

## IN THIS POLICY, THE INVESTMENT RISK IN INVESTMENT PORTFOLIO IS BORNE BY THE POLICY HOLDER

### Canara HSBC Oriental Bank of Commerce Life Retire Smart Plan

UIN –136L013V01

## TERMS AND CONDITIONS

### 1 DEFINITIONS AND INTERPRETATION

#### 1.1 Definitions

In this Policy, unless the context requires otherwise, the following words and expressions shall have the meaning ascribed to them respectively herein below:

**Age** means age at last birthday;

**Appointee** means the person named as such in the Policy Schedule, to receive the Death Benefit and give a valid discharge to the Company on behalf of the Nominee, in the event of death of the Life Assured during the minority of the Nominee;

**Authority** means the Insurance Regulatory and Development Authority or such other authority or authorities, as may be designated under the applicable laws and regulations as having authority to oversee and regulate life insurance business in India, or any other area that has an impact on the business of life insurance;

**Benefit** means the Death Benefit, Vesting Benefit, Rider Benefits (if any) and any other benefit, as may be applicable in terms of this Policy referred to collectively, as applicable, depending upon whether the Life Assured has chosen Plan Option I or Plan Option II, as specified in Clause 2.1 below;

**Business Day** means any day which is a working day for the Company's corporate office in Gurgaon and on which day the National Stock Exchange (NSE) is open for trading;

**Claimant** means the Policyholder or the assignees, the Appointee, Nominee or the legal heirs of the Policyholder who are entitled to claim the Benefits under this Policy;

**Company** means Canara HSBC Oriental Bank of Commerce Life Insurance Company Limited, a company incorporated under the provisions of the Companies Act, 1956 carrying on the business of life insurance in India;

**Death Benefit** means the benefits specified in Clause 2.1.1(a) and (b), payable by the Company, depending upon whether the Life Assured has chosen Plan Option I or Plan Option II;

**Financial Year** means a period of twelve (12) months commencing from April 01 each year and ending with March 31 of the following year;

**Fund Value** means at any point of time, the value of the Units held by the Policyholder, represented by the number of Units held in the Policyholder's unit account multiplied by their respective unit prices;

**Insurance Cover** means the risk cover specified in Clause 2.1.1 and Rider Benefit (if any) payable upon the Life Assured's death or any other event as covered under Rider Benefit, if any, during the Policy Term, if the Policy has been issued under Plan Option II;

**Life Assured** means the person named as such in the Policy Schedule on whose life this Policy has been effected;

**Maturity Switch Option** means the option as detailed in Clause 8.4;

**Net Asset Value ("NAV")** means the market value of investments held under the Unit Linked Fund plus or minus the expenses incurred in the purchase or sale of the assets (as the case may be) depending upon whether the Unit Linked Fund is a net buyer or seller of assets, plus the value of any current assets and any accrued income net of Fund Management Charges (including any applicable Service Tax thereon) less the value of any current liabilities and provisions, if any;

**Office** means any office established by the Company for servicing customers, except its registered office and corporate office;

**Plan Option I** means the Pure Pension Benefit Plan chosen by

the Life Assured under this Policy as at the Policy Commencement Date and accepted by the Company as indicated in the Schedule;

**Plan Option II** means the Pension with Life Cover Benefit Plan chosen by the Life Assured as at the Policy Commencement Date and accepted by the Company as indicated in the Schedule;

**Plan Options** means the benefit as per Plan Option I or Plan Option II as specified in Clause 2.1 below chosen by the Life Assured and accepted by the Company which shall be mentioned specifically in the Policy Schedule;

**Policy** means this Canara HSBC Oriental Bank of Commerce Life Retire Smart Plan, comprising, the Proposal, these terms and conditions, the Policy Schedule and any annexure attached to it (including any unit account statements or other correspondence issued by the Company), all of which shall form an integral part of the Policy;

**Policy Anniversary** means an annual anniversary of the Policy Commencement Date;

**Policy Commencement Date** means the date of commencement of the Policy as specified in the Policy Schedule;

**Policy Schedule** means the schedule attached to and forming part of this Policy;

**Policy Term** means the period between the Policy Commencement Date and the Vesting Date, as specified in the Policy Schedule;

**Policy Year** means a 12 calendar month period commencing from the Policy Commencement Date and ending on the day immediately preceding its Policy Anniversary and each subsequent period of twelve (12) consecutive months thereafter, during the Policy Term;

**Policyholder** means the person named as such in the Policy Schedule and who is the Life Assured under this Policy;

**Premium** means collectively the Single Premium or Regular Premium payable & Top-up premium paid, if any;

**Proposal** means the signed and completed proposal form provided by the Policyholder to the Company, along with all supporting information/documents enclosed therewith and which forms the basis upon which this Policy has been issued to the Policyholder by the Company;

**Redirection** means the facility allowing the Policyholder to modify the allocation of future Premium into the Unit Linked Funds in a different investment pattern from the option exercised previously, as specified in Clause 14;

**Regular Premium** means the premium specified as such in the Policy Schedule payable in regular installments as agreed between the Policyholder and the Company;

**Regulations** means the laws and regulations in effect from time to time and applicable to this Policy, including without limitation the regulations and directions issued by the Authority from time to time including re-enactments and/or amendments to such laws and regulations;

**Rider** means the supplementary or additional benefit coverage, if any, issued by the Company, attached to and forming part of this Policy;

**Rider Benefits** means the benefits payable under the Riders;

**Risk Commencement Date** means the date mentioned in the Policy Schedule, which shall be the later of (i) date of completion of all requirements for issuance of the Policy including underwriting acceptance by the Company's underwriters, if applicable; and (ii) date of realization of the proposal deposit by the Company;

**Single Premium** means premium paid along with the Proposal is a single lump sum payment with no obligation to pay any further Premiums during the Policy Term;

**Sum Assured** means the amount as mentioned in the Policy Schedule, which is applicable if the Life Assured has chosen Plan Option II as specified in Clause 2.1.1(b);

**Surrender Value** shall mean the Fund Value less applicable Surrender Charges as mentioned in Annexure 1 hereto;

**Top-up Premium** means any amount paid by the Policyholder under this Policy at irregular intervals in addition to the Single Premium or Regular Premium payable during the Policy Term;

**Unit** means a notional interest of the Policyholder representing a portion or a part of the Unit Linked Fund consisting of one (1) undivided share in the assets of the relevant Unit Linked Fund;

**Unit Price** means the price of the Units of each Unit Linked Fund arrived at by dividing the Net Asset Value of the Unit Linked Fund by the total number of outstanding Units in the Unit Linked Fund at that time;

**Vesting Age** means the age of the Life Assured on the Vesting Date;

**Vesting Benefit** shall have the meaning ascribed to in Clause 2.2;

**Vesting Date** means the date within the limits set out by the Company for this Policy chosen by the Life Assured and specified as such in the Policy Schedule or such other date chosen by the Life Assured as per the preponement/postponement options provided under Clause 13 of this Policy, on which the Vesting Benefits as mentioned in Clause 2.2 become payable.

## 1.2 Interpretation

This Policy is divided into numbered Clauses for ease of reference and reading. Except as stated, these divisions and the corresponding clause headings do not limit the Policy or its interpretation in any way. Unless the context requires otherwise, words of one gender shall include the other gender and the singular shall include the plural and vice versa and references to any statute include subsequent changes to that statute.

## 2. BENEFITS

Subject to the provisions contained herein and fulfillment of the terms and conditions of this Policy, the Company agrees to pay to the Claimant, the following Benefits on the happening of the events mentioned against each Benefit during the Policy Term.

### 2.1 Plan Options

**2.1.1** The proposer shall choose an option from among the two (2) Plan Options available under this Policy viz. Plan Option I or Plan Option II, at the time of proposing for insurance. Acceptance of a Plan Option chosen by the proposer shall be subject to underwriting guidelines of the Company. A Plan Option once chosen as at the Policy Commencement Date cannot be changed during the Policy Term. Subject to the other conditions of this Policy if the death of the Life Assured occurs on or before Vesting Date, following are the benefits payable as on the date of registration of the death claim of the Life Assured, subject to Clause 2.1.3 below, under Plan Option I and Plan Option II (as applicable):

- a) Plan Option I- (Pure Pension)- Subject to the terms and conditions of the Policy, if the Schedule indicates that the Policy has been issued under Plan Option I, then if the death of the Life Assured occurs on or after the Policy Commencement Date, the Company shall pay the Fund Value;
- b) Plan Option II (Pension with Life Cover) – Subject to the terms and conditions of the Policy, if the Schedule indicates that the Policy has been issued under Plan Option II, then if the death of the Life Assured occurs on or after the Risk Commencement Date, the Company shall pay the higher of the Fund Value and the Sum Assured.

**2.1.2** The Policy shall automatically terminate upon the payment of a Death Benefit under Clause 2.1.1(a) or (b).

**2.1.3** In respect of registration of death claim of the Life Assured received at the Office of the Company prior to 3.00 PM on any Business day, the closing NAV of the same day will be applied

for computation of the Fund Value. For registration of death claim of the Life Assured received at the Office of the Company post 3.00 PM on any Business day, the NAV declared on the next Business Day shall be applied for computation of the Fund Value.

## 2.2 Vesting Benefit

**2.2.1** If the Life Assured survives the Vesting Date and this Policy is in force on such date, the Fund Value as on the Vesting Date ("Vesting Benefit") is payable under the Policy to the Claimant. The Life Assured may choose any one of the following alternatives prior to the Vesting Date (in writing):

- a) Use the entire Vesting Benefit for purchase of annuity products offered either by the Company or any other annuity provider as may be permitted under the Regulations; or
- b) The Life Assured may opt to receive the maximum amount from the Vesting Benefit permitted to be commuted as per the then prevailing regulations as a lump sum payment, and use the remaining amounts (if any) for purchase of annuities as mentioned in Clause 2.2.1(a).

**2.2.2** If the Life Assured opts to use the Vesting Benefit to buy annuities from the Company or any other annuity provider, he shall, prior to the Vesting Date, indicate such option in writing to the Company specifying the name of such annuity provider. The Company shall make payment of the Vesting Benefit to such entity named in the Life Assured's request, subject to deduction of any amounts opted to be commuted by the Life Assured as per Clause 2.2.1(b). On such payment, all liabilities of the Company under this Policy shall cease.

**2.2.3** Any payment of Benefits under this Policy will be subject to applicable regulations including those on taxation, prevailing as on the relevant date.

## 2.3 Requirements for Vesting Benefit and Death Benefit Claims

In the event of a claim for Benefits arising under this Policy, the Claimant shall within sixty (60) days of the claim event, make a written intimation to the Company with the following documents:

### 2.3.1 In case of a claim for Vesting Benefit under Plan Option I

- a) Claim Intimation form;
- b) Policy document in original;
- c) Duly signed discharge voucher; and
- d) Written intimation as to whether the Life Assured intends to purchase annuities from the Company or any other life insurer named in such request, and whether the Life Assured intends to commute the Fund Value subject to the maximum permitted under the Regulations at that point in time.

### 2.3.2 In case of a claim for Death Benefit under Plan Option I & II

Claimant's statement, original Policy document, hospital treatment certificate, death certificate, attending physician's statement, employer's certificate, FIR, post mortem report, Claimant's ID proof and such other documents as required by the Company at the time of claim.

## 2.4 Special Features applicable to the Benefits

### 2.4.1 Loyalty Additions

At the end of the Policy Term, the Company shall credit the additional units in the Policyholder's unit account in the form of Loyalty Additions on the Vesting Age at the following rate:

- (i) Single Premium - 1.5%\* Single Premium paid;
- (ii) Regular Premium - 1.5%\* Annualized Regular Premium \* Premium Payment Term.

The Loyalty Additions shall be credited subject to:

- a) The Company has received all Premiums due till the Vesting Age; and
- b) Policy Term is more than Ten (10) years.

## 2.5 Mode of payment of Benefits

**2.5.1** All Benefits and other sums under this Policy shall be subject to the admission of the claim and shall be payable in the manner and currency permitted under the Regulations.

### 2.5.2 Discharge

Any discharge given by the Claimant, or by any person authorized by the Claimant in writing in respect of the Benefits or the sums payable under this Policy shall constitute a valid discharge to the Company in respect of such payment. The Company's liability under the Policy shall be automatically discharged on such payment.

### 2.6 Death during Grace Period

A grace period of thirty (30) days commencing from the due date of each Regular Premium due is provided under the Policy, during which the Policyholder may make payment of unpaid Regular Premium to keep the Policy and all the Benefits in force. If the Policy is issued under Plan Option II, the Benefit mentioned in Clause 2.1.1(b) shall be payable subject to deduction of applicable Mortality Charge due as on the date of death of the Life Assured.

## 3. REGULAR PREMIUM AND EFFECT OF DISCONTINUANCE OF PAYMENT OF REGULAR PREMIUM

### 3.1 Payment of Regular Premium

Regular Premium shall be payable during the Policy Term in the agreed amounts and frequency on or before the end of Grace Period corresponding to the due date specified in the Policy Schedule. If any Regular Premium is received before the due date, the Company shall keep such amount in an advance premium account and adjust such sum towards Regular Premium on the applicable Premium due date. The amounts in the advance premium account shall not be allocated into Units before the due date. All Regular Premiums shall, subject to deduction of applicable Charges as mentioned in Annexure 1 hereto, be allocated in the respective Unit Linked Funds as chosen by the Policyholder.

### 3.2 Discontinuance of Regular Premium after paying Premium due for at least three (3) consecutive Policy Years.

**3.2.1** If any due installment of Regular Premium is not paid within the Grace Period after paying the Regular Premium due for at least three consecutive Policy Years, the Policyholder may exercise any of the following options:

#### a) Revive the Policy

The Policyholder may, revive the Policy by paying all due unpaid installments of Regular Premium, during the Revival Period. During the Revival Period all Benefits (except the Loyalty Additions) under this Policy (including any Insurance Cover, as applicable if the Policy has been issued under Plan Option II) shall continue to apply and all the Charges shall continue to be deducted. The effective date of revival is the date when all the requirements under the Policy for revival are met, the application for revival is accepted and the same is communicated in writing by the Company to the Policyholder.

#### b) Surrender the Policy

The Policyholder may surrender the Policy. On surrender, the Surrender Value as on the date of the surrender shall be paid and the Policy shall stand terminated.

#### c) Auto Cover Continuance

The Policyholder may opt to continue the Insurance Cover under the Policy without paying further Regular Premium ("**Auto Cover Continuance**") by providing a written notice in this regard to the Company prior to expiry of the Revival Period. Where the Company has received a written request from the Policyholder opting for the Auto Cover Continuance option as mentioned in this Clause, then subject to Clause 3.4 hereof, the Policy shall remain in force for all the Benefits and options except Loyalty Additions.

**3.2.2** If the Policyholder does not exercise any of the above options by the end of the Revival Period, the Policy shall terminate as at the end of the Revival Period and the Surrender Value as on such date shall be payable.

**3.2.3** The Company shall continue levying all Charges as mentioned in Annexure 1 hereto, during the Revival Period, and during the Auto Cover Continuance period if opted for by the Policyholder.

### 3.3 Discontinuance of Regular Premium within three (3) Policy Years from the Policy Commencement Date.

**3.3.1** If any due installment of Regular Premium is not paid within the Grace Period during the first three years from the Policy Commencement Date, all Insurance Cover provided under Plan Option II shall cease immediately. The Policy in such case shall continue without any Benefits including Death Benefit and Loyalty Additions till the expiry of the Revival Period. During the Revival Period, all Charges (except the Mortality Charge as applicable under Plan Option II) shall continue to be deducted by the Company.

**3.3.2** Options available to the Policyholder after the Grace Period has elapsed during the Revival Period:

#### a) Revive the Policy

The Policyholder may, revive the Policy by paying all due unpaid installments of Regular Premium, during the Revival Period. The effective date of revival shall be the date when all the requirements under the Policy are met, accepted and communicated by the Company in writing. In the event of death of the Life Assured during the Revival Period, only the Fund Value as on the date of registration of the death claim of the Life Assured shall be payable (irrespective of whether the Policy was issued under Plan Option I or II).

#### b) Surrender the Policy

The Policyholder may surrender the Policy at anytime subject to Clause 12 provided that the Surrender Value shall only be payable after the end of the third (3rd) Policy Year. On Surrender, the Policy will terminate and cannot be revived thereafter.

**3.3.3** If the Policyholder does not exercise either of the above options by the end of the Revival Period, the Policy shall terminate as at the end of the Revival Period and the Surrender Value as on such date shall be payable.

**3.3.4** Unless the Policy is revived, the Life Assured shall not be entitled to make any payment of Top-up Premiums under the Policy during the Revival Period.

### 3.4 Auto termination of Policy

#### 3.4.1 Single Premium

In case of Single Premium policies, notwithstanding any other Clause herein, at anytime during the Policy Term, post completion of three (3) Policy Years from the Policy Commencement Date, if the Fund Value falls below the equivalent of 1/5th times of the Single Premium at the time of deduction of the Charges, the Fund Value shall be payable to the Life Assured and the Policy shall be automatically terminated.

#### 3.4.2 Regular Premium

In case of Regular Premium Policies, notwithstanding any other Clause herein, at anytime during the Policy Term, post completion of three (3) Policy Years from the Policy Commencement Date, if the Fund value falls below the equivalent of one annualized Regular Premium at the time of deduction of the Charges, the Fund Value shall be payable to the Life Assured and the Policy shall be automatically terminated.

## 4. REVIVAL OF POLICY

**4.1** The Revival Period is Two (2) years from the due date of the first unpaid installment of Regular Premium.

**4.2** Subject to the approval of the Company and the prevailing rules of the Company pertaining to revival, the Policy may be revived within the earlier of (i) end of the Revival Period or (ii) the Vesting Date or (iii) the termination of the Policy as per the terms and conditions, provided:

(i) No claim for Benefits has arisen under the Policy;

(ii) A written application for revival is received from the Policyholder by the Company, together with the revival charge as specified in Annexure 1 and other documentation as may be requested by the Company;

(iii) All due installments of unpaid Regular Premium to revive this Policy are received by the Company in full;

**4.3** Notwithstanding anything to the contrary contained elsewhere in this Policy, the Company reserves the right to revive the

Policy either on its original terms and conditions or on such other or modified terms and conditions as the Company deems fit, or to reject the revival. The decision of the Company in this regard shall be final and binding on the Policyholder. The revival shall be effective from the date when the Company specifically communicates the same in writing to the Policyholder.

- 4.4** Units against Premium received for revival shall be allocated on the basis of the NAV applicable on the later of the following two (2) dates (i) date of acceptance of the revival application by the Company's underwriters; and (ii) date of realization of all the due installments of Premium paid for revival to the Company.

**5. TOP-UP PREMIUM**

- 5.1** The Policyholder may at any time during the Policy Term pay one or more Top-up Premiums, subject to a minimum of Rs.2000/- or such other amount fixed by the Company, subject to the following conditions:

- 5.1.1** The receipt of Top-up Premium by the Company will not alter the Sum Assured, if the policy is issued under Option II.

- 5.1.2** All due installments of Regular Premium till the date of the payment of the Top-up Premium have been received in full by the Company.

- 5.2** Top-up Premium, as reduced by the applicable Charges, shall be invested in the Unit Linked Fund(s) chosen by the Life Assured in the allocation percentage specified. Life Assured is mandatorily required to specifically mention allocation of Top-up Premiums in Top-up request form.

**6. UNIT ACCOUNT, UNIT STATEMENT AND ANNUAL STATEMENT**

- 6.1 Unit Account:** For the purpose of this Policy, the Company will maintain an account called the Unit Account, to which the Premiums received from the Policyholder under this Policy, shall be credited in the respective Unit Linked Funds in the proportion as chosen by the Policyholder, net of applicable Charges. The amount so credited shall be utilized for purchase of Units at the applicable NAV in the Unit Linked Fund offered by the Company under this Policy.

- 6.2 Unit Statement:** The Company shall issue to the Policyholder, a unit statement showing the details of Units held and particulars of credits and debits in respect of the Unit Account on every Policy Anniversary as well as whenever a transaction in the nature of receipt of Regular Premium, Top-up, or payment of Benefits takes place. The Policyholder may authorize the Company to send the unit statement on e-mail and the statement sent to such e-mail id of the Policyholder provided to the Company shall be considered as a valid discharge of the Company's obligations under this Clause.

- 6.3 Annual Report:** The Company shall also issue an annual report covering the performance of the Unit Linked Fund during the preceding financial year in relation to the economic scenario and market developments including particulars like investment strategies and risk control measures, changes in interest rates, tax rates, etc affecting the investment portfolio.

**7. CHARGES**

- 7.1** Subject to the other terms and conditions mentioned herein, during the Policy Term, the Company shall levy the Charges as detailed in Annexure 1. The Company reserves the right to revise the Charges, with the prior approval of the Authority, subject to the maximum limits mentioned against each Charge in Annexure 1 hereto. All Charges mentioned herein are subject to applicable taxes and levies (present or future), including service tax, which shall be borne by the Policyholder.

- 7.2** All Charges, other than the Fund Management Charges and the Premium Allocation Charges, shall be recovered by cancellation of required number of Units from the respective Unit Linked Fund on the date on which such Charges fall due. Fund Management Charge shall be recovered by adjusting the Unit Price. Premium Allocation Charge shall be recovered by deduction from the amount of the Premium or Top-up Premium received prior to allocation of the Premium into Units.

**8. UNIT LINKED FUND**

- 8.1** The Company may from time to time, with the prior approval of the Authority, introduce, modify, amend or consolidate Unit Linked Fund(s) and offer such Unit Linked Fund (s) to the

Policyholder. The Unit Linked Fund(s) offered by the Company as at the Policy Commencement Date and the indicative portfolio allocations and risk profiles of the Unit Linked Fund(s) are as follows:

**1. Equity II Fund**

Assets	Minimum	Maximum	Risk Profile	Objective
Equity	60%	100%	High	Generate long-term capital appreciation from active management of a portfolio invested in diversified equities.
Money Market	Nil	40%		

**2. Growth II Fund**

Assets	Minimum	Maximum	Risk Profile	Objective
Equity	50%	90%	Medium to High	Achieve capital appreciation by investing predominantly in equities, with limited investment in Fixed Income Securities
Debt Securities	10%	50%		
Money Market	Nil	40%		

**3. Balanced II Fund**

Assets	Minimum	Maximum	Risk Profile	Objective
Equity	30%	70%	Medium	Generate capital appreciation and current income, through a judicious mix of investments in equities and fixed income securities.
Debt Securities	30%	70%		
Money Market	Nil	40%		

**4. Debt Fund**

Assets	Minimum	Maximum	Risk Profile	Objective
Debt Securities	60%	100%	Low to Medium	Earn regular income by investing in high quality Debt securities.
Money Market	Nil	40%		

**5. Liquid Fund**

Assets	Minimum	Maximum	Risk Profile	Objective
Debt Securities	Nil	60%	Low	Generate reasonable returns commensurate with low risk and a high degree of liquidity.
Money Market	40%	100%		

\* Debt Securities in Liquid Fund shall comprise of only short term securities.

- 8.2** Subject to investment norms and policies of the Company in effect from time to time and applicable Regulations, the Company shall have the discretion to select the investments and/or make the investments under each Unit Linked Fund, having regard to the investment objectives of the respective Unit Linked Fund. Subject to as aforesaid, the Company shall have absolute discretion to formulate its investment policies and make investments and to deal with all matters in relation to the Unit Linked Funds. The Company shall have absolute legal and beneficial ownership of all investments and assets of the Unit Linked Fund (s).

**8.3** The Company may also at its discretion, subject to prior approval of the Authority and the Policyholder close or discontinue any of the Unit Linked Funds on the happening of events including but not limited to extreme volatility of markets, which in the opinion of the Company warrants such discontinuance or closure. In the event of closure or discontinuance of any Unit Linked Fund, the Company shall give the Policyholder prior notice stating the Company's intention to discontinue or close a Unit Linked Fund. In case of a discontinuance or closure of Unit Linked Funds as mentioned above, the Company shall provide the Policyholder the option of switching to other Unit Linked funds offered by the Company free of cost, and such options may be exercised by the Policyholder within the time limits provided by the Company. In the event of a Policyholder not exercising his option to switch to another Unit Linked Fund, the Company shall be entitled to switch the Funds to another Unit Linked Fund at its discretion, subject to prior approval from the Authority.

#### **8.4 Maturity Switch Option**

- (i) The Life Assured may at any time during the Policy Term, opt for Maturity Switch Option, by writing to the Company, which request shall be effective from the Business Day immediately following the date of receipt of such request by the Company.
- (ii) If the Maturity Switch Option is exercised by the Life Assured, the Life Assured expressly authorizes the Company to allocate hundred percentage (100%) of the Units in the Life Assured's Unit Account initially into the Equity II Fund. The Company will gradually transfer the Units from the Equity Fund, which is a higher risk Unit Linked Fund to the Liquid Fund, which is a lower risk Unit Linked Fund, starting five (5) Policy Years prior to the Vesting Date.
- (iii) The right of Redirection of Premium cannot be exercised when the Maturity Switch Option is in force. Under this option, the Life Assured will not be allowed to change the allocation percentages of the Premium received in the Unit Linked Funds under this Policy, unless the Life Assured opts out of Maturity Switch Option by making a request to this effect in writing, to the Company.
- (iv) Investment risk relating to the fluctuations of Unit Price will continue to remain with the Life Assured.
- (v) An indicative grid showing how the Units will be reallocated between Equity II Fund and Liquid Fund is shown below:

<b>Policy Year (B.O.Y)</b>	<b>Equity II Fund allocation percentage%</b>	<b>Liquid II Fund allocation percentage%</b>
Policy Commencement up to T-5	100	0
Policy Term-4	80	20
Policy Term-3	60	40
Policy Term-2	40	60
Policy Term-1	20	80
Policy Term	0	100

Note: T-Policy Term;  
B.O.Y.- Beginning of Year

- (vi) Under this option, the existing Fund Value, as well as future Premiums including Top-Up Premiums will be automatically allocated to applicable allocation percentages as mentioned above.
- (vii) The Maturity Switch Option may be exercised or discontinued by the Life Assured at any time during the Policy Term, each such entry and exit being treated by the Company as a Switch, with Switching Charges being levied, if applicable at the rates mentioned in Annexure 1 hereto.

#### **9. RISK FACTORS**

**9.1** This Policy is issued on the express understanding that the investments are subject to the following risks among others and the Policyholder has opted for this Policy with full knowledge of such risks:

- (i) The name of the Unit Linked Fund does not in any manner indicate the quality of the Unit Linked Fund or its future prospects or returns. The Unit Linked Fund does not offer any guarantee or assure any guaranteed return.

- (ii) Investments in Units are subject to market and other risks. Investment risk in investment portfolio is borne by the Policyholder. There is no assurance that the objects of the Unit Linked Fund will be achieved.

- (iii) The Unit Price of the Units may fluctuate depending on factors and forces affecting the capital markets and the level of interest rates prevailing in the market.

- (iv) Past performance of the Unit Linked Fund and other plans of the Company are not indicative of future performance of any of these Unit Linked Funds.

**9.2** All Benefits payable under this Policy are subject to tax laws and other fiscal enactments in effect from time to time.

#### **10. UNITS**

**10.1** The Units shall have a nominal value of Rupees ten (Rs. 10/-) each at the inception of the Unit Linked Fund. The Units shall be purchased and cancelled at Unit Price. The Unit Price shall be computed to three (3) decimal points. Units will be allocated up to four (4) decimal points. The Unit Price will be declared as soon as may be possible after close of every Business Day.

#### **10.2 Allocation of Units**

- (i) Units against the Premium received by the Company at inception shall be allocated on the Policy Commencement Date after deduction of applicable Charges.

- (ii) Allocation of Units against subsequent Regular Premium and Top-up Premium (if any) duly accompanied by a completed Top-up request application form, shall be made on the basis of the closing NAV of the following dates:

- a) Closing NAV of the same day in case of payments by local cheques or demand drafts received at the Office of the Company at or before 3.00 PM on any Business Day.
- b) Closing NAV of the subsequent Business Day in case of payments received by local cheques or demand drafts at the Office of the Company post 3.00 PM on any Business Day.
- c) Closing NAV of the date of realization by the Company in case of payments made by outstation cheques or through ECS, Standing Instructions and Auto Debits.

All requests for Surrenders, Switches, Top-up's, Maturity Switch Option and all intimations pertaining to claim of Benefits shall be in writing, submitted at any of the Company's Offices. In case of Switch, Maturity Switch Option or Surrender requests received at the Company's Office prior to 3.00 PM on any Business Day, the same would be processed based on the closing NAV of that day. The closing NAV of the next Business Day would be applied in case of all requests received at the Company's Offices after 3.00 PM on any Business Day.

The closing NAV of the next Business Day would be applied in case of all requests received at the Company's Offices after 3 PM on any Business Day.

- (iii) The above cut-off timings are as per regulations prevailing on the Policy Commencement Date, which can change from time to time subject to change in regulations.

#### **10.3 Computation of Net Asset Value**

Net Asset Value shall be calculated on all Business Days in accordance with the Authority's guidelines in force from time to time. As per the guidelines of the Authority prevailing on the Policy Commencement Date, Net Asset Value will be calculated as follows:

- (i) Appropriation price computed as market value of investment held by the Unit Linked Fund plus the expenses incurred in the purchase of the assets plus the value of any current assets plus any accrued income net of Fund Management Charges less the value of any current liabilities less provisions, if any, is applied when the Unit Linked Fund is a net buyer of assets.

- (ii) Expropriation price computed as market value of investment held by the Unit Linked Fund less the expenses incurred in the sale of assets plus the value of any current assets plus any accrued income net of Fund Management Charges less the value of any current liabilities less provisions, if any, is applied when the Unit Linked Fund is a net seller of assets:.

#### **10.4 Valuation of Unit Linked Funds**

The calculation made by the Company in regard to the valuation of its Unit Linked Fund is final and binding for all purposes except in case of manifest error. The valuation of assets of the Unit Linked Fund shall be made as per the applicable Regulations and valuation norms of the Company in effect from time to time.

#### **11. AGE ADMISSION**

The Age of the Life Assured has been admitted on the basis of the declaration made by the Policyholder in the Proposal and/or in any statement, supporting document/proof provided in this regard. If the Age of the Life Assured is found to be different from that declared, the Company may, adjust the Regular Premium and/or the Benefits under this Policy and/or recover the additional amounts, if any, as it deems fit. This Policy shall however become void from the Policy Commencement Date, if the Age of the Policyholder at the Policy Commencement Date is found to be higher than the maximum or lower than the minimum entry Age that was permissible under this Policy at the time of its issue and the Fund Value if any, shall be returned to the Policyholder subject to deduction of applicable Charges.

#### **12. SURRENDER VALUE AND SURRENDER**

**12.1** The Policyholder may during the Policy Term, surrender this Policy at any time by giving a notice in writing to this effect to the Company. The Company shall on receipt of a duly signed request for Surrender:

- (i) If the request for Surrender is received before completion of the third (3rd) Policy Year, cancel the Units immediately, close the unit account and pay the Surrender Value, if any to the Policyholder at the end of the third (3rd) Policy Year. Once the Units are cancelled, the Surrender Value shall not thereafter vary based on the performance of the Unit Linked Fund and will remain constant till it is paid out;
- (ii) If the request for Surrender is received after completion of the third (3rd) Policy Year the Company shall terminate the Policy and pay the Surrender Value immediately.

**12.2** On Surrender Value payment being made by the Company, the Policy shall terminate immediately and the Company will be relieved and discharged from all obligations under the Policy.

#### **13. REVIEW OF VESTING DATE**

**13.1** From the beginning of the 5th Policy Year subject to three (3) full annual Regular Premiums being paid under the Policy, the Life Assured may opt to prepone or postpone the existing Vesting Date provided:

- (i) The request for preponement is received by the Company at least three (3) months before the new Vesting Date;
- (ii) The request for postponement is received by the Company at least three (3) months before the existing Vesting Date;
- (iii) The new Vesting Age shall be between forty five (45) and seventy (70) years;
- (iv) The option for changing the Vesting Date (including both preponement and postponement) can be exercised only twice during the Policy Term.

**13.2** In case of preponement or postponement of the Vesting Date by the Life Assured, the Insurance Cover, if the Policy has been issued under Plan Option II shall cease at earlier of (i) the original Vesting Date mentioned in the Policy Schedule; and (ii) the revised Vesting Date(s). For removal of doubt, it is clarified that the Insurance Cover shall not be extended beyond the original Vesting Date by exercising this option and if the Life Assured dies after the original Vesting Date, but before the revised Vesting Date, only the Fund Value, as at the date of notification of death to the Company is payable to the Nominee.

**13.3** In case of postponement of the Vesting Age as per Clause 13.1, above, Regular Premiums shall be payable till the revised Vesting Date. However, no Mortality Charges shall be deducted by the Company after the lower of the original and the revised Vesting Dates.

**13.4** The following charges shall continue to be deducted in case of postponement of Vesting date:

(i) Mortality charge (if applicable), (ii) Allocation charges (if applicable) (iii) Policy Administration Charges, (iv) Fund Management Charges, and (v) Switching Charge.

**13.5** Options under Clause 13 is not available in case Life Assured has opted for Single Premium option with Policy Term of 5 years.

#### **14. REDIRECTION**

**14.1** The Policyholder shall have the option to redirect the allocation of future Regular Premium into one or more Unit Linked Funds available for investment in a different investment pattern from the option exercised previously. Redirection can be exercised from the second (2nd) Policy Year by the Policyholder only once during each Policy Year, and will be effected on the date of receipt of a written request from the Policyholder by the Company.

**14.2** Requests for Redirection shall be made by duly completing the forms prescribed by the Company in this regard, and delivering the same at the Offices of the Company.

#### **15. SWITCHING**

**15.1** The Policyholder may change the investment pattern of the available unit account by shifting from one Unit Linked Fund to another (in whole or in part).

**15.2** The minimum amount requested to be switched or value of Units requested to be switched shall be Rupees Ten Thousand (Rs. 10,000/-). Requests for switching may indicate the percentage of Units in the respective funds to be switched or the amount representing the value of Units to be switched. Six (6) Switches per annum shall be availed free of cost and unused free Switches in a Policy Year cannot be carried forward to the next Policy Year.

**15.3** Requests for switching shall be made by duly completing the forms prescribed by the Company in this regard, and delivering the same at the Offices of the Company.

#### **16. OWNERSHIP OF THIS POLICY**

**16.1** All options, rights and obligations under this Policy vest with the Policyholder, and shall be discharged by the Policyholder.

**16.2** If the Nominee named in the Policy Schedule predeceases the Life Assured during the Policy Term, the Policyholder shall name any other person as the Nominee under this Policy, and such person shall have the same rights in respect of this Policy as the Nominee originally named in the Policy Schedule.

**16.3** The Policyholder shall also name an Appointee to receive the Benefits, if payable under this Policy on behalf of the Nominee during the minority of the Nominee and to give a discharge in respect of such Benefits to the Company.

#### **17. ASSIGNMENT AND NOMINATION**

##### **17.1 Assignment**

This Policy cannot be assigned.

##### **17.2 Nomination**

The Policyholder may, at any time during the currency of this Policy, make a nomination for the purpose of payment of the Death Benefits, in the event of the Life Assured's death. Any change of nomination, which may be effected before the termination of the Policy shall also be communicated to the Company. The change in nomination shall come into effect from the date on which the Company endorses such change in the Policy Schedule.

In the event of a Nominee dying prior to the Death Benefit becoming payable under this Policy, the Death Benefit shall be paid to the legal heirs of the deceased Policyholder in accordance with the applicable law. Any payment made by the Company in good faith to such surviving Nominees or the legal heirs of the deceased Life Assured shall discharge the Company fully of its liability to make payment of Death Benefit under this Policy.

#### **18. GENERAL CONDITIONS**

##### **18.1 No Participation in surplus or profits**

This Policy does not confer any rights on the Policyholder to participate in surplus or profits of the Company.

## **18.2 Review, revision**

The Company reserves the right to review, revise, delete and / or alter any of the terms and conditions of this Policy, including without limitation the Benefits, the Charges other than those charges which are specifically stated to remain unchanged in this Policy, the method, manner and timing of levy or recovery of the Charges or valuation of the investments and / or assets of the Unit Linked Fund and / or determination of the Unit Price, with the prior approval of the Authority. The terms of this Policy shall also stand modified from time to time, to the extent of changes to the Regulations affecting the terms and conditions of this Policy.

## **18.3 Suicide exclusion**

If the Life Assured commits suicide for any reason, while sane or insane, within one (1) year from the Risk Commencement Date or within one (1) year from the date of revival of the Policy, no Death Benefit shall be payable under the Policy and only the Fund Value as on the date of registration of the death claim with the Company shall be payable.

## **18.4 Loans**

No loans will be admissible under this Policy.

## **18.5 Forfeiture**

In issuing this Policy, the Company has relied on the accuracy and completeness of information provided by the Policyholder and any other declarations or statements made or as may be made here after by the Policyholder in the Proposal form. Subject to the provisions of the applicable Regulations, including Section 45 of the Insurance Act, 1938, in the event any such information, declaration or statement is found to be false or incorrect or any material information is found to be withheld or misrepresented, the Company shall be entitled to terminate this Policy. The Company shall in such a case cease to be liable for payment of any Benefits under this Policy and may at its option forfeit the Fund Value under the Policy in its favour.

## **18.6 Release and discharge**

The Policy will terminate automatically on payment of the Death Benefits or the Vesting Benefits or the Surrender Value, as the case may be, and the Company will be relieved and discharged from all obligations under this Policy thereafter.

## **18.7 Limitation of Liability**

Except in the case of a claim for Death Benefit, the maximum liability of the Company under this Policy shall not, in any circumstances, exceed the Fund Value. The maximum liability of the Company under this Policy shall not, in any circumstance, exceed the aggregate amount of the relevant Benefits payable hereunder.

## **18.8 Grievance Redressal / Complaints**

The contact details and procedure to be followed in case of any grievance in respect of this Policy is provided in the document titled as "Complaint Redressal" annexed herewith.

## **18.9 Taxes, duties and levies**

It shall be the sole responsibility of the Policyholder/Claimant to ensure compliance with all applicable provisions of the Regulations, including taxation laws, and payment of all applicable taxes in respect of the Premium and Benefits or other payouts made or received by the Policyholder/Claimant under this Policy and the Company does not accept any liability or responsibility in this regard. Except as may be specifically required by the Regulations, the Company shall not be responsible for any tax liability arising in relation to this Policy, the Premium payable or the Benefits or other payouts made in terms of this Policy. The Company shall be entitled to deduct such amounts towards taxes, duties or such other levies as may be required from any sum received by it or payable under this Policy, and deposit the amount so deducted with the appropriate government or regulatory authorities.

## **18.10 Disclosure of Information**

If the Policyholder or Nominee or anyone acting for any of them or with their knowledge makes any misleading, false or fraudulent claim then the Company shall be entitled to terminate this Policy forthwith and shall also be entitled to forfeit the Premiums paid, Fund Value and all benefits payable hereunder in its favour.

## **18.11 Fraudulent Claims**

If the Policyholder or Nominee anyone acting for any of them or with their knowledge makes any misleading, false or fraudulent claim then the Company shall be entitled to terminate this Policy forthwith and shall also be entitled to forfeit the Premiums paid, Fund Value and all Benefits payable hereunder in its favour.

## **18.12 Delivery of Policy Documents**

The Company shall dispatch the Policy documents to the Policyholder at the address for correspondence provided by the Policyholder in the Proposal through courier or post (ordinary/registered/speed post), and the same shall be deemed to have been delivered to the Policyholder within 10 days from the date of dispatch by the Company, unless the same is returned undelivered to the Company for any reason. Pursuant to the above dispatch, on the Company receiving 'Proof of Delivery' purportedly signed by the Policyholder, the same shall be conclusive proof of delivery of the policy documents to the Policyholder. In case the policy documents are returned undelivered, the Company may attempt to have the same delivered to the Policyholder through such alternative means as it deems fit.

## **18.13 Loss of Policy Document – Issue of Duplicate**

The Company will replace a lost Policy document when satisfied that it is lost. However, the Company reserves the right to make such investigations into and to call for such evidence of the loss of the Policy document, at the Policyholder's expense, as the Company considers necessary before issuing a duplicate Policy document. The Company has the right to charge a fee for the issue of a duplicate Policy. It is hereby understood and agreed that Policyholder will protect the Company and hold the Company harmless against any claims, costs, expenses, awards or judgments arising out of or howsoever connected with the original Policy or arising out of issuance of duplicate Policy.

## **18.14 Electronic Transactions**

In conducting electronic transactions, for and in respect of this Policy you shall adhere to and comply with all such terms and conditions as prescribed by the Company. Such electronic transactions are legally valid and shall be binding on the Policyholder.

## **18.15 Entire Contract**

This Policy comprises the terms and conditions set forth in this Policy document, the Policy Schedule and the Annexure applicable to this Policy and the endorsements, if any, made on or applicable to this Policy, which shall form an integral part and the entire contract, evidenced by this Policy. The liability of the Company is at all times subject to the terms and conditions of this Policy and the endorsements made from time to time. In the event of any inconsistency between the terms and conditions set forth in this Policy document and the terms and conditions set forth in any other document, the terms and conditions set forth in this Policy shall prevail.

## **18.16 Governing Law and Jurisdiction**

This Policy shall be governed by and interpreted in accordance with the laws of India.

## **18.17 Section 45 of the Act**

No policy of life insurance effected before the commencement of this Act shall, after the expiry of two (2) years from the date of commencement of this Act and no policy of life insurance effected after the coming into force of this Act shall, after the expiry of two (2) years from the date on which it was effected, be called in question by an insurer on the ground that a statement made in the proposal for insurance or in any report of a medical officer, or referee, or friend of the insured, or in any other document leading to the issue of the Policy, was inaccurate or false, unless the insurer shows that such statement was on a material matter or suppressed facts which it was material to disclose and that it was fraudulently made by the Policyholder and that the Policyholder knew at the time of making it that the statement was false or that it suppressed facts which it was material to disclose. Provided that nothing in this section shall prevent the insurer from calling for proof of Age at any time if it is entitled to do so, and no policy shall be deemed to be called in question merely because the terms of the Policy are adjusted on subsequent proof that the Age of the Policyholder was incorrectly stated in the Proposal.

### ANNEXURE 1: CHARGES

- (i) **Mortality Charge** shall be levied on monthly basis by way of cancellation of Units. The Mortality Charge shall apply on the sum at risk which shall be computed as follows:

Sum at risk = maximum of (Sum Assured – Fund Value, 0)

The rates of Mortality Charge applicable are shown in Annexure 2. These rates would remain unchanged during the entire Policy Term and would be applicable only if the Policy is issued under Plan Option II.

- (ii) **Premium Allocation Charge** is a percentage of the Premium received and is charged at the time of receipt of the Premium. Premium Allocation Charge is as follows, which shall remain unchanged during the entire Policy Term:

Regular Premium	
Policy Year	Premium Allocation Charge as a percentage of the Regular Premium
1st Policy Year	15%
2nd Policy Year	8%
3rd Policy Year	6%
4th to 7th Policy Year	2%
8th Policy Year onwards	NIL

Single Premium	
Policy Year	Premium Allocation Charge as a percentage of the Single Premium
5th to 9th Policy Year	3.75%
10th Policy Year onwards	2.50%
Top-Up Premium (applicable for both Single & Regular Premium)	
2% of the such Top-up premium	

- (iii) **Fund Management Charge** is expressed as a percentage of Fund Value and is levied at the time of computation of the NAV by adjusting the Unit Price. Mentioned below is the current rates of Fund Management Charge for each of the Unit Linked Fund(s), which may be revised by the Company from time to time with the prior approval of the Authority, subject to a maximum of 1.35% per annum for each Unit Linked Fund:

Unit Linked Funds	Fund Management Charge
Equity II Fund	1.35% per annum
Growth II Fund	1.20% per annum
Balanced II Fund	1.10% per annum
Debt Fund	1.00% per annum
Liquid Fund	0.80% per annum

- (iv) **Policy Administration Charge** is expressed as a fixed amount and shall be charged on monthly basis during the Policy Term by cancellation of Units. The current Policy Administration Charge is as follows:

The Policy Administration Charge levied by the Company for the Financial Year 2009-10 shall be Rupees Eighteen (Rs. 18/-) per month. Policy Administration Charge levied by the Company shall increase at the rate of five percent (5%) on the existing charges effective April 1, each year. The rate of Policy Administration Charge prevailing on the Policy Commencement Date shall be applicable to a Policy during its first (1st) Policy Year. Thereafter the Policy Administration Charge at the increased rates shall be applicable to such Policy effective from each Policy Anniversary.

The Company may revise the Policy Administration Charge mentioned above with the prior approval of the Authority, subject to a maximum of Rupees five thousand (Rs. 5000/-) per Policy Year.

- (v) **Revival Charge** is levied by the Company at the time of Revival of the Policy. The Company shall Charge a sum of Rupees two hundred fifty (Rs.250/-) per revival, which may be revised by the Company with the prior approval of the Authority, up to a maximum of Rupees five hundred (Rs. 500/-) per revival.

- (vi) **Switching Charge** is levied on switching of Units from one Unit Linked Fund to another.

The current rate of Switching Charge levied by the Company is as follows:

Number of Switches	Charge per Switch
0 to 6 in a Policy Year	NIL
Above 6 in a Policy Year	Rs 250 per Switch

Switching Charge may be revised by the Company with the approval of the Authority, up to a maximum of Rupees five hundred (Rs. 500/-) per Switch.

- (vii) **Surrender Charge** is expressed as a percentage of the Fund Value. Surrender Charge is as follows:

Regular Premium	
Premiums paid	Surrender Charge as % of Fund Value
If up to one full Policy Year's Premium has been paid	90%
If more than one full Policy Year's Premium but up to two full Policy Year's Premiums has been paid	60%
If more than two full Policy Year's Premiums but up to three full Policy Year's Premiums has been paid	40%
If more than three full Policy Year's Premiums but up to four full Policy Year's Premiums has been paid	30%
If any Premium due in the Fifth Policy Year has been paid	NIL

Single Premium	
Surrender request made in Policy Year	Surrender Charge as % of Fund Value
1	8%
2	6%
3	4%
4	2%
5	NIL

Notwithstanding what is mentioned in the table above, there shall not be any Surrender Charges for a surrender request received by the Company post completion of at least 5 Policy Years.

Taxes on the above Charges, as applicable from time to time, shall be borne by the Policyholder.



**ANNEXURE 2 : MORTALITY CHARGES - For Plan Option II  
(Pension with Life Cover)**

**Mortality Charges for Plan Option II  
(Pension with Life Cover) are applicable  
as per following table:**

<b>Age</b>	<b>Male</b>	<b>Female</b>
18	0.92	0.77
19	0.96	0.82
20	1.00	0.87
21	1.03	0.92
22	1.06	0.96
23	1.09	1.00
24	1.11	1.03
25	1.13	1.06
26	1.15	1.09
27	1.16	1.11
28	1.17	1.13
29	1.17	1.15
30	1.17	1.16
31	1.17	1.17
32	1.20	1.17
33	1.25	1.17
34	1.31	1.17
35	1.39	1.2
36	1.48	1.25
37	1.59	1.31
38	1.72	1.39
39	1.87	1.48
40	2.05	1.59
41	2.25	1.72
42	2.42	1.87
43	2.6	2.05
44	2.83	2.25
45	3.11	2.42
46	3.44	2.60
47	3.82	2.83
48	4.24	3.11
49	4.72	3.44
50	5.24	3.82
51	5.82	4.24
52	6.44	4.72
53	7.12	5.24
54	7.84	5.82
55	8.61	6.44
56	9.43	7.12
57	10.29	7.84
58	11.03	8.61
59	11.95	9.43
60	13.07	10.29
61	14.39	11.03
62	15.90	11.95
63	17.61	13.07
64	19.52	14.39
65	21.62	15.90
66	22.72	17.61
67	25.62	19.52
68	28.82	21.62
69	32.37	22.72
70	36.29	25.62

The rates mentioned above are the standard mortality rates offered by the Company in respect of this plan. In case this policy has been issued pursuant to "Revised Terms" made by the Company to the Policyholder, the mortality charges mentioned in such "Revised Terms" shall be applicable to this Policy in supersession of the rates mentioned above.