

# Bharti AXA Life Participating Policyholder Statement

## Features of Participating policy

In a participating policy, policyholder benefits comprise of guaranteed and non-guaranteed benefits. Non-guaranteed benefits are distributed in the form of bonuses to provide policyholders a reasonable share of profits earned on their policy.

Bonus distribution depends on economic (i.e. investment return, inflation) and non-economic (i.e. demographic, expenses) performance of the participating fund.

## Asset Share & Bonus supportability

Asset Share is a reference to determine the benefits payable to the policyholders in the participating fund. It represents the accumulated value of premiums and investment income less deductions towards policyholder benefits, expenses, etc. Expenses allowed are consistent with those used to demonstrate Benefit Illustrations (BIs) at the time of sale.

Asset share is used as a measure to determine the supportability of bonus rates. Company assesses its ability to meet future bonuses by ensuring that the Asset Share is sufficient to meet the expected present value of future benefits (including the future bonuses). The future bonuses are basis the expected future return.

## Policyholder return

Refer the Benefit Illustration issued at the time of policy issuance for expected return (Internal Rate of Return) of the policy. The past bonus letters can be referred for declared bonuses and future bonuses can be assessed from the benefit illustration and communication from the company on the same, if any.

## Appendix

1. The Company invests in various asset classes such as Government securities, Corporate bonds, Equity etc. in compliance with IRDAI (Actuarial, Finance and Investment Functions of Insurers) Regulations, 2024. Investment return earned in last one year (FY 2024-25) is:

Investment Fund	Investment Yield (With realised gains)
Par fund	8.31%
Par Pension fund	7.25%

2. Expenses allocated to Participating and Non-participating policies is as per the Board approved expense allocation methodology.
3. Funds for Future Appropriation (FFA) enables the Company to smooth bonus rates year on year particularly in volatile market conditions. As of 31 March 2025, Funds for Future Appropriation is INR 290.0crs in the participating funds.