Where a fee or charge is expected to be substantial (i.e. 0.1% or more of the LLTIB sub-fund's asset value) but is currently indeterminable, state that fact and explain why it cannot be currently determined.

Subscription of units

- 13. State how units of the LLTIB sub-fund may be purchased and how they are to be paid for.
- 14. State the minimum single premium, regular premium and top-up premium amount.
- 15. In the case of a new LLTIB sub-fund, state the initial purchase price and initial offer period.
- 16. State, in plain language, the dealing deadline and whether pricing is done on a forward or historical basis. State also whether pricing is done on an offer-bid or single pricing basis.
- 17. Give a numerical example of how the number of units allotted to a policyholder under an offer-bid or single pricing basis is derived, based on an investment of Rs 1,000.
- 18. Where the launch of a LLTIB sub-fund or the continued operation of an existing LLTIB sub-fund is conditional upon a minimum LLTIB sub-fund size, state that fact and the minimum LLTIB sub-fund size.
- 19. In the case of a LLTIB sub-fund whereby the insurer has a right not to proceed with the launch of the LLTIB sub-fund and to return the contributions to the applicants of the LLTIB sub-fund, state this fact, the circumstances under which this may occur (e.g. where a minimum LLTIB sub-fund size is not reached) and whether the refund shall include any interest accrued.
- 20. Where there are two or more different classes of units available for subscription, describe the features of each class and the rights and obligations of policyholders of each class.

Redemption of units

- 21. State how units of the LLTIB sub-fund may be redeemed or sold.

22. State the minimum holding amount and minimum redemption amount (if applicable).
23. State, in plain language, the dealing deadline and whether pricing is done on a forward or historical basis.
24. Give a numerical example of how the amount paid to a policyholder under an offer-bid or single pricing basis is calculated, based on the sale of 1,000 units of the LLTIB sub-fund and taking into consideration all fees and charges payable by the policyholder upon redemption.
25. State the period within which redemption proceeds shall be paid to policyholders.

Switching of units

26. State the procedure for switching of units (where applicable).

Obtaining prices of units

27. State how policyholders may obtain the buying and selling prices of units of the LLTIB sub-fund and the dealing days to which the prices apply. Where prices are available from certain publications or media in Mauritius, state the names of such publications or media. State the frequency of valuing the units.

Suspension of dealings

28. Describe any exceptional circumstances under which the issue or redemption of units may be suspended.

Past performance (where applicable)

29. Where the LLTIB sub-fund has been set up for at least a year, state the return on the LLTIB sub-fund over the last year and where applicable, the return on the LLTIB sub-fund over the last 3, 5 and 10 years and since inception of the LLTIB sub-fund.
30. Where the LLTIB sub-fund has been constituted for less than a year, state the fact that a track record of at least one year is not available.
31. State the basis of calculation of past performance and where applicable, include a statement that fees and charges payable through deduction of premium or cancellation of units are excluded from this calculation.
32. Where dividends have been declared or distributions have been made by the LLTIB sub-fund, state the return on the LLTIB sub-fund, calculated on the

assumption that all dividends and distributions are reinvested, taking into account all charges which would have been payable upon such reinvestment and include a statement that the return is calculated on this basis.

33. Where the total return on the LLTIB sub-fund is presented for a period exceeding one year, state the average annual compounded return on the LLTIB sub-fund over the same period.
34. Indicate the period to which the return on the LLTIB sub-fund relates, of which -
 - (a) the last day of the period shall not be earlier than 6 months prior to the disclosure; and
 - (b) the first day and last day of the period shall be determined on either of the following bases -
 - (i) the first business day or last business day of a month; or
 - (ii) the first dealing day or last dealing day of the LLTIB sub-fund in a month.
35. Include an appropriate warning that any past performance of the LLTIB sub-fund is not necessarily indicative of the future performance of the LLTIB sub-fund.
36. The insurer shall not include in the product summary or in any of the documents provided to the policyholders any information on past performance based on the simulated results of a hypothetical fund.

Comparison of the past performance of the LLTIB sub-fund with that of another LLTIB sub-fund or an index

37. The insurer shall not include in a product summary any comparison of the past performance of the LLTIB sub-fund with that of another LLTIB sub-fund, unless:
 - (a) such other LLTIB sub-fund has investment objectives and an investment focus similar to those of the LLTIB sub-fund; and
 - (b) the insurer states the basis of calculation of past performance and, where applicable, that fees and charges payable through deduction of premium or cancellation of units are excluded from this calculation.
38. The insurer shall not include in a product summary any comparison of the past performance of the LLTIB sub-fund with that of an index, unless:
 - (a) such index is the benchmark selected pursuant to paragraph 49 of this Schedule for the LLTIB sub-fund or reflects the investment focus of the LLTIB sub-fund; and

- (b) the insurer states the basis of calculation of past performance and, where applicable, that fees and charges payable through deduction of premium or cancellation of units are excluded from this calculation.
39. The insurer shall not make any comparison of the past performance of the LLTIB sub-fund with that of another LLTIB sub-fund or index, unless:
- (a) such comparison is made using a common currency and, where the currencies of the entities being compared are different, the conversion to the common currency is based on prevailing exchange rates at the beginning and end of the comparison period; and
 - (b) such comparison is based on a period of not less than a year, except where the LLTIB sub-fund has been constituted for less than a year, in which case, any such comparison is based on a period commencing from the inception of the LLTIB sub-fund.
40. Paragraphs 31 to 36 of this Schedule shall also apply in the calculation of past performance referred to in paragraphs 37 to 39 of this Schedule.

Comparison of past performance of the LLTIB sub-fund with that of another form of investment

41. The insurer shall not include in the product summary any comparison of the past performance of the LLTIB sub-fund with that of another form of investment, unless:
- (a) such other form of investment has a risk profile similar to that of the LLTIB sub-fund; and
 - (b) the insurer states the basis of calculation of past performance and, where applicable, that fees and charges payable through deduction of premium or cancellation of units are excluded from this calculation.
42. The insurer shall not make any comparison of the past performance of the LLTIB sub-fund with that of another form of investment unless it is based on a period of not less than a year, except where the LLTIB sub-fund has been constituted for less than a year, in which case, any such comparison shall be based on a period commencing from the inception of the LLTIB sub-fund.
43. Paragraphs 31 to 36 of this Schedule shall also apply in the calculation of past performance referred to in paragraphs 41 to 42 of this Schedule.

Future performance of the LLTIB sub-fund

44. Subject to paragraph 46 of this Schedule, the insurer shall not, in the product summary –
- (a) include any prediction or forecast as to the future or likely performance of the LLTIB sub-fund; or
 - (b) use words such as ‘targeted’, ‘expected’ or any similar words or description in relation to a rate of return.
45. The insurer may include in the product summary a prediction, projection or forecast on the economy, stock market, bond market or the economic trends of the markets which are targeted by the LLTIB sub-fund but the insurer shall juxtapose such prediction, projection or forecast with a prominent statement to the effect that the prediction, projection or forecast is not necessarily indicative of the future or likely performance of the LLTIB sub-fund.
46. The Commission may, by notice in writing, allow the insurer to include in the product summary a prediction, projection or forecast on any matter, other than that referred to in paragraph 45 of this Schedule, in relation to the future or likely performance of the LLTIB sub-fund.
47. Where the Commission has granted the insurer an allowance under paragraph 46, such product summary shall not include a prediction, projection or forecast on any matter under paragraph 46 of this Schedule unless -
- (a) the person making the prediction, projection or forecast has reasonable grounds for making it; and
 - (b) the product summary discloses such assumptions, warning statements and other information as may be required by the Commission.
48. Where the return on the LLTIB sub-fund is guaranteed or, where the use of a prediction, projection or forecast has been allowed by the Commission under paragraph 46 of this Schedule, the insurer shall present any guaranteed return or prediction, projection or forecast on an average annual compounded basis.

Performance of benchmark (where applicable)

49. Disclose the benchmark against which the LLTIB sub-fund’s performance is or shall be measured. If a customised benchmark or combination of multiple benchmarks is used, describe how the benchmark is derived.

50. In the case of an existing LLTIB sub-fund, disclose the performance of the benchmark over the last 1, 3, 5 and 10 years and since inception of the LLTIB sub-fund (where applicable).
51. If there has been a change in the benchmark at any point in the life of the LLTIB sub-fund, state that fact and explain the reason for the change.
52. Where no benchmark is used, explain why no benchmark is used.

Conflicts of interest

53. Describe any conflict of interest which exists or may arise in relation to the LLTIB sub-fund and its management, state whether these conflicts of interest shall be resolved or mitigated, and if so, how they shall be resolved or mitigated.
54. The factors to be taken into account by the insurer when determining if there are any conflicts of interest include -
 - (a) the nature and extent of the interest of the insurer, manager, investment adviser, or any of their directors, in respect of the LLTIB sub-fund or any property acquired or proposed to be acquired by the LLTIB sub-fund;
 - (b) any possibility of the insurer or manager acquiring an interest in the LLTIB sub-fund;
 - (c) any affiliation between the insurer, manager, or any of the directors of the insurer or manager with entities which provide services to the LLTIB sub-fund; and
 - (d) where the insurer or manager manages other funds with a similar investment focus, how orders for transactions of the same property are allocated between the funds.

Other material information

55. State all other material information which investors and their professional advisers would reasonably require and expect to find in the product summary for the purpose of making an informed decision on the merits and risks of the LLTIB and LLTIB sub-fund.

THIRD SCHEDULE
(Rules 4(4)(c) and 10)

INFORMATION TO BE DISCLOSED IN THE LINKED LONG TERM POLICY

In the linked long term policy, the insurer shall disclose the following -

Fees and charges

1. Set out the fees and charges payable, including those payable through deduction of premium or cancellation of units and those payable from the assets of the LLTIB sub-fund. Where the fee or charge is not fixed, highlight that fact and state the maximum amount payable, if there is a provision for a maximum fee or charge. Set out how changes in fees and charges shall be disclosed to policyholders.

Subscription and redemption of units

2. State the dealing deadline and the pricing basis, whether done on a forward or historical basis. State, also, whether pricing is done on an offer-bid or single pricing basis.
3. Where there are two or more different classes of units available for subscription, describe the features of each class and the rights or obligations of policyholders of each class.
4. State how units of the LLTIB sub-fund may be redeemed or sold.
5. State the minimum holding amount and minimum redemption amount.
6. State how policyholders may obtain the buying and selling prices of units of the LLTIB sub-fund and the dealing days to which the prices apply.
7. State the circumstances in which the insurer or manager of the LLTIB sub-fund or any other person may be required to purchase from a policyholder any unit subscribed for or acquired by the policyholder and the method for determining the price at which the unit is to be purchased.

Switching of units

8. State the procedure for switching of units (where applicable).

Suspension of dealings

9. Describe any exceptional circumstances under which the issue or redemption of units may be suspended.

FOURTH SCHEDULE
(Rule 11)

**INFORMATION TO BE DISCLOSED IN THE STATEMENT TO
POLICYHOLDERS**

The insurer shall submit to policyholders a statement on the performance and status of their investment-linked policies on at least an annual basis. The statement shall contain the following information -

- (a) number and value of units held at the end of the previous statement period;
- (b) number and value of units (at the time of subscription) bought during the statement period including the average unit price*;
- (c) number and value of units (at the time of redemption or deduction) sold or deducted during the statement period including the average unit price*;
- (d) number and value of units held at the end of the current statement period;
- (e) fees and charges payable through deduction of premium or deduction of units, identifying each by the purpose for which the fees and charges relate, such as initial charge, charge for insurance coverage or switching fee;
- (f) premiums received during the statement period;
- (g) current death benefit at the end of the current statement period;
- (h) net cash surrender value at the end of the current statement period;
- (i) amount of outstanding loans, if any, at the end of the current statement period;
and
- (j) any other information as the insurer may deem necessary.

* "Average unit price" is calculated as the Value of units/Number of units.

**FIFTH SCHEDULE
(Rule 12)**

INFORMATION TO BE DISCLOSED IN ADVERTISEMENTS AND PUBLICATIONS

Advertisement shall not be false or misleading

1. No insurer shall provide information, in any advertisement or publication, that is false or misleading or that cannot be justified on the facts known to the person responsible for the advertisement or publication at the time the advertisement or publication is advertised or published.
2. No insurer shall, whether by the prominence given to specific information or otherwise, create in any advertisement or publication, in relation to a LLTIB or LLTIB sub-fund, a false or misleading impression as to the LLTIB or LLTIB sub-fund in question.

Contents of advertisement

3. Where an offer or invitation in respect of units of a LLTIB sub-fund is being made at the time an advertisement or publication in relation to the LLTIB sub-fund is advertised or published, the insurer shall not advertise or publish the advertisement or publication unless such advertisement or publication -
 - (a) states -
 - (i) that a product summary in relation to the LLTIB sub-fund is available;
 - (ii) how a copy of the product summary may be obtained;
 - (iii) that a potential investor should read the product summary before deciding whether to subscribe for units of the LLTIB sub-fund; and
 - (iv) that the value of the units of the LLTIB sub-fund and the income accruing to the units, if any, may fall or rise;
 - (b) states the name of the insurer and the manager of the LLTIB sub-fund if the advertisement or publication does not otherwise clearly identify the insurer or manager;
 - (c) states the LLTIB sub-fund's investment objectives and focus, where the name of the LLTIB sub-fund is not indicative of the LLTIB sub-fund's investment objectives and focus;

- (d) where the advertisement or publication includes a quotation expressing acclaim or approval for or recommending the LLTIB sub-fund or the manager of the LLTIB sub-fund, states the source of such quotation;
- (e) where there is no guarantee or warranty given as to -
 - (i) the protection of the principal sum a policyholder invests in the LLTIB sub-fund (whether including or excluding the subscription fee); or
 - (ii) the rate of return on the LLTIB sub-fund,

does not contain words such as “guarantee”, “warranty” or any other expression suggesting that the principal sum invested in or rate of return on the LLTIB sub-fund is guaranteed, or that a policyholder cannot lose money.

Past performance of LLTIB sub-fund

- 4. No insurer shall order the publication of an advertisement or publication, in relation to a LLTIB sub-fund, that includes information on the past performance of the LLTIB sub-fund unless the advertisement or publication -
 - (a) includes a prominent statement that the past performance of the LLTIB sub-fund is not necessarily indicative of the future performance of the LLTIB sub-fund;
 - (b) states the return on the LLTIB sub-fund and includes a statement on the basis of calculation of the return;
 - (c) where dividends have been declared or distributions have been made by the LLTIB sub-fund, states the return on the LLTIB sub-fund, calculated on the assumption that all dividends and distributions are reinvested, taking into account all charges which would have been payable upon such reinvestment, and includes a statement that the return is calculated on this basis;
 - (d) presents the return on the LLTIB sub-fund in relation to a period of not less than one year, except that in the case of a LLTIB sub-fund that has been constituted for less than 12 months in which case the return on the LLTIB sub-fund shall be presented in relation to a period commencing from the inception of the LLTIB sub-fund;
 - (e) where the total return on the LLTIB sub-fund is presented for a period exceeding one year, states the average annual compounded return on the LLTIB sub-fund over the same period; and
 - (f) indicates the period to which the return on the LLTIB sub-fund relates, of which -

- (i) the last day of the period shall not be earlier than 3 months prior to the day on which the advertisement or publication is advertised or published; and
 - (ii) the first day and last day of the period shall be determined on either of the following bases -
 - (A) the first business day or last business day of a month; or
 - (B) the first dealing day or last dealing day of the LLTIB sub-fund in a month.
5. Where any past performance of a LLTIB sub-fund, included in an advertisement or publication in relation to that LLTIB sub-fund, is due to exceptional circumstances that may not be sustainable, the insurer shall include in the advertisement or publication a prominent warning statement to that effect.
6. For the purposes of paragraph 5 of this Schedule, exceptional circumstances include, but are not limited to –
- (a) an investment in an initial public offer of securities which has a large impact on the return on the LLTIB sub-fund but where such return is unlikely to be sustained; and
 - (b) a high annual return for a particular year where the LLTIB sub-fund has, or LLTIB sub-funds with a similar investment focus have, yielded a much lower historical long term average annual compounded return.
7. No insurer shall include in an advertisement or publication, in relation to a LLTIB sub-fund, any information on past performance based on simulated results of a hypothetical LLTIB sub-fund.

Comparison of Past Performance of LLTIB Sub-Fund with that of another LLTIB Sub-Fund or an Index

8. No insurer shall order for publication an advertisement or a publication, in relation to a LLTIB sub-fund, containing a comparison of the past performance of the LLTIB sub-fund with that of another LLTIB sub-fund unless –
- (a) such other LLTIB sub-fund has investment objectives and an investment focus similar to those of the LLTIB sub-fund to which the advertisement or publication relates; and
 - (b) the advertisement or publication states the basis of calculation of past performance and where applicable, that fees and charges payable through deduction of premium or cancellation of units are excluded from this calculation.

9. No insurer shall order for publication an advertisement or a publication in relation to a LLTIB sub-fund that includes a comparison of the past performance of the LLTIB sub-fund with that of an index unless –
- (a) such index is the benchmark chosen for the LLTIB sub-fund pursuant to paragraph 49 of the Second Schedule or an index which reflects the investment focus of the LLTIB sub-fund; and
 - (b) the advertisement or publication states the basis of calculation of past performance and where applicable, that fees and charges payable through deduction of premium or cancellation of units are excluded from this calculation.
10. No insurer shall make any comparison of the past performance of a LLTIB sub-fund with that of another LLTIB sub-fund or with an index unless such comparison uses a common currency and where the currencies of the entities being compared are different, such comparison must base the conversion to the common currency on prevailing exchange rates at the relevant time.

Comparison of Past Performance of LLTIB Sub-Fund with that of another form of Investment

11. No insurer shall, in an advertisement or publication in relation to an LLTIB sub-fund, include a comparison of the past performance of the LLTIB sub-fund with that of another form of investment unless –
- (a) such other form of investment has a risk profile which is similar to that of the LLTIB sub-fund; and
 - (b) such advertisement or publication states the basis of calculation of past performance and, where applicable, that fees and charges payable through deduction of premium or cancellation of units are excluded from this calculation.
12. Any person making a comparison of past performance of a LLTIB sub-fund with that of another form of investment shall also comply with the requirements set out in paragraphs 4 to 7 of this Schedule.

Performance of Manager

13. No insurer shall include any information on the past or present performance, skills or techniques of the manager of the LLTIB sub-fund in any advertisement or publication in relation to a LLTIB sub-fund, unless the advertisement or publication –
- (a) states the source of such information;
 - (b) indicates the period to which such information relates; and

- (c) includes a prominent statement that the past performance of the manager is not necessarily indicative of its future performance.
- 14. No insurer shall, in any advertisement or publication in relation to a LLTIB sub-fund, present any information on the past or present performance, skills or techniques of the manager of the LLTIB sub-fund, or the past or present performance of any other LLTIB sub-fund under the management of the manager, in a selective or biased way, such that any particular success is exaggerated or lack of success is disguised.

Future Performance of LLTIB Sub-Fund

- 15. Subject to paragraph 17 of this Schedule, no insurer shall, in an advertisement or publication in relation to an LLTIB sub-fund -
 - (a) include any prediction or forecast as to the future or likely performance of the LLTIB sub-fund; or
 - (b) use words such as “targeted”, “expected” or any similar words or description in relation to a rate of return.
- 16. No insurer shall include any prediction, projection or forecast on the economy, stock market, bond market or the economic trends of the markets which are targeted by the LLTIB sub-fund in any advertisement or publication, unless such advertisement or publication is accompanied by a prominent statement to the effect that the prediction, projection or forecast is not necessarily indicative of the future or likely performance of the LLTIB sub-fund.
- 17. The Commission may by notice in writing allow, in an advertisement or publication in relation to a LLTIB sub-fund, inclusion of a prediction, projection or forecast on any matter other than that referred to in paragraph 16 of this Schedule.
- 18. No insurer shall include in an advertisement or publication in relation to a LLTIB sub-fund a prediction, projection or forecast on any matter under paragraph 17 of this Schedule unless –
 - (a) the person making the prediction, projection or forecast has reasonable grounds for making it; and
 - (b) the advertisement or publication discloses such assumptions, warning statements and other information as may be required by the Commission.
- 19. Where the return on a LLTIB sub-fund is guaranteed, the insurer shall present any guaranteed return on an average annual compounded basis.

20. A person presenting any prediction, projection or forecast allowed by the Commission under paragraph 17 of this Schedule, shall present such prediction, projection or forecast on an average annual compounded basis.

Legibility and audibility

21. Where an advertisement or publication in relation to a LLTIB sub-fund is in a visual form, the insurer shall cause the publication of such advertisement or publication containing the information required under paragraphs 3 and 20 of this Schedule -
- (a) to be clearly legible; and
 - (b) in the case of an advertisement or publication appearing in any document, including a newspaper, periodical, magazine or letter, electronic mail or website, to be in a font size of at least 10-point Times New Roman.
22. Where an advertisement or publication in relation to a LLTIB sub-fund, in a visual form, contains a footnote, the insurer shall cause the footnote -
- (a) to be in a font size which is at least half the font size of the word or statement to which it relates; and
 - (b) in the case of an advertisement or publication appearing in any document, including a newspaper, periodical, magazine or letter, electronic mail or website, to be in a font size which is at least 10-point Times New Roman but need not be larger than 14-point Times New Roman.
23. Where an advertisement or publication in relation to a LLTIB sub-fund is shown or broadcasted over the radio, television, cinema or other similar means, the insurer ordering the publication of such advertisement or publication shall cause the information required under paragraph 3(a)(iii) of this Schedule to be contained in the advertisement or publication to be audible, unless the advertisement or publication is only in visual form, in which case such person shall cause such information to be visually displayed in a legible size for at least 5 seconds.

SIXTH SCHEDULE (Rule 28(3))



Year	GROSS VALUE		GENERAL FUND VALUE		NET FUND VALUE		No. of LIVES							DEBT VALUE			
	OPENING	CLOSING	OPENING	CLOSING	OPENING	CLOSING	CANCELLED							OPENING	CLOSING		
	No.	No.	No.	No.	No.	No.	Death	Survival	Surrender	Lapse	Partials	Other	Net No.	Open No.	Net No.	Open No.	
01-Jan																	
02-Jan																	
03-Jan																	
04-Jan																	
05-Jan																	
06-Jan																	
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04-Mar																	
05-Mar																	
06-Mar																	
07-Mar																	

Table 1:

Sub-Period Year	FUND VALUE		RESERVE FUND VALUE		NET FUND VALUE		No. of POLICIES							TOTAL VALUE			
	OPENING	CLOSING	OPENING	CLOSING	OPENING	CLOSING	CANCELLED							OPENING		CLOSING	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Deaths	Survival	Surrender	Lapse	Partials	Other	Rs.	Other Rs.	Rs.	Other Rs.	
01-Mar																	
05-Mar																	
10-Mar																	
15-Mar																	
20-Mar																	
25-Mar																	
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25-Feb																	
30-Feb																	
01-Mar																	

TABLE 1

Sub-Period Year	FUND VALUE		RESEVED FUND VALUE		NET FUND VALUE		No. of POLICIES							FUND VALUE			
	OPENING	CLOSING	OPENING	CLOSING	OPENING	CLOSING	CANCELLED							OPENING		CLOSING	
	No.	No.	No.	No.	No.	No.	Deaths	Survival	Surrender	Lapse	Partitions	Other	Other No.	Other No.	Other No.	Other No.	
01-Apr																	
02-Apr																	
03-Apr																	
04-Apr																	
05-Apr																	
06-Apr																	
07-Apr																	
08-Apr																	
09-Apr																	
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29-May																	
30-May																	
01-Jun																	
02-Jun																	
03-Jun																	
04-Jun																	
05-Jun																	
06-Jun																	

Table 1:

Sub-Period Year	FUND VALUE		RESERVE FUND VALUE		NET FUND VALUE		No. of POLICIES							TOTAL VALUE			
	OPENING	CLOSING	OPENING	CLOSING	OPENING	CLOSING	CANCELLED						OPENING		CLOSING		
	No.	No.	No.	No.	No.	No.	Deaths	Survival	Surrender	Lapse	Partials	Other	Mid No.	Other No.	Mid No.	Other No.	
01-Jan																	
02-Jan																	
03-Jan																	
04-Jan																	
05-Jan																	
06-Jan																	
07-Jan																	
08-Jan																	
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21-Jan																	
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24-Jan																	
25-Jan																	
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29-Jan																	
30-Jan																	

TABLE 1

Sub-Period Year	FUND VALUE		REVENUE FUND VALUE		NET FUND VALUE		No. of POLICIES							FUND VALUE			
	OPENING	CLOSING	OPENING	CLOSING	OPENING	CLOSING	CANCELLED							OPENING		CLOSING	
	No.	No.	No.	No.	No.	No.	Deaths	Survival	Surrender	Lapse	Partitions	Other	Net No.	Other No.	Net No.	Other No.	
01-Jul																	
02-Jul																	
03-Jul																	
04-Jul																	
05-Jul																	
06-Jul																	
07-Jul																	
08-Jul																	
09-Jul																	
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28-Jul																	
29-Jul																	
30-Jul																	
31-Jul																	
01-Aug																	
02-Aug																	
03-Aug																	
04-Aug																	
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25-Aug																	
26-Aug																	
27-Aug																	
28-Aug																	
29-Aug																	
30-Aug																	
31-Aug																	
01-Sep																	
02-Sep																	
03-Sep																	
04-Sep																	
05-Sep																	

Table 1:

Sub-Period Year	FUND VALUE		RESERVE FUND VALUE		NET FUND VALUE		No. of POLICIES							TOTAL VALUE			
	OPENING	CLOSING	OPENING	CLOSING	OPENING	CLOSING	CANCELLED							OPENING		CLOSING	
	No.	No.	No.	No.	No.	No.	Deaths	Survival	Surrender	Lapse	Partials	Other	Other No.	Other No.	Other No.	Other No.	
01-Sep																	
02-Sep																	
03-Sep																	
04-Sep																	
05-Sep																	
06-Sep																	
07-Sep																	
08-Sep																	
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26-Sep																	
27-Sep																	
28-Sep																	
29-Sep																	
30-Sep																	

TABLE 1

Sub-Period Year	FUND VALUE		RESERVE FUND VALUE		NET FUND VALUE		No. of POLICIES							FUND VALUE			
	OPENING	CLOSING	OPENING	CLOSING	OPENING	CLOSING	CANCELLED							OPENING		CLOSING	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Deaths	Survival	Surrender	Lapse	Partials	Other	Rs.	Other Rs.	Rs.	Other Rs.	
01-Oct																	
02-Oct																	
03-Oct																	
04-Oct																	
05-Oct																	
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01-Nov																	
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28-Nov																	
29-Nov																	
30-Nov																	
01-Dec																	
02-Dec																	
03-Dec																	
04-Dec																	
05-Dec																	

SEVENTH SCHEDULE
(Rule 25(1))

VALUATION ERROR REPORT TEMPLATE

The valuation error report should be made using the insurer's company letterhead and sent by registered post. The report should contain the following information:

1. The name of the LLTIB sub-fund and class(es) of units affected by the valuation error.
2. A description of the nature of the error (e.g. overvalued or undervalued) and the magnitude of error as a percentage of the net assets of the LLTIB sub-fund.
3. A calculation of the valuation error.
4. A description of when and how the valuation error was discovered.
5. Detailed reasons for the valuation error.
6. The name of the entities responsible for the valuation error.
7. The time period over which the valuation error occurred.
8. If compensation (i.e. valuation error represents 0.5% or more of the unit price of the LLTIB sub-funds) is required:
 - (a) the number of affected Mauritian policyholders (as recorded in the sub-fund register) who (i) subscribed; and (ii) redeemed, during the time period over which the valuation occurred, if any.
 - (b) the amount of compensation to be paid to (a) policyholders; and (b) the LLTIB sub-fund, if any.
9. The name of the entity that pays for the compensation.
10. A calculation of the total compensation to be paid.
11. A description of the measures taken, or to be taken, to improve internal controls and prevent the occurrence of similar incidents.