

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

POLICY DOCUMENT

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) **"Annual Premium"** means the amount of Regular Premium payable by the Policyholder in a Policy Year.
- c) **"Business Day"** means the common working day of the Corporate Office of the Company.
- d) **"Charges"** means charges applicable to this Policy as detailed in Section 32 and 33 below.
- e) **"Company"** means BAJAJ ALLIANZ LIFE INSURANCE COMPANY LIMITED
- f) **"Current Assets"** include cash balance, bank Fixed Deposits and CD's, commercial papers, accrued investment income (not due and due but not received) and other receivables if any.
- g) **"Current Liabilities and Provisions"** includes brokerage and stamp duty, custodial and fund accounting expenses payable and other amounts payables, if any.
- h) **"Fund"** means separately identifiable investment-linked funds set up by the Company and specified in the Schedule of Investment Funds.
- i) **"Life Assured"** means the person named in the Schedule whose life is assured under this Policy.
- j) **"Monthly Due Date"** means the date corresponding numerically with the Policy commencement Date in each subsequent month.
- k) **"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 6)a) .
- l) **"Policy"** means the arrangements established by this Policy Document.
- m) **"Policy Anniversary"** means the date corresponding numerically with the Policy Commencement Date in each subsequent year during the Policy Term.
- n) **"Policy Commencement Date"** means the date of commencement of the Policy as specified in the Schedule.
- o) **"Policy Document"** means this policy wording and that of the Additional Rider Benefits, if any, the Schedule (which is attached to and forms part of this Policy and includes any annexure or endorsement to it and if more than one then the latest in time) and the Proposal Form.
- p) **"Policyholder"** means the adult person named in the Schedule who has concluded the Policy with the Company.
- q) **"Policy Term"** means the period between the Policy Commencement Date and the Vesting Date as specified in the Schedule.
- r) **"Policy Year"** means the year commencing on the Policy Commencement Date or a Policy Anniversary thereof.
- s) **"Premium Allocation Rate"** means the rate specified in the Schedule at which the premium will be applied to arrive at the number of Units to be allocated in the Unit Account in respect of any Regular Premium or Top Up Premium paid by the Policyholder.
- t) **"Proposal Form"** means the Policyholder's statements in 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.
- u) **"Regular Premium"** means the premium payable by the Policyholder at regular intervals during the Policy Term in the amounts and at the frequency specified in the Schedule.
- v) **"Regular Premium Fund Value"** is equal to the total number of Units pertaining to the Regular Premium existing in each Fund under this Policy multiplied by their respective Unit Price.
- w) **"Top Up Premium"** means the amount of additional premium paid over and above the Regular Premium payable.

- x) **"Top Up Premium Fund Value"** is equal to the total number of Units pertaining to the Top Up Premium existing in each Fund under this Policy multiplied by their respective Unit Price.
- y) **"Unit"** means a proportionate part of a Fund created to determine the Unit Price.
- z) **"Unit Account"** means individual account created and administered by the Company for a Policy and consisting of Units, which are valued by reference to the underlying assets of a Fund.
- aa) **"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 provisions, 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 Provisions, if any. This is applicable when the Company is required to sell assets to redeem Units at the Valuation Date.
- bb) **"Valuation Date"** refers to the date when the assets of the Fund are valued.
- cc) **"Vesting Date"** refers to the date as appearing in the Schedule on which the Vesting Benefit under this Policy becomes payable as per Section 6b).

2. Policy Description:

- a) This Policy is a Regular Premium, unit linked deferred annuity plan.
- b) On the Policy Commencement Date, the Company shall open a Unit Account. The Regular Premium and Top Up Premium, if any, paid by the Policyholder will be used to allocate Units in the Unit Account after applying the Premium Allocation Rate specified in the Schedule, in one or more of the available Funds and in the proportions applicable to the portfolio strategy (as per Section 26) specified by the Policyholder in the Proposal Form or as subsequently notified by the Policyholder to the Company through a written notice from time to time per Section 7d) below. Switches between the Funds/change in the portfolio strategy may be made by the Policyholder per Section 7b/7a) below.
- c) The Premium Allocation Rate will vary according to the Policy Year of the due date of Regular Premium, the amount of Annual Premium payable and based on whether it is Regular Premium or Top Up Premium.
- d) The Policy enables the Policyholder to participate only in the investment performance of the Fund(s) to the extent of allocated Units and does not in any way confer any right whatsoever on the Policyholder or Life Assured to otherwise share in the profits or surplus of the business of the Company.

3. Regular Premium

- a) Regular Premium is payable in full by the due date. The Company does not have any obligation to issue a notice that Regular Premium is due or for the amount that is due.
- b) The Company will not accept any amount lesser than the Regular Premium due as Regular Premium.
- c) The frequency of payment of Regular Premium may be changed by the Policyholder only at a Policy Anniversary by giving a written notice to the Company at least 30 days in advance, subject to notice satisfying the minimum Annual Premium requirements as determined by the Company from time to time. A monthly frequency for payment of Regular Premium will be allowed only under the salary deduction schemes or through Electronic clearance service (ECS).
- d) Regular Premium may be increased/decreased by the Policyholder at any Policy Anniversary per Section 7e).

4. Premium Allocation

Units are allocated under the Policy depending on the amount of Regular Premium and Top Up Premium received, the Premium Allocation Rate 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.

5. Non payment of Regular Premium and Forfeiture

- a) In the event of failure to make payment of the full Regular Premium falling due during the first three Policy Years, the Policy shall automatically and immediately lapse and
 - i) The Policy shall continue to participate in the investment performance of the underlying Funds, subject to Section 6c) ii) and deduction of all Charges per Section 32 and Section 33 .
 - ii) Provided no prior request in writing has been received from the Policyholder to surrender the Policy, the Policyholder may revive the Policy within a revival period of four years from the due date of first unpaid Regular Premium subject always to Sub-Section c) and subject to recovery of any due-but-unrecovered Charges as per Section 32 and Section 33 from the due date of first unpaid Regular Premium.
 - iii) If the Policy is not revived in accordance with Sub-Section ii) above the Policy shall be surrendered at the end of the revival period of four years and the Surrender Value, if any, as per Section 6c) ii) shall be paid.
 - iv) If the Company has received a request in writing from the Policyholder to surrender the Policy, the Surrender Value as per Section 6c) iii) shall be payable at the end of the third Policy Years.
 - v) If the policy is lapsed due to non-payment of Regular Premium during the first three policy years and death occurs during this period, then death benefit payable will be the Regular Premium Fund Value plus Top Up Premium fund value , if any, as on date of receipt of intimation of death at the office.

- b) In the event of failure to make payment of the full Regular Premium falling due after the first three Policy Years and provided that the Policyholder has paid all Regular Premium due during the first three Policy Years:
- i) The Policyholder may revive the Policy, subject always to Sub-Section c) within four years from the date of first unpaid Regular Premium. During this limited period of revival, all the Charges will continue to be deducted per Section 32 and Section 33 below.
 - ii) If the Policyholder has failed to revive the Policy within the revival period of four years and if the Vesting Date has not yet arrived, the Policy shall continue at the option of the Policyholder (in writing to the Company) to continue the Policy, subject to deduction of all the Charges per Section 32 and Section 33 and further subject to Section 24b).
 - iii) If the Policyholder does not opt to continue the Policy, on the expiry of the revival period of four years or if the Regular Premium Fund Value across all Funds falls to an amount equivalent to one Annual Premium, the Policy shall automatically be terminated and the Surrender Value per Section 6c) iv) will be paid to the Policyholder.
- c) The Policy can be revived only after the Company has received all due-but-unpaid Regular Premiums in full. The Company may disallow the revival of the Policy, or revival on the original terms and conditions.

6. Policy Benefits

a) **Death Benefit**

On the Death of the Life Assured before the Vesting Date,

- i). The Company, subject to the Section 17 below, shall pay the following amount to the nominee:
The Regular Premium Fund Value plus Top Up Premium Fund Value, if any, as on the date of receipt of intimation of death of the Life Assured at the office of the Company.
- ii). The Nominee has the option to convert the death benefit to an immediate annuity, at the immediate annuity rates and the terms and conditions as prevailing at that time either from the Company or from any other Insurer as recognised by the IRDA in the open market as chosen by the Nominee.
- iii). The Policy thereafter terminates.

On the death of life assured after the Vesting Date:

This will be governed by the terms and conditions specified in the immediate annuity policy purchased on the life of the Life Assured as per Sub-Sections b) 1 and b) 2 hereunder.

b) **Vesting Benefit**

On the survival of the Life Assured to the Vesting Date, provided the Policy has not been terminated per Section 24 below:

1. On the Vesting Date, Regular Premium Fund Value plus Top Up Premium Fund Value, if any, may be used to purchase an immediate annuity for the Life Assured at the immediate annuity rates and the terms and conditions as prevailing at that time either from the Company or from any other Insurer as recognised by IRDA in the open market as chosen by the Life Assured.
OR
2. The Life Assured may receive in lump sum up to a maximum of 1/3rd of the total Regular Premium Fund Value and Top Up Premium Fund Value, if any as on the Vesting Date. The balance amount will be used to purchase an immediate annuity for the Life Assured at the immediate annuity rates and the terms and conditions as prevailing at that time either from the Company or from any other insurer as recognised from the IRDA in the open market as chosen by the Life Assured. The policyholder has to exercise this option at least 6 months before the Vesting Date.

c) **Surrender Value**

- i. The Surrender Value will be equal to the Regular Premium Fund Value plus the Top Up Premium Fund Value, if any, subject always to sub sections ii), iii) & iv) below.
- ii. If the Policyholder has failed to make payment of Regular Premium falling due during the first three Policy Years and the Company has not received any written request from the Policyholder to surrender

- the Policy, the Policy will be surrendered at the end of the revival period of four years from the due date of first unpaid Regular Premium. The Surrender Value as defined in Sub-Section i) above will be based on the Unit Price as on date of surrender of the Policy.
- iii. If the Policyholder has failed to make payment of Regular Premium falling due during the first three Policy Years and the Company has received a written request from the Policyholder to surrender the Policy, the Surrender Value as defined in Sub-Section i) above will be based on the Unit Price as on date of receipt of request for surrender of the Policy subject to Section 35 shall be payable at the end of the third Policy Year.
 - iv. If the Policyholder has paid all Regular Premium due during the first three Policy Years, the Surrender Value as defined in Sub-Section i) above will be based on the Unit Price as on date of termination of the Policy subject to Section 35
 - v. No surrender charge is applicable in respect of Regular Premium and Top Up Premium.

7. **Flexibilities**

Whilst the Policy is not lapsed or paid-up, the Policyholder may, subject to the prior approval of the Company, exercise any of the following options by using the application form prescribed by the Company and meeting the conditions set out therein:

a) **Option to Change Investment Strategy:**

The Policyholder may, at any Policy Anniversary, change from 'Investor selectable Portfolio Strategy' to 'Wheel of Life Portfolio Strategy' and vice-versa per Section 26 by giving at least 30 days prior written notice. The Policyholder may exercise three free switches (between strategies or Funds combined) during a Policy Year.

b) **Switching:**

The Policyholder may switch Units between Funds at such Unit Price and subject to the prevailing terms and conditions as specified by the Company at that time, provided that:

- i) The Policyholder has chosen the 'Investor selectable Portfolio Strategy' as per Section 26.
- ii) The Company has received a written notice from the Policyholder stating the amount to switch, the Funds to be switched-from and the Funds to be switched-to.
- iii) The minimum switching amount is Rs.5,000 from one Fund or the total value of Units held by the Policyholder in the Fund to be switched from, whichever is lower.
- iv) The Policy is not lapsed per Section 5 a).
- v) The Company shall effect the switch by redeeming Units from the Fund to be switched-from, and allocating new Units in the Fund being switched-to, at their respective Unit Price.

The Policyholder may exercise three free switches (between strategies or Funds combined) during a Policy Year. For subsequent switches over and above three free switches during each policy year, the company will charge as per 32)d.

c) **Partial Withdrawal:**

No Partial Withdrawal is allowed.

d) **Premium Apportionment**

If the Policyholder has chosen the 'Investor selectable Portfolio Strategy' as per Section 26:

- i). The Policyholder may, at any Policy Anniversary, change the proportion of Regular Premium and/or Top Up Premium (allocated to each fund) referred to in Section 2b) above by giving a notice to the Company in writing at least 30 days before the Policy Anniversary.
- ii). The minimum Regular Premium proportion to any Fund is 5%. The Company reserves the right to revise the minimum proportion upon sending written notice of not less than three months, with prior approval from the IRDA.

e) **Increase / decrease in Annual Premium**

- i) The Policyholder may, at any Policy Anniversary, increase or decrease the amount of Annual Premium payable under this Policy subject to Sub-Section iii) below and provided that all due Regular Premiums have

been paid in full and provided that he gives the Company at least 30 days prior written notice of the proposed increase or decrease as applicable and the Company agrees to such increase or decrease in the amount of Annual Premium payable.

- ii) The Premium Allocation Rate in any Policy Year would depend on the revised Annual Premium due in that Policy Year
 - iii) There is no limit on amount of increase in Annual Premium.
 - iv) The Annual Premium can be decreased (reduced) up to the minimum premium allowed under the Policy, subject to such decreased Annual Premium, up to third Policy Anniversary, not being less than 75% of first year's Annual Premium.
- f) **Top Up Premium**
- i). The Policyholder shall have the option to pay unlimited Top Up Premium at any time, mentioning the Premium Apportionment, provided all due Regular Premiums have been paid.
 - ii). The minimum Top Up Premium payable is Rs. 5,000, subject always to the Company's right to alter this minimum amount payable from time to time, with prior approval from the IRDA.

PART "A" - GENERAL CONDITIONS

8. Age Proof

The Policyholder shall furnish such proof of the Life Assured's Age as is acceptable to the Company and have the Age admitted. 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 may be taken:

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 a 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 per Section 5b) above shall become payable.

9. 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 6a) above 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

10. Loans

No loan is available under this Policy.

11. Non Disclosure & Fraud:

- a) If the Policyholder has either not disclosed all facts or has misrepresented facts (in the proposal form, revival application, if any, or any other statements or declarations) relevant to all persons that may have affected the Company's decision to issue the Policy or its price, terms, conditions and exclusions, then the Company shall have the right, subject to section 45 of the Insurance Act 1938, to avoid the Policy and shall not make any payment including premium under or in respect of the Policy.
- b) If the Policyholder or anyone acting at his direction or with his knowledge makes or advances any claim under this Policy knowing it to be false or fraudulent in any respect, the Policy shall be null and void and any benefit actually paid or potentially payable under or in respect of the Policy shall be forfeited and no refund of premium shall be made.

12. Notices:

Any notice, direction or instruction under this Policy shall be in writing and 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 on the 7th (seventh) day of posting, hand delivery, facsimile or e-mail 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.

13. Electronic Transactions:

The Policyholder agrees to adhere to and comply with all such terms and conditions as the Company may prescribe from time to time and hereby agrees and confirms that all transactions effected by or through facilities for conduction of remote transactions including the Internet, World Wide Web, electronic data interchange, call centres, teleservice 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.

14. 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 first Regular Premium paid and Top Up premium, if any, 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 Regular Premium Fund Value and Top Up Premium Fund Value, if any, 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).

15. Currency

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

16. Modification

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

17. Payment of claim

It is a condition precedent to the Company's liability to make any payment under Section 6a) above that 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 in any event within 180 days of the death of the Life Assured, and the circumstances resulting to 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) Medical cause of death certificate from the doctor who last attended to the Life Assured or from the hospital in which the death occurred.

18. Loss of Policy Document

- a) If the Policy Document is lost or destroyed, then subject to Sub-Section c) below, at the request of the Policyholder, the Company, 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 32e) 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 from and 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.

19. Grievance Redressal

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

By post at: Customer Care Desk,
Bajaj Allianz Life Insurance Company Ltd.
GE Plaza, Airport Road, Yerawada, Pune - 411006

Toll Free No. 1800225858

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

20. Ombudsman

If you are not satisfied with the decision/resolution of the Company on insurance claims, delay in settlement, dispute with regard to premium or non-receipt of insurance document then it may be referred in writing to the office of the insurance ombudsman whose details are in the document headed 'Our Company's Grievance Redressal Mechanism. For the latest list of insurance ombudsman, please refer to the IRDA website at http://www.irdaindia.org/ins_ombusman.htm.

21. Governing Law

Any and all disputes arising out of and under this Policy shall be governed by and determined in accordance with Indian law and by the Indian Courts.

22. 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.

23. 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

24. Termination Conditions

This Policy shall immediately and automatically terminate on the earliest occurrence of any either of the following events:

- a) On the date of Vesting;
- b) The Units in the Policy are fully surrendered;
- c) The Regular Premium Fund Value falls to an amount equivalent to one Annual Premium provided all Regular Premiums have been paid for 3 full years;
- d) The Regular Premium Fund Value and the Top Up Premium Fund Value are insufficient to deduct due charges under the Policy.
- e) The receipt of intimation of death of the Life Assured at the Company's office .Upon the Life Assured's death;
- f) Upon the Policy remaining lapsed per Section 5 a) above for four years.

25. 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

26. The Policyholder will have the option to choose any one of the two portfolio strategies under this Policy effective from the Policy Commencement Date.

a) Investor selectable Portfolio Strategy

Under this portfolio strategy, the Policyholder will have the following seven (7) Funds to choose from at the Policy Commencement Date:

Type of Funds

i). The following Funds are available as at the Policy Commencement Date:

- 1). Equity Index Pension Fund II
- 2). Equity Growth Pension Fund
- 3). Accelerator Mid-Cap Pension Fund
- 4). Bond Pension Fund
- 5). Liquid Pension Fund
- 6). Asset Allocation Pension Fund
- 7). Pure Stock Pension Fund

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

b) Wheel of Life Portfolio Strategy

i. Under this portfolio strategy, the Company will allocate the Regular Premiums and the Top Up Premiums paid by the Policyholder after applying the Premium Allocation Rate in to the five Funds based on the Policy Term & the outstanding years to the Vesting Date (as on the last Policy Anniversary) as per Proportion Table given below.

ii. The Policyholder understands and agrees that the allocation proportions mentioned in the relevant table below may change during a Policy Year for reasons including fluctuations in the Unit Price.

iii. Accordingly, at each Policy Anniversary it is agreed that the Company shall reallocate the Regular Premium Fund Value and the Top Up Premium Fund Value so as to achieve the proportions as mentioned in the Proportion Table given below and as applicable to the Policy Term and outstanding years to the Vesting Date. The Policyholder understands and agrees that in order to achieve this objective the Company may also switch Units between the Funds.

iv. It is expressly understood and agreed that

- (a) The Company's reallocation or switching shall be as circumstances reasonably permit;
- (b) The Company gives no guarantee or assurance of being able to maintain the proportions mentioned by reallocation or switching, and
- (c) The Company shall not be liable for any failure to achieve the proportions mentioned for any reason beyond the control of the Company or any consequence thereof.

The Company may change the proportions as may be applicable under the portfolio strategy with the prior approval of the IRDA.

The proportions applicable are as given in the **Proportion Table** below.

Years to Maturity	Proportion in following three Funds (%)				Bond Pension Fund	Liquid Pension Fund
	Equity Index Pension Fund II	Equity Growth Pension Fund	Accelerator Mid-Cap Pension Fund	Total		
20 & above	20	50	30	100	0	0
19	30	50	20	100	0	0
18	30	50	20	100	0	0
17	30	50	20	100	0	0
16	30	50	20	100	0	0
15	40	40	15	95	5	0
14	40	40	10	90	10	0
13	40	40	5	85	15	0

12	40	40	0	80	20	0
11	40	35	0	75	25	0
10	40	30	0	70	30	0
9	40	25	0	65	35	0
8	40	20	0	60	40	0
7	40	15	0	55	45	0
6	40	10	0	50	50	0
5	40	0	0	40	55	5
4	30	0	0	30	60	10
3	20	0	0	20	65	15
2	10	0	0	10	70	20
1	0	0	0	0	80	20

27. Valuation Date

a) The Company will value the Funds on each day that the financial markets are open under normal circumstances. 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 up to 30 days until the Company feels that certainty as to the value of assets has been 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 Company shall send notice to the Policyholder of such a situation if it arises.

28. Fund Management

All the Funds are internally managed by the Company.

29. Investment Objective

(a) **Equity Index Pension Fund II:**

The objective of this Fund is to provide capital appreciation through investment in equities forming part of NSE NIFTY.

Indicative Portfolio Allocation:

Equity: Not less than 60%

Bank deposits and Money Market Instruments – not more than 40%

The exposure to money market securities may be increased to 100%, keeping in view market conditions, market opportunities, and political, economic and other factors, depending on the perception of the Investment Manager. All changes in the asset allocation will be with the intention of protecting the interests of the Policy holders.

(b) **Equity Growth Pension Fund:**

The objective of this Fund is to provide capital appreciation through investment in selected equity stocks that have the potential for high capital appreciation.

Indicative Portfolio Allocation:

Equity: Not less than 60%

Bank deposits and Money market instruments – not more than 40%

The exposure to money market securities may be increased to 100%, keeping in view market conditions, market opportunities, and political, economic and other factors, depending on the perception of the Investment Manager. All changes in the asset allocation will be with the intention of protecting the interests of the Policy holders.

(c) Accelerator Mid-Cap Pension Fund:

The objective of this Fund is to achieve capital appreciation by investing in a diversified basket of mid-cap stocks and large cap stocks.

Indicative Portfolio Allocation:

Equity: Not less than 60%; Out of the Equity investment: Not less than 50% will be in mid cap stocks.

Bank deposits and Money market instruments – not more than 40%.

The exposure to money market securities may be increased to 100%, keeping in view market conditions, market opportunities, and political, economic and other factors, depending on the perception of the Investment Manager. All changes in the asset allocation will be with the intention of protecting the interests of the Policy holders.

(d) Bond Pension Fund:

The objective of this Fund is to provide accumulation of income through investment in high quality fixed income securities.

Indicative Portfolio Allocation:

Debt and Money Market Instruments: Not more than 100%

(e) Liquid Pension Fund:

The objective of this Fund is to have a fund that protects invested capital through investments in liquid money market and short term instruments .

Indicative Portfolio Allocation:

Money Market Instruments: 100%

(f) Asset Allocation Pension Fund

The investment objective of this Fund will be to realize a level of total income, including current income and capital appreciation, which is consistent with reasonable investment risk. The investment strategy will involve a flexible policy for allocating assets among equities, bonds and cash. The fund strategy will be to adjust the mix between these asset classes to capitalize on the changing financial markets and economic conditions. The Fund will adjust its weights in equity, debt and cash depending on the relative attractiveness of each asset class.

Indicative Portfolio Allocation:

Equity: 0%-100%

Debt and Money Market Instruments: 0%-100%

The exposure to money market securities may be increased to 100%, keeping in view market conditions, market opportunities, and political, economic and other factors, depending on the perception of the Investment Manager. All changes in the asset allocation will be with the intention of protecting the interests of the Policyholders.

(g) Pure Stock Pension Fund

The investments in this fund will specifically exclude companies dealing in Gambling, Contests, Liquor, Entertainment (Films, TV etc.), Hotels, Banks and Financial Institutions.

Indicative Portfolio Allocation:

Equity: Not less than 60%

Government treasury bills (Non-interest bearing): Not more than 40%

The exposure to Government treasury bills (Non-interest bearing) may be increased to 100%, keeping in view market conditions, market opportunities, and political, economic and other factors, depending on the perception of the Investment Manager. All changes in the asset allocation will be with the intention of protecting the interests of the Policyholders

30. Risk Profile

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

Funds	Risk Profile
Equity Growth Pension Fund	Very High

Equity Index Pension Fund II	High
Accelerator Mid Cap Pension Fund	Very High
Bond Pension Fund	Moderate
Liquid Pension Fund	Low
Asset Allocation Pension Fund	High
Pure Stock Pension Fund	Very High

31. Fund Provisions

a) **Purpose of the Funds**

The Company established the Funds set out in Schedule of Investment Funds hereto from which part or all of the Benefits payable will be made under this Policy.

b) **Investment of the Funds**

The selection of the underlying investments of each Fund established by the Company shall be such as the Company, in its absolute discretion, may from time to time determine and it is further provided that the assets of each Fund may comprise in such proportion as the Company may determine un-invested cash or any other asset whether or not this produces income.

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.

The investment restriction of each fund is as specified in the Schedule of Investment Funds.

32. Charges

a) **Fund Management Charge**

Fund	Fund Management Charge per annum
Equity Growth Pension Fund	1.75%
Equity Index Pension Fund II	1.25%
Accelerator Mid Cap Pension Fund	1.75%
Bond Pension Fund	0.95%
Liquid Pension Fund	0.95%
Asset Allocation Pension Fund	1.25%
Pure Stock Pension Fund	1.75%

The Fund Management Charge is applied at net asset value of the Funds before deduction of this charge. This Charge is subject to revision as per 34 i).

b) **Policy Administration Charge**

Policy Administration Charge, as mentioned in the Schedule, will be deducted at each Monthly Due Date by cancellation of Units. This Charge is not subject to revision.

c) **Premium Allocation Charges**

This is a percentage of Regular Premium levied at the time of allocation of Regular Premium or Top Up Premium to the Unit Account. The Premium Allocation Charge is as follows:

Annual Premium size	Regular Premium due in Policy Year	
	1	2 & onwards
10,000 – 24,999	30%	2%
25,000 – 49,999	25%	
50,000 – 99,999	22%	
100,000 and above	17%	

All Top Up Premiums have a Premium Allocation Charge of 2%.

d) Switching Charge :

Three free switches (between Portfolio Strategies or Funds Combined) are available in a Policy Year. Subsequent switches in a Policy Year would be charged @ 5% of switching amount or Rs. 100, whichever is lower, on each such occasion. This Charge is subject to revision per Section 34)ii.

e) Miscellaneous Charge

A miscellaneous charge would be charged at the rate of Rs. 100/- per transaction in respect of reinstatement, alteration of premium mode, increase in regular premium or issuance of copy of policy document. This Charge is subject to revision per Section 34)iii

f) Surrender Charge

Nil

33. Recovery of Charges

- i) The Fund Management Charges will be priced in the NAV of the Fund. The Policy Administration Charge and other Charges would be recovered by cancellation of Units at the Unit Price. In the event that the Units are held in more than one Fund, the cancellation of Units will be effected in the same proportion as the Unit Value of Units held in each Fund. In case the Fund Value in any Fund goes down to the extent that it is not sufficient to support the proportionate monthly charges, then the same shall be deducted from the Fund Value of the other Funds.
- ii) In the event that the total Fund Value under the Policy is insufficient to pay for such Charges, the Policy shall be foreclosed as provided in Foreclosure Clause.

34. Change in rate of Charges

With prior approval from IRDA, the Company reserves the right to change the following Charges:

- i). Fund Management Charge up to a maximum of 2.75% per annum of the NAV for the Equity Growth Pension Fund, Pure Stock Pension Fund and Accelerator Mid-Cap Pension Fund, 2.25% p.a. for the Equity Index Pension Fund II and Asset Allocation Pension Fund and 1.75% p.a. for the Bond Pension Fund and Liquid Pension Fund.
- ii). Switching charge up to a maximum of Rs.200 per switch or 5% of the switching amount, whichever is lower
- iii). Miscellaneous charge up to a maximum of Rs.200/- per transaction
- iv). The Company shall send a notice to the Policyholder of any of the above-mentioned changes in the Charges. If the Policyholder objects in writing to the modified Charges within 30 days of the date stated on the communication by the Company, he shall be allowed to withdraw the Units under the Policy at the then prevailing Unit Price and terminate the Policy. If the Company does not receive a written objection from the Policyholder within 30 days of the date stated on the communication by the Company, the Policyholder shall be deemed to have accepted the proposed Charges.

35. Unit Transactions

a) Allocation of Units

- i) For Regular Premium or Top Up Premium received in cash or local cheques or demand drafts, or requests for Fund switches received by the Company, by the closing time for the day as specified by the IRDA from time to time, the closing Unit Price of the day it is received shall be applicable. The closing time presently specified by the IRDA is 3:00 pm.
- ii) For Regular Premium or Top Up Premium received in cash or local cheques or demand drafts, or requests for Fund switches received by the Company, 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.

- iii) For Regular Premium or Top Up Premium received through out station cheques, the closing Unit Price of the Business Day on which the cheque is cleared shall be applicable.
- b) Redemption of Units
- i) For written applications received by the Company from the Policyholder for death, surrender, or switch out by the closing time for the day as specified by the IRDA from time to time, the closing Unit Price of the day it is received shall be applicable. The closing time presently prescribed by the IRDA is 3:00 pm
- ii) For written applications received by the Company from the Policyholder for death, surrender, or switch out 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

36. 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 upto 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 Company shall send notice to the Policyholder should such a situation arise.

37. Non-Participation in Profit

This Policy shall participate only in the performance of the underlying funds.

38. Fund Closure:

The Company may close any of the Funds with the prior approval of the IRDA, if in the sole and absolute opinion of the Company, the said Fund should be closed. The Policyholder shall be sent at least three months prior written notice of the Company's intention to close any of the Funds and on and from the date of such closure, the Company shall cease to allocate and redeem Units of the said Fund. In such an event if the Units are not withdrawn or switched to any other Fund by the Policyholder within 3 months of the Company sending the notice, the Company will switch the said Units to the Bond Fund. No fee will be charged for switching in the event of such closure of Funds.

39. 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 32.

Dated at _____ this ___Day of _____200_

For and behalf of Bajaj Allianz Life Insurance Company Limited

Authorised Signatory