

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

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

**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 33 and Section 34 below.
- d) **“Company”** means BAJAJ ALLIANZ LIFE INSURANCE COMPANY LIMITED.
- e) **“Current Assets”** includes cash balance, bank FD’s and CD’s, commercial papers, accrued investment income (not due and due but not received) and other receivables if any.
- f) **“Current Liabilities and Provisions”** includes brokerage and stamp duty payable, custodian and Fund Management Charges payable and other payables, if any.
- g) **“Date of Commencement of Risk”** means the Policy Commencement Date, unless the Life Assured is a minor, in which case this will mean the Monthly Due Date following the Life Assured attaining Age 7 and as specified in the Schedule unless the Company informs the Policyholder otherwise.
- h) **“Death Benefit”** means the amount payable on the Life Assured’s death, as detailed in Section 4 a) below.
- i) **“Funds”** mean separately identifiable investment-linked funds set up by the Company and specified in the Schedule of the Investment Funds.
- j) **“Fund Value”** means the number of units held by the Policyholder under this Policy multiplied by their respective Unit Price.
- k) **“IRDA”** means the Insurance Regulatory & Development Authority, which is the regulatory body for Insurance in India
- l) **“Life Assured”** means the person whose life is insured under this Policy.
- m) **“Maturity Date”** means the date specified in the Schedule on which the Maturity Benefit specified in Section 4 b) below is payable to the Policyholder.
- n) **“Monthly Due Date”** means the date corresponding numerically with the Policy Commencement Date in each subsequent month during the pendency of the Policy.
- o) **“Mortality Charge”** means the charge for providing the life insurance cover. The method of calculation of the Mortality Charge is as set out in Section 33 below.
- p) **“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 under the Policy upon the death of the Life Assured as per section 39 of Insurance Act 1938
- q) **“Premium Allocation Rate”** means the rate specified in the Schedule at which the Single Premium will be applied to arrive at the number of Units to be allocated in the Unit Account in respect of the Single Premium paid by the Policyholder.
- r) **“Policy Anniversary”** means the date corresponding numerically with the Policy Commencement Date in each subsequent year during the Policy Term.

- s) **“Policy Commencement Date”** means the date of commencement of the Policy as specified in the Schedule.
- 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) **“Policyholder”** means the person named in the Schedule who has concluded the Policy with the Company.
- v) **“Policy Document”** means this policy wording, 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.
- w) **“Policy Term”** means the period between the Policy Commencement Date and the Maturity Date as specified in the Schedule.
- x) **“Policy Year”** means the year commencing on the Policy Commencement Date or a Policy Anniversary thereof.
- y) **“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.
- z) **“Single Premium”** means the amount of premium specified in the Schedule, paid by the Policyholder as a one time payment or lump-sum, prior to the Policy Commencement Date.
- aa) **“Sum Assured”** means the amount specified in the Schedule, which is referred-to to determine the amount payable per Section 4 a) below upon the Life Assured’s death after the Date of Commencement of Risk.
- bb) **“Unit”** means a proportionate part of a Fund created to determine the Unit Price.
- cc) **“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.
- dd) **“Unit Price”** means the value per unit calculated in Rupees which is calculated as follows:  
$$\text{Unit Price} = \text{Net Asset Value ('NAV')} \text{ divided by the total number of units held in the Fund as at the Valuation Date.}$$

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

**When appropriation price is applied:** The (‘NAV’) of a Unit Linked Fund shall be computed as 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 Unit Linked Fund shall be computed as 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 charges 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.
- ee) **“Valuation Date”** means the date when the assets of the Fund are valued and the Net Asset Value is determined by the Company.

## 2) Policy Description

- a) The Policy is a Unit Linked Endowment (Single Premium) plan.
- b) On the Policy Commencement Date, the Company shall open a Unit Account. The Single Premium paid by the Policyholder after applying the Premium Allocation Rate will be used to allocate Units in the Unit Account between one or more of the available Funds of the Company in the proportion as specified by the Policyholder prior to the Policy Commencement Date in the Proposal Form. Switches between Funds may be made by the Policyholder in accordance with Section 5 a) below.
- c) The Policy enables the Policyholder to participate only in the investment performance of the Funds 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 profits or surplus of the business of the Company.

## 3) Premium Allocation

Premium allocations shall be made in to Units up to 1/10,000th of a Unit.

## 4) Policy Benefits

### a) **Death Benefit**

On Death of the Life Assured before the Maturity Date and:

- (1) **Before the Monthly Due Date on which the Life Assured attains Age 7**, the Company shall be liable to pay only the Fund Value applicable on the date of receipt of intimation of death at the Company's office, subject always to Section 18 below.
- (2) **On or after the Monthly Due Date on which the Life Assured attains Age 7 and before the Monthly Due date on which the Life Assured attains Age 60**, the Company shall be liable to pay, subject always to Section 18 below, the higher of:
  - (a) The prevailing Sum Assured (less the value of the units withdrawn by partial withdrawals in the 24 months immediately prior to the date of death) and
  - (b) The Fund Value as at the date of receipt of intimation of death at the Company's office.
- (3) **On or after the Monthly Due Date on which the Life Assured attains Age 60 years**, the Company will be liable to pay, subject always to Section 18 below, the higher of:
  - (a) The prevailing Sum Assured (less all partial withdrawals made within 24 months immediately prior to attaining Age 60 years and all partial withdrawals made after attaining Age 60 years) and
  - (b) The Fund Value as at the date of receipt of intimation of death at the Company's office.

The Policy shall thereafter terminate on death of the Life Assured

### b) **Maturity Benefit**

If the Life Assured is alive on the Maturity Date, the Fund Value, as at the Maturity Date is payable by the Company to the Policyholder as the maturity benefit, unless the Company has received a written notice from the Policyholder at least 90 days prior to the Maturity Date conveying the Policyholder's intention to opt for the Settlement Option as per Section 5 c) below.

c) **Surrender Value**

The Policy can be surrendered after three Policy Years from the Date of Commencement of the Policy. The Surrender Value will be equal to the Fund Value less Surrender Charge, if any, per Section 33.

The Policy shall thereafter terminate upon payment of the full Surrender Value

5) **Flexibilities**

Whilst the Policy is in force, the Policyholder may, subject to the approval of the Company, exercise any of the following options by using the prescribed application form and meeting the conditions set out therein:

a) **Switching:**

The Company offers the Policyholder the option to switch between Funds at such price and subject to such terms and conditions as may be imposed by the Company at that time provided the Policy is not lapsed. The Policyholder may transfer or "switch" any of the Units in any Fund, to another existing Fund or new Fund established by the Company provided:

- i) The Company has received from the Policyholder a written notice setting out the proposed amount of the switch and the Funds to be switched.
- ii) The minimum switching amount is Rs.5000 or the value of total units held by the Policyholder in the Fund to be "switched", whichever is lower.
- iii) 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.
- iv) The Policyholder may exercise three free switches during each Policy Year. For subsequent switches over and above three free switches during any Policy Year, the Company will charge a switching fee as specified in Section 33 e) above.

b) **Withdrawal of units:**

- i) Partial withdrawals are allowed after three years from the Policy Commencement Date provided:
  - (1) The Company has received a written notice from the Policyholder specifying the amount to be withdrawn.
  - (2) The minimum amount of withdrawal should be Rs.5,000/- and a minimum balance of Rs. 5,000/- or 1/5<sup>th</sup> of the Single Premium, whichever is higher, (at Fund value) across all Funds should remain after the proposed withdrawal.
  - (3) The Life Assured is not a minor
- ii) If the Policy is taken on the life of a minor, partial withdrawals shall not be allowed until the minor (Life Assured) attains majority (ie. on or after attainment of Age 18).
- iii) The Company reserves the right at any time and from time to time to vary the minimum value of units to be withdrawn and/or the minimum balance of value of units to be maintained after such withdrawals with prior approval from the IRDA.
- iv) No Charges is applicable on partial withdrawals

**c) Settlement Option**

- i) Provided the Company has received a written application duly signed by the Policyholder at least 90 days prior to the Maturity Date exercising the Settlement Option, the Policyholder may receive the maturity benefit specified in Section 4 b) above in instalments (payable yearly, half yearly, quarterly or monthly, at the Policyholder's option) spread over a maximum period of 5 years.
- ii) The amount paid out to the Policyholder in each instalment will be the outstanding Fund Value at that date divided by the number of outstanding instalments.
- iii) Instalment payments will be made by redeeming units from the Funds at the Unit Price applicable on that date.
- iv) All charges except the Mortality Charges shall be deducted through the redemption of units from the Funds during the period of the Settlement Option as selected by the Policyholder and endorsed by the Company.
- v) No risk cover will be available during the period of the Settlement Option.
- vi) The Settlement Option can only be exercised by the Policyholder.
- vii) No Partial withdrawals or Switches are allowed during the subsistence of the period of the Settlement Option.
- viii) The Policyholder has the option to withdraw all the left-over units in the Fund at any time during the Settlement Option.

**d) Option to decrease the Sum Assured**

- i) The policyholder will have the option to decrease the Sum Assured at any time after the first Policy Anniversary by giving a 30-day advance written notice to the Company. The decrease in Sum Assured will be to the minimum Sum Assured allowed under the product.
- ii) The Sum Assured once decreased cannot be increased later on.
- iii) The mortality charge will be based on the decreased Sum Assured from the immediately next monthly due date.
- iv) The death benefit as specified in Section 4 a) will be based on revised Sum Assured.

## GENERAL CONDITIONS

### 6) Age Proof

- a) The Mortality Charge payable under the Policy is calculated on the basis of the Age of the Life Assured as declared in the Proposal Form. If the Age of the Life Assured has not been admitted by the Company, the Policyholder shall furnish such proof of Age of the Life Assured as is acceptable to the Company and have the Age admitted.
- b) In the event the Age so admitted (the "correct Age") is found to be different from the Age declared in the Proposal Form, 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 the plan of assurance specified in the Policy certificate, the plan of assurance shall stand altered to such plan of assurance as is generally granted by the Company for the correct Age of the Life Assured, which will be subject to the terms and conditions as are applicable to that 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 acquired by the Policy till such time shall become payable.
  - ii) If the Life Assured's correct Age is higher than the Age declared in the Proposal Form, the Mortality Charge payable under the Policy shall be altered corresponding to the correct Age of the Life Assured (the "corrected Mortality Charge") and the accumulated difference between the corrected Mortality Charge and the original Mortality Charge from the Policy Commencement Date up to the date of such payment shall be recovered by redemption of units.

### 7) Assignment and Nomination

- a) No assignment shall be effective unless and until the Company receives written notice from the Policyholder along with the original or duplicate copy of this Policy Document and the assignment deed.
- b) If the Policyholder and the Life Assured are the same person, the Policyholder may at any time specify in writing a Nominee, as specified in the Schedule, to receive the 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. No nomination shall be effective unless and until evidenced by an endorsement on the Policy by the Company.
- c) If there is no Nominee or if all the Nominees have predeceased the Policyholder, the benefits payable under the Policy will be paid to the legal heirs or representatives of the Policyholder.
- d) Any assignment shall automatically cancel any nomination.
- e) 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.
- f) Assignment will not be permitted where the Policy is 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 at the date of intimation of death of the Life Assured. The actual date of death will be the basis for determining the validity of the contract of insurance.

**10) 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 proposed to be insured 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.

**11) Notices**

Any notice, direction or instruction under this Policy shall be in writing and if it is to:

- a) The Policyholder:
  - 1) Shall be sent by hand, post, facsimile or e-mail 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 7<sup>th</sup> (seventh) day 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 receipt.
  - 3) The Company shall not be responsible for any consequences arising out of non-intimation of change of address.
- b) The Company, shall be submitted by hand, post, facsimile or E-mail to:

By Post: Bajaj Allianz Life Insurance Company,  
GE Plaza, Airport Road, Yerawada, Pune - 411006

By Phone: 020 - 66026777

By Fax: 020 - 66026789

By e-mail: [life@bajajallianz.co.in](mailto:life@bajajallianz.co.in)

**12) Electronic Transactions**

Subject to 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 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, 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.

**13) Non Forfeiture**

If the Fund Value at any time falls below one tenth of the Single Premium paid or becomes insufficient to meet the Charges specified in the Section 33 & 34 below, the Policyholder will be intimated about this in writing and then the policy will be foreclosed and the value of the Units as on the date of termination, if any, will be payable to the Policyholder after the deduction of any outstanding Charges upon such termination.

**14) Vesting on attaining Majority**

Where the Policy has been issued on the life of a minor, the Policy will automatically vest in him on his attaining majority and the Life Assured would be the Policyholder and the Company shall thereafter enter into all correspondence directly with him. Any assignment or nomination of the Policy contrary to this provision would be null and void as against the Company.

**15) 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 risk premium for the period the Life Assured was on cover and the expenses incurred on medical examination and stamp duty charges. The refund paid to the Policyholder will also be reduced by the amount of any reduction in the Fund Value due to fall in the Unit Price between the date of allocation and redemption of units (without reference to any Premium Allocation Rate or Charges).

**16) Currency**

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

**17) 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 the purpose.

**18) Payment of claim**

- a) 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 in any event within 180 days of the death of the Life Assured death, and the circumstances resulting in the death of the Life Assured.
  - ii) The claimant's proof of entitlement to receive the policy moneys.
  - iii) Original Policy Documentation.
  - iv) Original death certificate of the Life Assured by a competent authority.



- v) Medical Cause of Death Certificate from the doctor last attended or the hospital in which death has occurred.
  - vi) Any other relevant documents or information as may be required by the Company for the processing of the claim depending upon the cause of the death.
- b) All notices, applications or notification of claim must be received and approved at the office of the Company authorized to complete the claim processing by the time specified by the Regulation.

**19) Loss of Policy Document**

- a) If the Policy Document is lost or destroyed, then subject to Sub-Section c), 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 33 g) 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.

**20) Grievance Redressal**

For any assistance pertaining to the servicing of the Policy, the Policyholder may contact any Customer Care Center during the Company's office hours from 9 am to 6 pm. Alternatively, the Policyholder may communicate with the Company at the address given in the Policy Schedule

**Grievance Redressal Committee**

The Company is concerned about the grievances of its Policyholders and has a grievance redressal mechanism in place for quick and satisfactory resolution of grievances. Any grievance or complaint or dispute or suggestions 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**

**21) 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](http://www.irdaindia.org/ins_ombusman.htm)

## **22) 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.

## **23) 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.

## **24) Status of Insurance Agent**

The insurance agent is only authorized by the Company 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.

## **25) Termination Conditions**

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

- i) The units in the Policy are surrendered and the full surrender value is paid to the Policyholder;
- ii) The Fund Value becomes equal to one tenth of the Single Premium paid or becomes insufficient to meet the Charges;
- iii) Upon the death of the Life Assured;
- iv) On the Maturity Date, unless the Policyholder has opted for the Settlement Option; or
- v) The expiry of the period for the Settlement Option.
- vi) Upon complete withdrawal of the Fund Value during the period of Settlement Option

## **26) 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.

## SCHEDULE OF INVESTMENT FUNDS

### 27) Type of Funds

The Funds that are available under this Policy at the Policy Commencement Date are the Equity Index Fund II, Equity Growth Fund, Bond Fund, Liquid Fund and Pure Stock Fund. The Company reserves the right to add, close, merge, modify or consolidate the Funds under this Policy with the prior approval from IRDA.

### 28) Valuation Date

The Company will value the Funds on each day the financial markets are open. However, the Company reserves the right to value less frequently in extreme circumstances, where the value of the assets may be too uncertain. In such circumstances, the Company may defer valuation of assets until a certainty on the value of assets is resumed. The deferment of valuation of assets will be subject to prior consultation with IRDA. Examples of such circumstances are:

- a) 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.
- b) 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.
- c) 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.
- d) In the case of natural calamities, strikes, war, civil unrest, riots and bandhs.
- e) In the event of any force ma'jeure or disaster than affects the normal functioning of the Company.
- f) If so directed by the IRDA.

The Policyholder shall be suitably notified should such a situation arise.

### 29) Fund Management

All the Funds are managed by the Company.

### 30) Investment Objectives

The five funds offered as at the Policy Commencement Date and their investment objectives are:

- a) **Equity Index Fund II** – The investment objective of this Fund is to provide capital appreciation through investment in equities forming part of NSE NIFTY. This Fund will have an exposure of maximum 40% in Bank Deposits and money market instruments and minimum 60% in Equities.

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.

- b) **Equity Growth Fund** – The investment objective of this Fund is to provide capital appreciation through investment in selected equity stocks that have the potential for capital appreciation. This Fund will have an exposure of maximum 40% in Bank Deposits and money market instruments and minimum 60% in Equities.

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.

- c) **Bond Fund** – The investment objective of this Fund is to provide accumulation of income through investment in high quality fixed income securities like G-Secs, and corporate debt rated AA and above. This Fund will have an exposure of 100% in debt and money market instruments.
- d) **Liquid Fund** - The investment objective of this Fund is to have a Fund that protects the invested capital through investments in liquid money market and short-term instruments like commercial papers, certificate of deposits, money market mutual funds, and bank FDs etc. This Fund will invest 100% in bank deposits and money market instruments.
- e) **Pure Stock Fund** - The investment objective of this Fund is to specifically exclude companies dealing in Gambling, Contests, Liquor, Entertainment (Films, TV etc.), Hotels, Banks and Financial Institutions. This Fund will have an exposure of maximum 40% in Government treasury bills (Non-interest bearing) and minimum 60% in Equities.

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.

The apportionment of Single Premium to any Fund should be a minimum of 5% of the Single Premium.

### 31) 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 Fund	Very High
Pure Stock Fund	Very High
Equity Index Fund II	High
Bond Fund	Moderate
Liquid Fund	Low

### 32) Fund Provisions

#### a) **Purpose of the Funds**

The Company has 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**

- 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 provided it satisfies the investment objectives set out in Section 30 above and the applicable IRDA Regulations. It is further provided that the assets of each Fund may comprise in such

proportion 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.

### 33) **Charges**

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

#### a) **Premium Allocation Charge**

Premium Allocation Charge is 2%, which will be levied on Single Premium paid by the Policyholder.

#### b) **Mortality Charge**

i) The following factors affect the Mortality Charge:

- (1) The amount of prevailing Sum Assured and the current Fund Value.
- (2) The attained Age of the Life Assured.
- (3) The occupation of the Life Assured.
- (4) The health of the Life Assured.

ii) The Mortality Charge will be deducted at monthly intervals at the rate as applicable to the attained Age of the Life Assured, through redemption of units at the prevailing Unit Price on the Date of Commencement of Risk and on subsequent Monthly Due Dates whilst the Policy remains in force. The Mortality Charge may vary from year to year according to the attained Age of the Life Assured at the time of deduction of the same.

iii) The Mortality charge is given in *Annexure-1* to the Schedule. The Mortality charge is applied at Sum at Risk, which is the prevailing Sum Assured minus the Fund Value.

iv) The Mortality charge by attained age is guaranteed throughout the Policy Term.

#### c) **Fund Management Charge**

The Fund Management Charge will be as follows:

<b>Fund</b>	<b>Fund Management Charge per annum</b>
Equity Growth Fund	1.75% of the NAV
Pure Stock Fund	1.75% of the NAV
Equity Index Fund II	1.25% of the NAV
Bond Fund	0.95% of the NAV
Liquid Fund	0.95% of the NAV

#### d) **Policy Administration Charge**

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

#### e) **Switching Charge**

Three free switches would be allowed every Policy Year. Subsequent switches during the Policy Year would be charged at the rate of 5% of switching amount or Rs.100, whichever is lower.

#### f) **Surrender Charge**

No surrender Charge is applicable under this Policy.

g) **Miscellaneous Charge**

Nil

**34) Recovery of Charges**

The Fund Management Charge will be deducted from the Net Asset Value of the Funds while calculating the Unit Price. The Policy Administration Charge and the Mortality Charges would be recovered monthly by redemption of units at Monthly Due Dates at prevailing Unit Price. In the event that the units are held in more than one Fund, the redemption of units will be effected in the same proportion as the value of units held in each Fund under the Policy. If the value of units in any Fund falls to the extent that it is insufficient to support the proportionate monthly charges, then the same shall be deducted proportionately from the value of units of the other Funds.

**35) Change in Rate of Charges**

- a) The Company reserves the right to revise the Fund Management Charge at any time with prior approval from the IRDA up to a maximum of 2.75% per annum of the NAV for the Equity Growth Fund and Pure Stock Fund, 1.75% per annum for the Bond Fund and the Liquid Fund and 2.25% per annum for the Equity Index Fund II.
- b) The Company reserves the right to revise the switching charge at any time with prior approval from the IRDA to a maximum of Rs. 200 per switch or 5% of switching amount, whichever is lower.
- c) The Company shall give a written notice of three months to the Policyholders for any of the above-mentioned changes in Charges. The Policyholder who does not agree with the modified Charges shall be allowed to withdraw the units under the Policy at the then prevailing Unit Price and terminate the Policy.

**36) Unit Transactions**

- a) Allocation of units
  - i) In respect of requests for Fund switches received by the Company on a day by a cut off time as set by the Insurance Regulatory and Development Authority (IRDA), the closing Unit Price of the same day shall be applicable. The cut off time prescribed by the IRDA as at the Policy Commencement Date is 3.00 pm.
  - ii) In respect of request for Fund switches received by the Company on a day after a cut off time as set by the IRDA, the closing Unit Price of the next business day shall be applicable. The cut off time prescribed by the IRDA as at the Policy Commencement Date is 3.00 pm.
- b) Redemption of units
  - i) In respect of valid applications received by the Company for surrender, partial withdrawal or switch out on a day by a cut off time as set by the IRDA, the same day's closing Unit Price shall be applicable. The cut off time prescribed by the IRDA as at the Policy Commencement Date is 3.00 pm.
  - ii) In respect of valid applications received by the Company for surrender, partial withdrawal or switch out on a day after a cut off time as set by the IRDA, the closing Unit Price of the next business day shall be applicable. The cut off time prescribed by the IRDA as at the Policy Commencement Date is 3.00 pm.

**37) Right to Defer the Unit Transactions**

The overriding equity principle in establishing Unit pricing used for transactions into and out of a Fund shall be that the interests of the Policyholders holding Units but not involved in such transactions should be unaffected by

that transaction. If in the opinion of the Company, the exercise of any transaction by 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 would 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 subject to prior consultation with IRDA. If the Company defers the transaction, then the Company will use Unit Price of the day on which the transaction actually takes place. The Policyholder shall be suitably notified should such a situation arise.

**38) Non-Participation in Profits**

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

**39) Fund Closure**

Although the Funds are open-ended, the Company may, in its sole discretion close any of the Funds on the happening of any event, which in the sole opinion of the Company required the said Fund to be closed. The Policyholder shall be given 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 and cease to carry on business activities in respect of the said Fund. In such an event if the Units are not withdrawn or switched to any other Fund by the Policyholder, the Company will switch the said units to any other Fund at its sole discretion. However no fee would be charged for switching to another Fund in the event of such closure of Funds.

**40) 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 34.

Dated at \_\_\_\_\_ this \_\_\_Day of \_\_\_\_\_200\_

For and behalf of Bajaj Allianz Life Insurance Company Limited

Authorised Signatory