

“IN THIS POLICY, THE INVESTMENT RISK IN THE INVESTMENT PORTFOLIO IS BORNE BY THE POLICYHOLDER”

POLICY DOCUMENT

This Policy is issued on the basis of the information given by the Policyholder in the Proposal Form, which is incorporated herein.

1) Definitions:

The following terms shall have the meaning assigned to them as below. The singular includes the plural and references to the male include the female where the context so permits:

- a. **“Age”** means Age at last birthday.
- b. **“Business Day”** means the common working day of the Corporate Office of the Company.
- c. **“Charges”** means the charges applicable to this Policy as detailed in Section 31 and Section 32 below.
- d. **“Company”** means BAJAJ ALLIANZ LIFE INSURANCE COMPANY LIMITED.
- e. **“Current Assets”** includes cash balance, bank Fixed Deposits and CDs, commercial papers, accrued investment income (not due and due but not received) and other receivables if any.
- f. **“Current Liabilities and Provisions”** includes brokerage, stamp duty, custodial and Fund accounting expenses payable, any tax liability imposed by law and other amounts payable, if any, from the Fund.
- g. **“Date of Commencement of Risk”** means the Policy Commencement Date as specified in the Schedule unless the Company informs the Policyholder otherwise.
- h. **“Fund”** means separately identifiable investment linked funds set up by the Company and specified in the Schedule of Investment Funds.
- i. **“Guaranteed Maturity Value”** means the minimum amount of Maturity Benefit as appearing in the Schedule.
- j. **“IRDA”** means the Insurance Regulatory & Development Authority, which is the regulatory body for Insurance in India
- k. **“Life Assured”** means the person named in the Schedule whose life is assured under this Policy.
- l. **“Maturity Date”** means the date specified in the Schedule on which the Maturity Benefit as specified per Section 4)b) below shall become payable to the Policyholder.
- m. **“Nominee”** means the person specified in the Schedule who has been nominated in writing to the Company by the Policyholder who is entitled to receive the benefits upon the death of the Life Assured as mentioned in Section 4)a) .
- n. **“Policy”** means the arrangements established by this Policy Document.
- o. **“Policy Anniversary”** means the date corresponding numerically (in day & month) with the Policy Commencement Date in each subsequent year during the Policy Term.
- p. **“Policy Commencement Date”** means the date of commencement of the Policy as specified in the Schedule.
- q. **“Policy Document”** means this policy wording, the Schedule and the Proposal Form.
- r. **“Policyholder”** means the person, who is a major, named in the Schedule who has concluded the Policy with the Company.

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- s. **“Policy Term”** means the period between the Policy Commencement Date and the Maturity Date as specified in the Schedule.
- t. **“Policy Year”** means the year commencing on the Policy Commencement Date or any Policy Anniversary thereof.
- u. **“Premium Allocation Rate”** means the rate specified in the Schedule, which is 100% less Premium Allocation Charge per Section 31d) and is applied on the Single Premium paid by the Policyholder less the Mortality Charge per Section 31a), to arrive at the number of Units to be allocated in the Unit Account in respect of the Single Premium paid by the Policyholder.
- v. **“Proposal Form”** means the proposal for this Policy submitted by or on behalf of the Policyholder along with any other information or documentation provided to the Company prior to inception of the Policy.
- w. **“Single Premium”** means the premium specified in the Schedule, paid by the Policyholder as a one-time payment prior to the Policy Commencement Date.
- x. **“Fund Value”** is equal to the total number of Units existing under this Policy in the Fund chosen by the Policyholder multiplied by the Unit Price of the Fund.
- y. **“Sum Assured”** is the amount as specified in the Schedule, which is referred-to to determine the amount payable to the Nominee as per section 4)a) below upon the death of the Life Assured after the Date of Commencement of Risk.
- z. **“Schedule”** means the attached document that gives the details of this specific Policy as chosen by the Policyholder and includes any annexure or endorsement to it and, if more than one, then the latest in time.
- aa. **“Unit”** means a proportionate part of a Fund created to determine the Unit Price.
- bb. **“Unit Account”** means the account created and administered by the Company for a Policy and consisting of Units, which are valued by referring to the underlying assets of the Fund.
- cc. **“Unit Price”** means the value per Unit calculated in Rupees as follows:

Unit Price = Net Asset Value (“NAV”) divided by the total number of Units held in the Fund as at the Valuation Date.

The NAV can be calculated by either of the following methods:

When appropriation price is applied: The NAV of a Fund shall be computed as the market value of investments held by the 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 Charge less the value of any Current Liabilities and Provision, if any. This is applicable when the Company is required to purchase assets to allocate Units at the Valuation Date.

When expropriation price is applied: The NAV of a Fund shall be computed as the market value of investment held by the Fund less the expenses incurred in the sale of the assets plus the value of any Current Assets plus any accrued income net of Fund Management Charge less the value of any Current Liabilities and Provision, if any. This is applicable when the Company is required to sell assets to redeem Units at the Valuation Date.
- dd. **“Valuation Date”** refers to the date when the Unit Price of the Fund is determined.

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2) Policy Description

- a) This Policy is a Single Premium, unit linked, endowment plan.
- b) On the Policy Commencement Date, the Company shall open a Unit Account. The Single Premium paid by the Policyholder less Mortality Charge deducted per section 31a) will be used to allocate Units in the Unit Account after applying the Premium Allocation Rate specified in the Schedule, in full and in the Fund chosen by the Policyholder in the Proposal Form.
- c) The Premium Allocation Rate will vary according to the amount of the Single Premium paid and as specified in the Schedule.
- d) The Policy enables the Policyholder to participate only in the investment performance of the Fund to the extent of allocated Units and does not in any way confer any right whatsoever on the Policyholder or the Life Assured to otherwise share in the assets, the profits or surplus of the business of the Company.

3) Premium Allocation

Units are allocated under the Policy depending on the amount of Single Premium received, the Premium Allocation Rate applicable and the Unit Price of each Unit on the date of allocation. Such allocations may be made up to 1/10,000th of a Unit or such other fraction as the Company may decide from time to time.

4) Policy Benefits

a) **Death Benefit**

On the death of the Life Assured after the Date of Commencement of Risk but before the Maturity Date, the Company, subject to Section 9 and Section 16, shall be liable to pay to the Nominee the Sum Assured and the Fund Value as applicable on the date of receipt of intimation of death at the Company's office.

b) **Maturity Benefit**

If the Policy has not already been terminated per Section 23, then on the Maturity Date, the Guaranteed Maturity Value as specified in the Schedule or the Fund Value as at the Maturity Date, whichever is higher, shall be payable by the Company to the Policyholder as Maturity Benefit.

c) **Surrender Value**

- i) The Surrender Value shall be equal to the Fund Value as on date of receipt of written request from the Policyholder to surrender the Policy, subject to section 34 below, less the Surrender Charge per Section 31g).
- ii) If the Company has received a written request from the Policyholder to surrender the Policy before the third Policy Anniversary, the Surrender Value as determined per Sub-section i) above will be payable at the end of third Policy Year only.

5) Flexibilities

a) **Fund Switching:**

Option to switch between Funds is not allowed under the Policy.

b) **Partial Withdrawal:**

Partial Withdrawal of Units is not allowed under the Policy.

c) **Settlement Option**

Settlement Option is not available under the Policy.

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PART "A" - GENERAL CONDITIONS

6) Age Proof

- a) The Mortality Charge payable under the Policy is calculated on the basis of the Life Assured's Age and gender as declared in the Proposal Form. If the Life Assured's Age has not been admitted by the Company, the Policyholder shall furnish such proof of the Life Assured's Age as is acceptable to the Company and have the Age admitted.
- b) If the Age so admitted (the "correct Age") is found to be different from the Age declared in the Proposal Form, then without prejudice to the Company's other rights and remedies including those under the Insurance Act 1938, the following actions shall be taken:
 - i) If the correct Age is such as would have made the Life Assured uninsurable under this Policy, the plan of assurance shall stand altered to such plan of assurance as is generally granted by the Company for the Life Assured's correct Age, which will be subject to the terms and conditions that are applicable to that other plan of assurance. If it is not possible to grant any other plan of assurance, the Policy shall stand cancelled with immediate effect by the Company and the Surrender Value as acquired by the Policy till such time per Section 4)c) shall become payable.
 - ii) If the Life Assured's correct Age is higher than the Age declared in the Proposal Form, the Mortality Charge, if any, payable under the Policy shall be altered corresponding to the correct Age of the Life Assured (the "corrected Mortality Charge") and the difference between the corrected Mortality Charge and the original Mortality Charge shall be recovered by the redemption of Units.

7) Assignment and Nomination

- a) No assignment shall be effective unless and until the Company receives a written notice from the Policyholder.
- b) If the Policyholder and the Life Assured are the same person, the Policyholder may, at any time, specify in writing a Nominee, whose details will be specified in the Schedule, to receive benefits payable under Section 4)a) upon his death. If the Nominee is a minor, the Policyholder shall also appoint a person to receive the money during the minority of the Nominee, as specified in the Schedule. No nomination shall be effective unless and until evidenced by an endorsement on the Policy.
- c) Any assignment shall automatically cancel any nomination.
- d) The Company assumes no responsibility or liability for the validity of any assignment or nomination or in recording the assignment or registering the nomination or change in assignment or nomination.
- e) Assignment will not be permitted where the Policy is issued under the Married Women's Property Act 1874.

8) Loans

No loan is available under this Policy.

9) Suicide

If the Life Assured commits suicide whether sane or insane, within one year from the Date of Commencement of Risk the Company will not entertain any claim by virtue of this Policy except to the extent of the Fund Value as on the date of intimation of death of the Life Assured at the Company's office.

10) Non-disclosure

In case of non-disclosure or fraud or misrepresentation in the Proposal Form / personal statement, declaration or in any other connected document leading to the acceptance of the risk or if the Policyholder or anyone acting at his discretion or with his knowledge makes or advances any claim under this Policy knowing it to be false or fraudulent in any respect, the Company shall, at its discretion, declare the Policy null and void with forfeiture of premium and shall repudiate the claim and no benefit per Section 4 shall be payable there-under, subject to Section 45 of the Insurance Act, 1938.

11) Notices

Any notice, direction or instruction under this Policy shall be in writing.

If it is to:

- a) The Policyholder or the Life Assured:
 - 1. Shall be sent by hand, post, facsimile or e-mail to the Policyholder as per the details specified by the Policyholder in the Proposal form or as per subsequent change of address intimation submitted by him to the Company.
 - 2. Notice and instructions shall be deemed served on the Policyholder after 7 (seven) days of posting or in the case of hand delivery, facsimile or E-mail within 7 days of it being sent to the Policyholder's address or immediately upon actual receipt.
 - 3. The Company shall not be responsible for any consequences arising out of non-intimation of change of the Policyholder's address.
- b) The Company, shall be submitted by hand, post, facsimile or E-mail to the address of the Company as specified in the Schedule:

12) Electronic Transactions

Subject to Section 11 above, the Policyholder agrees to adhere to and comply with all such terms and conditions as the Company may prescribe from time to time with regard to all transactions and hereby agrees and confirms that all transactions (other than those requiring a written notice or communication under this Policy) effected by or through facilities for conducting remote transactions including the Internet, World Wide Web, electronic data interchange, call centres, tele-service operations (whether voice, video, data or combination thereof) or by means of electronic, computer, automated machines network or through other means of telecommunication, established by or on behalf of the Company, for and in respect of the Policy or its terms, or the Company's other products and services, shall constitute legally binding and valid transactions when done in adherence to and in compliance with the Company's terms and conditions for such facilities, as may be prescribed from time to time.

13) Free Look Period

Within 15 days of the receipt of this Policy, the Policyholder may, if dissatisfied with it for any reason, give the Company a written notice of cancellation along with reasons for the same, and return the Policy Document to the Company, subject to which the Company shall send the Policyholder a refund comprising the Single Premium paid less the proportionate Mortality Charge for the period the Life Assured was on cover and the

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expenses incurred on medical examination and stamp duty charges. The refund paid to the Policyholder will also be reduced or increased (as applicable) by the amount of any reduction or increase in the Fund Value due to a fall or rise in the Unit Price between the date of allocation and redemption of Units (without reference to any Premium Allocation Rate or Charges).

14) Currency

All amounts payable either to or by the Company shall be payable in India and in Indian Currency.

15) Modifications

This Policy Document constitutes the complete contract of insurance. This Policy Document cannot be changed or varied except by a Policy endorsement in writing signed by an officer of the Company authorized for this purpose.

16) Payment of claim

The Company shall be under no obligation to make any payment under Section 4)a) above unless and until the Company has received from the Policyholder (or the Nominee, or legal heirs, and at no expense to the Company) any information and documentation it requests, including but not limited to:

- i) Written notice as soon as possible and within a maximum period of 180 days from the date of death of the Life Assured, and the circumstances resulting in the death of the Life Assured.
- ii) The claimant's proof of entitlement to receive payment under the Policy.
- iii) Original Policy Document.
- iv) Original death certificate of the Life Assured issued by a competent authority.
- v) Certificate of the Medical cause of death from the doctor who last attended to the Life Assured or the hospital in which the death occurred.

17) Loss of Policy Document

- a) If the Policy Document is lost or destroyed, then at the request of the Policyholder, the Company, subject to Sub-section c), if satisfied that the Policy Document has been lost or destroyed, will issue a copy of the Policy Document duly endorsed to show that it is issued following the loss or destruction of the original Policy Document. The Company will charge a Miscellaneous Charge specified in Section 31)e) below for the issuance of a copy of the Policy Document.
- b) Upon the issue of a copy of the Policy Document, the original Policy Document will cease to have any legal effect.
- c) The Company reserves the right to make such investigations into and call for such evidence of the loss or destruction of the Policy Document at the expense of the Policyholder, as it considers necessary before issuing a copy of the Policy Document.
- d) It is hereby understood and agreed that the 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 Document or arising out of the issuance of a copy of the Policy Document.

18) Grievance Redressal

For any assistance pertaining to the Policy servicing, the Policyholder may contact any nearest Customer Care Center during the Company's office hours from 9 am to 6 pm. Alternatively, the Policyholder may communicate with the Company:

By post:

Customer Care Desk,
Bajaj Allianz Life Insurance Company Ltd.
GE Plaza, Airport Road, Yerawada, Pune. 411006

By Phone: 020 66026777 (Ext 741)
Toll Free No. 1800225858

By Fax: 020 66026772

By Email: life@bajajallianz.co.in

Grievance Redressal Committee

Any grievance or complaint or dispute or suggestion in respect of this Policy or on the functioning of the office may be sent to the above email address/fax/phone or by post addressed to:

Grievance Redressal Officer

Bajaj Allianz Life Insurance Company Ltd.

GE Plaza, Airport Road, Yerawada, Pune - 411006

19) Ombudsman

If the grievance cannot be resolved then it may be referred to the office of the insurance ombudsman whose details are available at the IRDA website at http://www.irdaindia.org/ins_ombusman.htm and also at the Company's website: <http://www.bajajallianzlife.co.in>

20) Governing Law

This Policy and the applicable terms and conditions are subject to Indian law.

21) Taxation

The Policyholder agrees to pay or allows the Company to deduct from the Unit Account or any of the benefits payable under this Policy, a sum on account of any tax or other payment which may be imposed by any legislation, order, regulation or otherwise, upon the Company, Policyholder or any other beneficiary, which in the opinion of the Company is necessary and appropriate.

22) Status of Insurance Agent

The insurance agent designated by the Company as insurance consultant is only authorized to arrange completion and submission of the Proposal Form. The insurance agent is not authorized to act as the Company's legal representative or act in any other way on behalf of the Company. Information or payment given to the insurance agent should not be considered as having been given to the Company.

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23) Termination Conditions

This Policy shall automatically terminate on the earlier occurrence of either of the following events:

- a) The Units in the Policy are fully surrendered;
- b) Upon the receipt of intimation of death of the Life Assured at the Company's Office;
- c) On the Maturity Date

24) Section 45

The Policy is subject to the provisions of Section 45 of the Insurance Act 1938 which states as follows:

Section 45 of the Insurance Act 1938

No Policy of life insurance effected after the coming into force of this Act shall, after the expiry of two 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.

PART "B" - SCHEDULE OF INVESTMENT FUNDS

25) Type of Funds

a) The following Funds are available under the Policy as at the Policy Commencement Date:

1. Capital Shield Fund I
2. Capital Shield Fund II

The Policyholder will choose one of the above two Funds at the Policy Commencement Date.

b) The Company may add, close, merge, modify or consolidate the Funds under this Policy with approval from the IRDA.

26) Valuation date

a) The Company aims to value the Funds on each day the financial markets are open. However, the Company may value the Funds less frequently in circumstances where the value of the assets is too uncertain. In such circumstances, the Company may defer the valuation of assets for upto 30 days until the Company feels that certainty as to the value of assets is resumed. The deferment of the valuation of assets will be with prior consultation with the IRDA. Examples of such circumstances are:

1. When one or more stock exchanges which provide a basis for valuation for a substantial portion of the assets of the Fund are closed otherwise than for ordinary holidays.
2. When, as a result of political, economic, monetary or any circumstances out of the control of the Company, the disposal of the assets of the Fund are not reasonable or would not reasonably be practicable without being detrimental to the interests of the remaining Policyholders.
3. During periods of extreme volatility of markets during which Surrenders and Switches would, in the opinion of the Company, be detrimental to the interests of the remaining Policyholders.
4. In the case of natural calamities, strikes, war, civil unrest, riots and bandhs.
5. In the event of any force majeure or disaster that affects the normal functioning of the Company.
6. If so directed by the IRDA.

b) The Policyholder shall be suitably notified of such a situation if it arises.

27) Fund Management

All the Funds are internally managed by the Company.

28) Investment Objectives

a) **Capital Shield Fund I:**

The investment objective of this Fund is to provide capital guarantee at Maturity Date. The fund strategy would be to match capital guarantee at Maturity Date by investing adequately in debt securities, Equities, Mutual Funds and rest in highly rated secured debentures to provide the benefit of diversification

Indicative Portfolio Allocation:

Debt securities: Not less than 60%

Debentures: Not More than 40%

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Mutual Funds, Equities and Money market instruments: Not More than 20%

b) **Capital Shield Fund II:**

The investment objective of this Fund is to protect the capital as well as to achieve capital appreciation over the Policy Term of 5 years. The above objective does not intend to offer any explicit investment guarantee to the Policyholder. The fund strategy would be to invest in highly rated secured debentures, corporate bonds, exchange-traded funds, Equities and money market instruments.

Indicative Portfolio Allocation:

Debentures, Corporate Bonds, Exchange Traded Funds and Equities: Not less than 80%

Mutual Funds and Money market instruments: Not more than 20%

29) **Risk Profile**

The investment risk profiles of the Funds based on the nature of assets held in each Fund is as follows: -

Funds	Risk Profile
Capital Shield Fund I	Low
Capital Shield Fund II	High

30) **Fund Provisions**

a) **Purpose of the Funds**

The Company has established the above Funds from which it will pay part or all of the benefits payable under this Policy.

b) **Investment of the Funds**

- i) The selection of the underlying investments of each Fund established by the Company and the valuation of assets to which it is referenced shall be such as the Company, in its absolute discretion, may from time to time determine that it satisfies the investment objectives set out in Section 28 above and any IRDA Regulations as maybe applicable from time to time. It is further provided that the assets of each Fund may comprise such proportions as the Company may determine including un-invested cash or any other assets whether or not this produces income.
- ii) All assets relating to the Fund shall be and shall remain in the absolute beneficial ownership of the Company. There is no trust created, whether expressly or impliedly, by the Company in respect of the investments in favour of any person.

31) **Charges**

All the charges mentioned below except Surrender Charge will be subject to applicable Service Tax.

a) **Mortality Charge**

- i) The Mortality Charge will be deducted one time and upfront from the Single Premium before the Single Premium is allocated to the Fund, at the rate as applicable to the attained Age and gender of the Life Assured on the Date of Commencement of Risk.
- ii) The Mortality Charge per thousand Sum at Risk is given in Annexure -I. The Mortality Charge is applied at the Sum at Risk, which is equal to the Sum Assured.

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iii) The Mortality Charge by attained Age is guaranteed.

b) **Fund Management Charge**

Fund	Fund Management Charge per annum
Capital Shield Fund I	2.75%
Capital Shield Fund II	3.25%

The Fund Management Charge is adjusted in the Net Asset Value (NAV) of the Funds. This Charge is not subject to revision.

c) **Policy Administration Charge**

No Policy Administration Charge is deducted under this Policy.

d) **Premium Allocation Charge**

Premium Allocation Charge will be levied on Single Premium less Mortality Charge per Sub-section a).

Single Premium (In Rs.)	Premium Allocation Charge
25,000 - 499,999	2%
500,000 and above	1%

e) **Miscellaneous Charge**

The Miscellaneous Charge would be charged at the rate of Rs.100/- per transaction in respect of issuance of copy of Policy Document.

f) **Surrender Charge**

i. If the Policy is surrendered before the Maturity Date the Surrender Charge as a percentage of the Single Premium would be as follows:

Policy surrendered in the Policy Year	1 to 4	5
Surrender Charge as a percentage of Single Premium	5.0%	2.0%

ii. No Surrender Charge will be applicable on the Maturity date of the Policy.

iii. This Charge is not subject to revision

32) Recovery of Charges

a) Mortality Charge will be deducted upfront from the Single Premium

b) Premium Allocation Charge will be deducted from the Single Premium less Mortality Charge

c) The Fund Management Charge will be deducted from the NAV of the Funds while calculating the Unit Price.

33) Change in Rate of Charges

None of the charges applicable under this Policy is subject to revision.

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34) Unit Transactions

Redemption of Units:

- i) For written notices received by the Company from the Policyholder for death or surrender by the closing time for the day as specified by the IRDA from time to time, the closing Unit Price of the same Business Day shall be applicable. The closing time presently prescribed by the IRDA is 3:00 pm
- ii) For written notices received by the Company from the Policyholder for death or surrender on a day after the closing time for the day as specified by the IRDA from time to time, the closing Unit Price of the next Business Day shall be applicable. The closing time presently prescribed by the IRDA is 3:00 pm

35) Right to Defer the Unit Transactions

The interests of the Policyholders holding Units but not involved in transactions shall not be affected while establishing the Unit Price for transactions into and out of a Fund. If in the opinion of the Company, the exercise of any transaction by a Policyholder at a Unit Price determined by the procedures given herein above in Section 1, would be materially unfair to the remaining Policyholders, then all transactions to and from such Funds will be suspended for up to 30 days to allow the transactions to be exercised at a Unit Price that would not be materially unfair. The deferment of transactions will be with prior consultation with the IRDA. If the Company defers the transaction, then the Company will use the Unit Price of the day on which the transaction actually takes place. The Policyholder shall be notified should such a situation arise.

36) Non-Participation in Profits

This Policy shall participate only in the investment performance of the underlying Fund.

37) Unit Statement

The Company will issue Unit Statement to the Policyholder at every Policy Anniversary or on the happening of any Unit transaction under the Policy except due to deduction of the Charges as mentioned in Section 31.

Dated at _____ this ___Day of _____200_.

For and on behalf of Bajaj Allianz Life Insurance Company Limited

Authorised Signatory