

POLICY DOCUMENT

1. Definitions:

The following terms shall have the meaning assigned to them as follows:

“Account Value” is equal to the number of Units under this Policy multiplied by the Bid Price of units.

“Annual Due Date” means the date corresponding numerically with the date of commencement of the Policy in each year subsequent to the year of commencement of the Policy.

“Bid-Offer Spread” is upto a maximum of 5% of the Offer Price.

“Bid Price”: The bid price of a Fund shall be the unit value of that Fund rounded down to three decimal places. Unit cancellation from the policy shall be done at the bid price.

“Business Day” is the common working day of the Corporate Office of the Company.

“Cash Value”: The cash value of a Fund shall be the surrender value applied to the Account Value.

“Charges” means Insurance Charge, Fund management Charge, Fund Administration Charge, Other Charge, and Processing Charge.

“Cost of Insurance” shall be the monthly monetary amounts assessed towards mortality and additional benefits. This is recovered against the Policy’s account value by canceling units at their bid price.

“Company” refers to ALLIANZ BAJAJ LIFE INSURANCE COMPANY LIMITED.

“Current Assets” include 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.

“Current Liabilities and Provisions” include brokerage and stamp duty payable, custodian and fund administration charges payable and other payables, if any.

“Date of Commencement” as shown in the Policy Schedule page is the basis for determining the Annual Due Date, and the Monthly Due Date .

“Death Benefit” means the amount payable on death as defined in Section 3.1 below.

“Fund” means a separately identifiable investment-linked fund set up by the company for the purpose of ascertaining the policy moneys payable under this Policy. The Funds that are currently maintained by the Company are listed in the Schedule of Investment of Funds. Any fund created or closed will be added to or removed from the Schedule of Investment Funds accordingly.

“Head Office” refers to the principal place of business of ALLIANZ BAJAJ LIFE INSURANCE COMPANY LIMITED.

“Insurance Cover” means Life Insurance Cover, Critical Illness Benefit Cover, Accidental Death Cover & Accidental Total Permanent Disability/ Partial Permanent Disability Cover, Hospital Cash Benefit Cover.

“Life Insurance Cover” means the greater of

- (a) zero
- or

- b) the Sum Assured less partial withdrawals less the Account Value as determined on the valuation date following date of intimation of death.

“Life Assured” means the person upon whose life this Policy is effected

“Monthly Due Date” means the date corresponding numerically with the date of the commencement of the Policy in each month subsequent to the month of commencement of the Policy.

“Multiplier”: Multiplier is a pre defined factor, which is used in the below context:

$$\text{Sum Assured} = \text{Annualised Premium} * \text{Multiplier}$$

A multiplier range is defined for a given age and gender and the customer can opt for any multiplier value within the defined range to arrive at Sum Assured for a given level of premium or vice versa.

“Net Asset Value” of the Fund means Market/Fair Value of the underlying Investments plus Current Assets less Current Liabilities and Provisions of the Fund.

“Number of Units” is a number by which the Net Asset Value of a Fund is notionally divided for the purposes of calculating the benefits of unit-linked policies issued by the company.

“Offer Price” is the value at which the Units are created for the Policy rounded up to three (3) decimal places. The Offer price determined on each valuation date shall be equal to the Bid price plus a the Bid-Offer spread.

“Premium” means the initial premium and the subsequent premiums due and payable under the Policy.

“PolicyHolder” means the person- within the meaning of Section 2(2) of the Insurance Act, 1938.

“Premium Holiday” is a temporary period during which the policyholder can keep his policy inforce without payment of regular premiums. This holiday can be availed by the policyholder after payment of three year’s full regular premiums.

“Transaction charge” “Transaction charge” is an allowance used for calculating the price at which the unit holders will be joining/exiting the fund. This is an allowance for expenses that would be incurred in respect of either sale or purchase of the underlying securities for new unit linked transactions, such as, brokerage, stamp duty etc. This allowance is to protect the interests of existing unit holders by nullifying the effect of reduction in the unit price due to the transaction expenses as mentioned above.

“Unit Value” means the value per unit calculated in Rupees in accordance with the following formula:

$$\text{Unit Value} = \frac{\text{Market/Fair Value of the Investments plus Current Assets less Current Liabilities and Provision +/- Transaction Charge}}{\text{Number of Units outstanding under the relevant Fund}}$$

No Units shall be created in a Fund unless assets equivalent in value at the Offer Price of such Units are added at the same time to the Fund. No Units shall be cancelled in a Fund unless assets equivalent in value at the Bid Price of such Units are withdrawn at the same time from the Fund.

“Valuation Date” refers to the date when the assets of the Fund are valued. The day shall be determined by the Company.

2. Policy Description:

2.1 The Policy is a whole life regular premium paying unit linked life insurance policy.

- 2.2 Being a unit-linked life insurance policy, the Policyholder/Life Assured has the option to allocate the Premiums paid by him between one or more of the Fund(s) for the purchase of the Units thereof.
- 2.3 The Policy enables the Policyholder/Life Assured 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/Life Assured to otherwise share in the profits or surplus of the business of the Company.

3. Benefits Payable:

3.1 Death Benefit:

- 1) In the event of the death of the Life Assured occurring after the policy anniversary following the Life Assured attaining age 7 till the policy anniversary falling immediately after the life assured has attained age 70, the company shall pay the greater of:
 - a) The Account value as of the valuation date (as defined in Valuation Date Clause) following the receipt of intimation of death of the Life Assured at the office of the company.
OR
 - b) An amount equal to the Sum Assured reduced by the value of units withdrawn by the Policyholder/Life Assured through partial withdrawals. .
- 2) In the event of the death of the Life Assured before the policy anniversary following the Life Assured attaining age 7 or after the policy anniversary falling immediately after the Life Assured has attained age 70, the company shall pay the Account Value as of the Valuation Date (as defined in Valuation Date Clause) following the receipt of intimation of death at the office of the company.
- 3) The Policy terminates on payment of the Death Benefit.

3.2 Maturity Benefits

The Policy being open-ended has no fixed maturity date.

The Policyholder/Life Assured has the option of partial and full withdrawals to receive the policy benefits.

3.3 Additional Benefits

As specified in Annexure 1.

4. General Conditions

4.1 Age:

- i) The insurance charges payable under the policy have been calculated on the basis of the age of the Life Assured as declared in the Proposal. In case the age of the Life Assured has not been admitted by the Company, the Policyholder/Life Assured shall furnish such proof of age of the Life Assured as is acceptable to the Company and have the age admitted.
- ii) In the event the age so admitted (the "correct age") is found to be different from the age declared in the Proposal, without prejudice to the

Company's other rights and remedies including those under the Insurance Act, 1938, on of the following actions shall be taken:

- a) 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 from the date of issue of the Policy and the premium paid shall be refunded subject to the deduction of the expenses incurred by the Company on the Policy.
- b) If the correct age is higher than the age declared in the Proposal, the insurance charges payable under the Policy shall be altered corresponding to the correct age of the Life Assured (the "corrected insurance charges") from the date of commencement of the Policy and the Policyholder/Life Assured shall pay to the Company the accumulated difference between the corrected insurance charges and the original insurance charges from the commencement of the Policy up to the date of such payment with interest. If the Policyholder/Life Assured fails to pay such accumulated difference, together with interest, the same shall be recovered by cancellation of Units.
- c) If the correct age of the Life Assured is lower than the age declared in the Proposal, the insurance charges payable under the Policy shall be altered corresponding to the correct age of the Life Assured (the "corrected insurance charges") from the date of commencement of the Policy and the Company may, at its discretion, allocate without interest, the accumulated difference between the original insurance charges paid and the corrected insurance charges.

4.2 Assignment and Nomination:

- a) An assignment of the Policy shall be made by an endorsement upon the Policy itself or by a separate instrument signed by the assignor specifically stating the fact of the assignment and duly attested. The first assignment may be only made by the Life Assured or the Policyholder. Such assignment shall be effective, as against the Company, from and upon the serving of a written notice upon the Company and the Company recording the assignment in its books. In case of Assignment under this Policy, then an assignee would not be entitled to increase the death benefit as mentioned in 'Increase/Decrease of death benefit' Clause. Assignment will not be permitted where the policy is under the Married Women's Property Act 1874.
- b) The Life Assured, where he is the holder of the Policy, may, at any time during the tenure of the Policy make a nomination for the purpose of payment of the moneys secured by the Policy in the event of his death. Where the nominee is a minor, he shall also appoint a person to receive the money during the minority of the nominee. Nomination shall be made by an endorsement on the Policy and by communicating the same in writing to the Company. Any change of nomination, which may be effected before the termination of the Policy shall also be communicated to the Company.

An assignment will automatically cancel any existing nomination.

The Company does not express itself upon the validity or accepts any responsibility on the assignment or nomination in recording the assignment or registering the nomination or change in nomination.

5. Loans:

No loan is available under this Policy.

6. Premium:

6.1 Payment of Premiums:

- a) Regular Premiums are payable in full on the dates and at the rate mentioned in the Policy Schedule. However a grace period of not more than 30 days, where the mode of payment of premium is other than monthly, and not more than 15 days in the case of monthly mode is allowed. If a premium is not paid during the days of grace in the first three years, the policy shall lapse and no benefit shall be payable. Provided however, if the regular premium plus top-up premiums paid at any time within the first three years exceeds the regular premium payable for 3 years, the policy will not lapse and the benefits payable under the policy shall be as indicated in (d) below. If a premium is not paid during the days of grace after three full year's premiums have been paid and the policy has been in force for the full sum assured for those three policy years, the benefits payable under the policy shall be as indicated in (d) below.
- b) Regular Premiums are payable without any obligation on the company to issue a notice for the same.
- c) The frequency of the premium may be changed by written notice to the Company. Subject to the minimum premium requirements of the Company, regular premium may be paid on an annual, half-yearly, quarterly or monthly basis. The monthly premiums will be allowed only under the Salary deduction schemes.
- d) If any regular premium shall remain unpaid during the days of grace
 - (i) After three full years' premiums have been paid,
 - or
 - (ii) When the regular premiums plus top up premiums paid at any time during the first three years exceed the regular premiums payable for three years, the Policy shall be kept in force by affecting a **Premium Holiday** for so long as the Policy has sufficient funds to be utilized to pay for the Cost of Insurance. The value of the Units to be utilized shall be calculated in the same manner as if the Units are to be cancelled.

Top Up Premium: The policyholder will have the option to pay at any due date, additional premiums, in addition to the without increasing the death benefit. The additional premium amounts would be treated as a single premium top-ups.

6.2 Premium Allocation:

The nominal value of the Units is Rs.10/- each. Units are allocated to the Policy depending on the amount of premium paid, the allocation rate as set out in Table 1, and the prevailing Offer Price of each Unit. Such allocations may be made up to 1/10,000th of Unit or such other fraction as the Company may decide from time to time.

Table 1:

Policy year	1	2	3	4th year onwards
Allocation Rate (Regular Premium)	30%	98%	99%	100%

All Top Ups are allocated at 100%.

7. Suicide:

If the Life Assured commits suicide whether sane or insane, within one year from the Date of Commencement of risk or Date of Revival of this Policy whichever is later, the contract of insurance shall be void whether or not any beneficial interest has been created therein and the company will not entertain any claim by virtue of this Policy except to the extent of the bid value of the policyholder's unit account on the date of death. The actual date of death will be the basis for determining the validity of the Contract of Insurance. For arriving at the policyholder's account value, the date of intimation of death to the company will be effective date. The price for arriving at this value would be Bid Price determined at the next unitisation following the receipt of intimation of death.

8. Special Provisions:

Any special provisions subject to which this Policy has been entered into whether endorsed in the Policy or in any separate instrument shall be deemed to be part of the Policy and shall have effect accordingly.

9. Non-disclosure:

In case of non-disclosure or fraud or misrepresentation in the Proposal/ personal statement, declaration or in any other connected document leading to the acceptance of the risk, the company shall at its discretion repudiate the claim and no benefit shall be payable thereunder, subject to Section 45 of the Insurance Act, 1938.

10. Notices:

Any notice, direction or instruction to be given under this policy shall be in writing and delivered by hand, post, facsimile or E-mail to:

(a) In case of the Policyholder/Life Assured/Assignee:

As per the details specified by the Policy holder/Life Assured/Assignee in the Proposal form change of address intimation submitted by him to the Company.

Notice and instructions shall be deemed served 7 (seven) days after posting or immediately upon receipt in the case of hand delivery, facsimile or E-mail.

The Company shall not be responsible for any consequences arising out of non-intimation of change of address.

(b) In case of the company:

Allianz Bajaj Life Insurance Company,
GE Plaza, Airport Road,
Yerawada,
Pune 411006
Tel: 4026777
Fax: 4026789
Email: allianzbajajcare@allianzbajaj.co.in

11. Electronic Transactions:

The policy holder 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 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.

12. Foreclosure:

The Policy shall terminate when the Account Value is insufficient to pay for the Charges computed in accordance with the conditions laid down for the charges and the balance Account Value, if any, would be paid upon such termination. Such termination would take place if the minimum of (a) and (b) is reached:

- a) Account value of Rs 100/-
- b) Account value is not sufficient to support the Cost of Insurance deductions for a period of three months.

13. Non-forfeiture:

If a premium is not paid during the days of grace in the first three years, the policy shall lapse and no benefit shall be payable.

When regular premiums are discontinued after three years from commencement, provided three years premiums are paid, the policy will be kept in force by cancellation of units at the prevailing bid price to meet the Cost of Insurance. The policy will be kept in force till the units accumulated are available for cancellation to meet the Cost of Insurance. In case the Account value is inadequate to cover the Cost of Insurance, the policy will be foreclosed. The policyholder can revive a policy on fulfilling the conditions of revival.

14. Free Look Period:

The Policy may be cancelled by written request and by returning this Policy to the Company within fifteen (15) days from the date of receipt of this Policy by the Policyholder. The amount refunded shall be premium paid less the Cost of Insurance, stamp fee charges and any expenses incurred for medical examination.

15. Currency:

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

16. Time:

Time wherever mentioned shall be of the essence of this Policy.

17. Waiver:

Failure or neglect by either party to enforce at anytime the provisions of this Policy shall not be construed or be deemed to be a waiver of either party's right herein nor in anyway affect the validity of the whole or any part of this Policy nor prejudice either party's right to take subsequent action.

18. Modifications:

The provision of this Policy cannot be changed or varied except by a policy endorsement signed by an officer of the Company authorized for the purpose.

19. Payment of claim:

The company requires the following documents before establishing the right of the claimant or claimants to receive payment:

- a) Original Insurance policy
- b) Claimants statement
- c) Death certificate issued by the local medical authority- In case of death claim
- d) Medical evidence- In case of Disability/ Critical Illness/ Accidental Benefit/ Hospital Cash Benefit

- e) Any other relevant documents or information as may be required for the company for the processing of the claim depending upon the cause of the claim.

SCHEDULE OF INVESTMENT FUNDS

TYPE OF FUNDS	Equity Fund / Debt Fund / Cash Fund/ Balanced Fund
VALUATION DATE	<p>The Valuation Date shall be the date as determined By the Company from time to time for the Purposes of determining Bid and Offer Prices.</p> <p>All premiums and application or notification of claim must be received and approved at the Office of the Company authorized to complete the requested action by the closing of office hours one working day prior to the valuation date.</p>
FUND MANAGED BY	The Company or such party/person as the Company may appoint.

INVESTMENT OBJECTIVE

(a) Equity Fund:

The investment objective of this Fund is to provide capital appreciation through investment in equities. The Plan is expected to match the returns given by Nifty Index of the National Stock Exchange.

Indicative Portfolio Allocation:

Equity: Not less than 90%
Debt/Cash Money – not more than 10%

(b) Debt 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 rates AA and above .

Indicative Portfolio Allocation:

Debt Instruments & money market instruments : 100%

(c) Cash Fund:

The investment objective of this Plan is to have a fund that guarantees invested capital through investments in liquid money market and short term instruments like Commercial Papers, Certificate of Deposits, Money Market Mutual Funds, Bank FDs etc. The price of units in this fund is guaranteed not to go down.

Indicative Portfolio Allocation:

Money Market Instruments: 100%

(d) Balanced Fund:

This fund is a fund of funds. The investment objective of this fund is to provide a balanced investment between long-term capital appreciation and current income through investment in the Units of our Equity and Debt funds.

Indicative Portfolio Allocation:

Units of Equity Fund: 30% to 50%

Units of Debt Fund: 50% to 70%

INVESTMENT RESTRICTIONS Assets will be as prescribed by regulatory authorities from time to time.

BORROWING RESTRICTIONS: No borrowing is allowed.

FUND PROVISIONS

PURPOSE OF THE FUND

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.

INVESTMENT OF THE FUND

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 uninvested 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 Company shall have the power to delegate all or any of its discretionary and investment powers hereunder to any person or fund management company or organization on such terms as the Company in its absolute discretion may determine.

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

CHARGES

1. Cost of Insurance Charges

(i) Mortality Charges

The mortality charges depend on

- (a) The amount of Life Insurance Cover.
- (b) The attained age of the Life Assured
- (c) The gender of the Life Assured
- (d) The occupation of the life assured
- (e) The health of the life assured

The mortality charges under this policy per Rs 1000 of Life Insurance Cover for varying ages is given in Annexure 2.

(ii)
(iii)
(iv)
(v)

(ii) Additional Benefit Charges:

Additional Benefit Charges will depend on the

- (a) Amount and type of Additional Benefit cover opted for
- (b) Attained age at commencement of policy or the attained age at the time of inclusion of the additional benefit.

The Additional Benefit premiums under the Policy are as given in Endorsement to the Policy schedule.

(iii) The Insurance charges namely mortality charges and Additional Benefit charges shall be calculated at the time of underwriting and deducted on the date of unitization. Subsequent monthly mortality and additional benefit charges shall be deducted on

the next unitization date immediately following the monthly due (anniversary) date. The charges shall be deducted on each monthly due date whilst the policy remains in-force and shall be recovered by cancellation of units.

While the charges for additional benefits shall be level premium throughout the life of the policy, the mortality charge would vary according to the attained age of the life assured at the time of deduction of the monthly cost of insurance. Therefore, the mortality charge would change on each birthday of the life assured.

(iv) The Cost of Insurance charges namely mortality charges and Additional Benefit charges are subject to periodic review on clearance of IRDA.

2. Fund Management Charge

- (i) Equity Fund - at the rate of 1% per annum of the net assets on each Valuation Date.
- (ii) Debt Fund – at the rate of 1% per annum of the net assets on each Valuation Date.
- (iii) Balanced Fund – No specific charges as the charges are covered by the component funds.
- (iv) Cash Fund – at the rate of 1% per annum of the net assets on each Valuation Date.

The Fund Management Charge will be charged on each Valuation Date.

3. Fund Administration Charge

A Fund Administration Charge shall be charged at 1.25 % p.a. of the net assets of the Fund on each Valuation Date.

4. Other Charges

The unallocated premium shall be used to meet the expenses, such as commission to agent, marketing and distribution expenses, medical examination expenses, policy stamp fee and policy issue expenses.

5. Processing Charge

A processing charge may be charged in respect of the exercise of any of the options set out below or in respect of any revival of the Policy, which may be allowed by the Company.

The options available are as under:

- (a) Switching across Funds: The first three switches in an year are free of cost. For subsequent switches over and above three free switches during any policy year the Company will charge a switching fee @ 1 % of the switch amount or Rs.100/- whichever is higher.
- (b) Increase in Death Benefit: No charge.

6. Transaction charge

The transaction charges are as follows:

Equity Instruments: 0.5% but not exceeding 0.7% of the equity investments.

Debt Instruments: 0.1% but not exceeding 0.2% of the debt investments

Recovery of Charges

- (i) The Fund Management and Fund Administration charges will be priced in the Unit Value of the Fund. The Cost of Insurance and processing charges would be

recovered by cancellation of Units at the Unit Value. 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 Plan. In case the fund value in any fund value 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 the total Unit Value under the policy is insufficient to pay for such charges, the Policy shall be foreclosed as provided in Foreclosure Clause.

Change in rate of Charges

The Company reserves the right to change the Fund Management Charge at any time with prior approval from the IRDA upto a maximum of 1.50% per annum of the net assets for each of the Funds.

The Company reserves the right to change the Fund Administration Charge at any time with prior approval from the IRDA upto a maximum of 2% per annum of the net assets for each of the Funds.

The mortality charges are subject to periodic review on clearance from IRDA.

The premium rates for the critical illness benefit are guaranteed for five years only from the date of commencement of the Policy. The company reserves the right to carry out a general review of the experience from time to time and change the premium as a result of such review.

In case of the hospital cash benefit the premiums are yearly reviewable.

The processing charges are also reviewable periodically.

The Company will give a notice of three months to the policyholders for any of the above mentioned changes in charges. The Policyholder/Life Assured who does not agree with the modified charges shall be allowed to withdraw the units in the plans at the then prevailing unit value and terminate the Policy.

FUND VALUATION

The Bid Price of the units of any Fund on any Valuation Date shall be equal to the Net Asset Value of the Fund +/- transaction charges divided by the number of Units in issue for that fund on that Valuation date.

The net asset value of each Fund specially created by the Company shall be determined by the Company..

The Net Asset Value of the Fund shall be equal to the following:

- a) The fair market value of all the assets held in the Fund valued at the last transacted market price at which those assets could be purchased or sold on the same business day as the valuation date, or where appropriate, such value as determined by the Company at its discretion after taking such independent advice as it deems necessary, add.
- b) The amount which the Company shall determine as being net current assets (Current assets less current liabilities and provisions) on the same business day as the valuation Date, less
- c) An Annual Fund Management charge and Annual Fund Administration charges as stipulated in the Schedule of Investment Funds calculated on the basis of frequency of unitisation . This is a separate charge not included in the liabilities set out in clause (b) and as defined above.

In case the valuation day falls on a Holiday, then the exercise will be done the following working day.

The Funds current liabilities shall consist of accrued and unpaid investment expenses incurred by the Fund such as taxes and stamp duties, registration fees, legal auditing and custodian fees, fund accounting, stock brokers and estate agents commissions incurred in the sales or purchases of assets, insurance costs and expenses incurred in securing the Funds assets and protecting the value of investments and any other expenses incurred in the management and maintenance of the fund and incurred to ensure compliance with statutory and regulatory requirements relating to the Fund.

The expenses incurred in respect of the acquisition, realization, management, maintenance and valuation of the assets and investments and taxation liability will be deducted from the Fund.

"Under extraordinary circumstances such as extreme volatility of the value of assets, extended suspension of trading on the stock exchanges, natural calamities, riots and similar events Allianz Bajaj Life Insurance reserves the right to suspend canceling, allocating or switching of Units. The company also reserves the right to change the formula for calculating Net Asset Value under these circumstances. These changes will be made subject to approval from the insurance Regulatory and Development Authority (IRDA) or as per norms laid down by IRDA from time to time."

CREATION OF UNITS

Units in any of the Funds of the company may be created only if there is, added to that Fund assets equal in value to the value of the Units created.

In the event of premiums and applications being received and approved at the authorized Office of the company before the end of office hours one working day prior to the Valuation Date, the number of Units created shall be determined by reference to the Unit Offer Price on that Valuation Date. The premiums received would mean clear funds available.

In the event of premiums and application being received and approved at the authorized office of the Company after the end of office hours one working day prior to the Valuation Date.,the numbers of Units created shall be determined by reference to the Unit Offer Price on the next valuation Date following that Valuation Date.

Notwithstanding anything herein contained, the Company reserves the right at any time and from time to time to change the time by which premiums have to be received and accepted for the purpose of determining the Unit Offer Price to be used for calculating the number of Units to be created. The company shall notify the policyholder of such a change.

OPTIONS

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;

1) Switching

Transfer or "switch" any of the Units in a particular Fund to another Fund or some other new investment linked fund which may have been established by the Company provided the minimum switching amount is Rs.5000 or the fund value whichever is lower; such "switch" will be effected by the cancellation of the Units to be "switched" and the creation of new Units in the Fund being "switched" to. The Units purchased,

shall be determined by references to the Bid Price of the respective Funds established on the Valuation Date following the date such request was received and accepted by the Head Office of the Company. The Policyholder can 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 @ 1 % of the switch amount or Rs.100/- whichever is higher. Switching will be on a bid-to-bid basis.

Switching will be permitted only for inforce policies.

2) Withdrawal of units

Anytime after 3 years of commencement (provided premiums have been paid for 3 full years), withdrawals through partial or complete surrender of units are allowed. The surrender will be allowed as specified in (3) below. In case of partial withdrawals, a minimum balance of Rs.10000/- (at Account value) across all funds should be maintained after withdrawal. The minimum amount of withdrawal is Rs.1000/- (At Account value)

Withdrawal of Units from any fund may be done by:

Specifying the number of Units to be withdrawn

OR

Specifying the value of the Units to be withdrawn.

Units in any of the Funds of the company may be cancelled only if the Fund assets are equal or more in value to the value of the Units Cancelled.

In the event a request for cancellation of Units is received and accepted at the authorized Office of the Company before the close of office hours one working day before the Valuation Date, the number of Units to be cancelled shall be determined by reference to the Bid Price on that Valuation Date.

In the event a request for cancellation of Units is received and accepted at the authorized Office of the company before the close of office hours one working day after the Valuation Date, the number of Units to be cancelled shall be determined by reference to the Bid Price on the Valuation Date next following that Valuation Date.

Notwithstanding anything herein contained, the Company reserves the right at any time and from time to time to change the time by which requests for cancellation of Units have to be received and accepted for the purpose of determining the Bid Price to be used for calculating the number of Units to be cancelled. The Company shall notify the policyholder in case of such a change.

The Company reserves the right at any time and from time to time to vary the minimum bid value of Units to be withdrawn and/or the minimum balance of bid value of Units by giving written notice of three (3) months in advance.

The partial withdrawals shall also attract the same surrender penalties as stated in the surrender clause below.

3) Surrender

The Surrender Value of the policy will be equal to the bid value of the units calculated in the same manner as if the Units are to be cancelled. The policy shall thereafter terminate upon payment of the full surrender value by the company. The policy will acquire a surrender value after payment of 3 full year's premiums.

For policy year 4 and above the company may impose surrender penalty of upto a maximum of 10% of the bid value of units subject to approval of the IRDA.

Surrender Penalties

Year	Penalty
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Year 1	100%
Year 2	100%
Year 3	100%
Year 4 onwards	0%

No partial withdrawals will be allowed in the first three years.

4) Increase /Decrease of death Benefit.

The Policyholder/Life Assured shall have the following options to increase/Decrease the Death Benefit on the following terms and conditions during the term of the policy.

- a) The Policyholder/Life Assured may increase the sum assured under the policy without any underwriting every third year upto 4 times. The option can be exercised for the first time on the third policy anniversary or on attainment of age 18 years by the life assured whichever is later. Each time the increase will be for 25% of the Death Benefit computed as on the date of commencement of the Policy or Rs. 100000 whichever is lower. However, the maximum Sum Assured after the increase must not exceed the Maximum Sum Assured available for the regular premium level chosen for the age at which the increase is affected. The Policyholder/Life assured should give notice of increase in Death Benefit 15 days before the above mentioned yearly policy anniversary.
- b) The number of increases granted shall be limited to four, and shall be subject to the condition that the total Death Benefit on one life under all the policies under this plan shall not exceed the maximum sum assured allowable for that age.
- c) An option for increase in the Death Benefit if not exercised by the Policyholder/Life Assured shall not be carried forward.
- d) Any increase in the Death Benefit other than that covered by clause (a) above shall be subject to underwriting and the Policyholder/Life Assured shall bear the cost of any medical report(s) and any other medical charges. All such costs shall be recovered by the Company through the cancellation of the Units.
- e) Notwithstanding anything contained above, no increase in Death Benefit shall be allowed without underwriting after the Life Assured has attained age 45 years.
- f) Notwithstanding anything contained above, no increase in Death Benefit shall be allowed after the Life Assured has attained age 60 years.
- g) The Policyholder/Life Assured might chose to decrease the Death Benefit in multiplies of Rs. 1000/- subject to a minimum residual Death Benefit prescribed by the Company. Notwithstanding anything contained above in relation to increase of Death Benefit, once the Policyholder/Life Assured has opted for decreasing the death benefit, the Policyholder/Life Assured shall not be allowed further increase in Death Benefit without underwriting. However, the Policyholder/Life Assured may be allowed to increase the Death Benefit subject to Underwriting and the Policyholder Life Assured bearing the cost of medical reports and any other charges.

5) Premium apportionment:

The Policyholder may at any policy anniversary request in writing to change the apportionment percentage of his/her premium to the Fund he/she wishes to invest. This request should be received at the company's office at least 15 days prior to the policy anniversary date.

The premium apportionment to a Fund in which the policyholder wishes to invest must be at least 5% of the Premium. The Company reserves the right to revise the above minimum apportionment percentage upon giving written notice of not less than three (3) months.

The company shall notify the Policyholder accordingly of the approval or otherwise of the exercise of any of the aforesaid options.

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 holder of the Policy 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.

NON-PARTICIPATION IN PROFIT

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

REVIVAL CONDITIONS

This Policy may be revived with the consent of the Company within 5 years from the date the Policy has terminated/ lapsed subject to the receipt by the Company of the following:

1. A written application for revival
2. At least one full instalment of modal premium.
3. Production of evidence of insurability satisfactory to the Company,

Provided always the allocation rate shall continue from the last allocation where it last stopped in accordance with the allocation rate specified in Table 1 herein; and any revival shall only cover the loss or insured event which occurs after the revival date.

TERMINATION CONDITIONS

This Policy shall automatically terminate on the happening of the following events:

1. The units in the policy are fully surrendered
Or
 - 2) The Account value becomes Rs 100/- or less
Or
 - 3) The Account value is not sufficient to support the Cost of Insurance deductions for a period of three months.
 - 4) The death of the Life Assured.
- whichever event occurs first.

NEW FUNDS:

The Company may establish new funds from time to time and the Policyholder/Life Assured shall be notified of the establishment of such new funds. The company may offer the Policyholder/Life Assured the option to switch or direct premium to those funds at such price and subject to such terms and conditions as may be imposed by the Company at that time. Switching between the existing funds is subject to the terms and Conditions detailed in "OPTIONS clause" herein.

INVESTMENT OF THE FUNDS:

The Company shall select the investments, including derivatives and units of mutual funds, by each fund at its sole discretion subject to the investment objectives of the respective fund and the IRDA Regulations in that behalf. 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 express or implied, by the company in respect of the investments in favour of the Policyholder/Life Assured/Assignee/Nominee of the Policy or any other person.

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/Life Assured 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 issue, redeem and cancel 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 another fund by the Policyholder/Life Assured, the company will switch the said units to any another fund at its sole discretion. However no fee would be charged for switching to another fund in the event of such closure of plans.

RISKS OF INVESTMENT IN THE UNITS OF THE FUNDS:

The Policyholder/Life Assured is aware that the investment in the Units is subject to the following, amongst others, risks and agrees that he is making the investment in the Units with full knowledge of the same.

- 1) Unit Linked Policy is only the name of the Policy and does not in any way indicate the quality of the policy, its future prospects or returns.
- 2) Equity Fund, Balanced Fund, Debt Fund and Cash Funds are the names of the funds and do not in any manner indicate the quality of the fund, their future prospects or returns.
- 3) The investments in the Units are subject to market and other risks and there can be no assurance that the objectivities of any of the funds will be achieved.
- 4) The Units Value of the Units of each of the funds can go up or down depending on the factors and forces affecting the financial and debt markets from time to time and may also be affected by changes in the general level of interest rates.
- 5) The past performance of other funds of the Company is not necessarily indicative of the future performance of any of these funds.
- 6) The funds do not offer a guaranteed or assured return.
- 7) All benefits payable under the Policy are subject to the tax laws and other financial enactments, as they exist from time to time.

SECTION 45

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 policy-holder and that the policy holder knew at the time of making it that the statement was false or that it suppressed facts which it was material to disclose.