

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

**POLICY DOCUMENT**

This Policy is issued on the basis of the information given 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 FDs and CDs, commercial papers, accrued investment income (not due and due but not received) and other receivables if any.
- f) **"Current Liabilities and Provisions"** includes brokerage, stamp duty, custodial and Fund accounting expenses payable and other amounts payable, if any, from the Fund.
- g) **"Date of Commencement of Risk"** means the Policy Commencement Date as specified in the Schedule from which the risk cover of the Life Assured commences under the Policy.
- 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) **"Maturity Date"** means the date specified in the Schedule on which the Maturity Benefit as specified per Section 6 b) below shall become payable to the Policyholder.
- k) **"Monthly Due Date"** means the date corresponding numerically with the Policy Commencement Date in each subsequent month.
- l) **"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 this Policy on the death of the Life Assured as mentioned in Section 6 a) below.
- m) **"Policy"** means the arrangements established by this Policy Document.
- n) **"Policy Anniversary"** means the date corresponding numerically with the Policy Commencement Date in each subsequent year during the Policy Term.
- o) **"Policy Commencement Date"** means the date of commencement of the Policy as specified in the Schedule.
- p) **"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.
- q) **"Policyholder"** means the adult person named in the Schedule who has concluded the Policy with the Company.
- r) **"Policy Term"** means the period between the Policy Commencement Date and the Maturity Date as specified in the Schedule.
- s) **"Policy Year"** means the year commencing on the Policy Commencement Date or a Policy Anniversary thereof.

- t) **“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 Single Premium paid by the Policyholder.
- u) **“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.
- v) **“Single Premium”** means the premium payable as per the amount specified in the Schedule, by the Policyholder at the Policy Commencement Date.
- w) **“Single Premium Fund Value”** is equal to the total number of Units pertaining to the Single Premium existing in each Fund under this Policy multiplied by their respective Unit Price.
- x) **“Sum Assured”** is the amount as specified in the Schedule, which is referred-to, to determine the amount payable to the Nominee per Section 6 a) below upon the death of the Life Assured after the Date of Commencement of Risk.
- y) **“Unit”** means a proportionate part of a Fund created to determine the Unit Price.
- z) **“Unit Account”** means an individual account created and administered by the Company for a Policy and consisting of Units, which are valued by reference to the Unit Price 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 shall be calculated by either of the following methods:  
**When appropriation price is applied:** The NAV of a Fund shall be computed as the market value of investments held by the Fund plus the expenses incurred in the purchase of the assets plus the value of any Current Assets plus any accrued income net of Fund Management Charge less the value of any Current Liabilities and Provision, if any. This is applicable when the Company is required to purchase assets to allocate Units at the Valuation Date.  
**When expropriation price is applied:** The NAV of a Fund shall be computed as the market value of investment held by the Fund less the expenses incurred in the sale of the assets plus the value of any Current Assets plus any accrued income net of Fund Management Charge less the value of any Current Liabilities and Provision, if any. This is applicable when the Company is required to sell assets to redeem Units at the Valuation Date.
- bb) **“Valuation Date”** refers to the date when the Unit Price of the Fund is determined.

**2) Policy Description**

- a) The Policy is issued under a Single Premium, unit linked, endowment plan.
- b) The Single Premium 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 specified by the Policyholder in the Proposal Form. Switches between the Funds may be made by the Policyholder per Section 7 a) below.
- c) The Premium Allocation Rate will vary by the amount of Single Premium payable.
- d) 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 assets, the profits or surplus of the business of the Company.

**3) Single Premium**

- a) Single Premium as specified in the Schedule is payable in full at the Policy Commencement Date.

**4) Premium Allocation**

Units are allocated under the Policy depending on the amount of Single Premium, 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) Foreclosure**

If the Single Premium Fund Value less Surrender Charge as per Section 33g) below falls to an amount equivalent to 1/10<sup>th</sup> of the Single Premium, the Policy will be terminated and the Surrender Value per Section 6 c) as on the date of such termination shall be payable.

**6) Policy Benefits**

**a) Death Benefit**

On the death of the Life Assured before the Maturity Date, the Company, subject to Section 11 and Section 18 below, provided the Policy has not been terminated per Section 25 below, shall pay the following amount to the Nominee:

- i) If the Life Assured dies before attaining Age 60 years;  
The higher of:
  - a) The Sum Assured less the value of the Single Premium Units withdrawn by all partial withdrawals per Section 7b) in the 24 months immediately prior to the date of death of the Life Assured and
  - b) The Single Premium Fund Value as on the date of receipt of intimation of death at the Company's office.
- ii) If the Life Assured dies on or after attaining Age 60 years;  
The higher of:
  - a) The Sum Assured less the value of the Single Premium Units withdrawn by all partial withdrawals per Section 7b) within 24 months immediately prior to him attaining Age 60 years and all partial withdrawals made after he attained Age 60 years, and

- b) The Single Premium Fund Value as on the date of receipt of intimation of death of the Life Assured at the Company's office.

b) **Maturity Benefit**

1. If the Life Assured is alive on the Maturity Date, then Single Premium Fund Value as on Maturity Date is payable, provided the Policy has not been terminated as per Section 25.
2. Shield Plus Fund III offers the minimum guaranteed Unit Price at Maturity Date, provided the Policyholder stays in this fund till the Maturity Date.

c) **Surrender Value**

3. Surrender is allowed only after completion of three Policy Year.
4. The Surrender Value will be equal to the Single Premium Fund Value less the Surrender Charge as per Section 33 g) below as on date of surrender or termination of the Policy.
5. The Policy shall terminate upon payment of the Surrender Value
6. No guarantee on Unit Price shall be applicable on the surrender of the Policy.

7) **Flexibilities**

The Policyholder may, subject to prior approval of the Company, exercise any of the following options by using the application form specified by the Company and meeting the conditions set out therein:

a. **Switching between Funds**

- 1). The Policyholder can switch out Units of any of the nine funds at any time during the Policy Term.
- 2). Switching in to Shield Plus Fund III or Growth Plus Fund III is not allowed, where as switching out is allowed at any time.
- 3). The Policyholder can switch in or switch out between Asset Allocation Fund, Equity Growth Fund II, Bond Fund, Liquid Fund, Equity Index Fund II, Accelerator Mid-Cap Fund II and Pure Stock Fund at any time during the Policy Term.
- 4). 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.
- 5). 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. Switching out of Shield Plus Fund III would be at the prevailing Unit Price and not at any guaranteed unit price.
- 6). The Policyholder can exercise unlimited free switches.

b. **Partial withdrawal**

1. Partial withdrawals of Units are allowed anytime after the completion of three Policy Year. The Policyholder has option to make partial withdrawal of Units provided:
  - i) The Company has received a written notice from the Policyholder specifying the amount to be withdrawn and the Fund(s) to be withdrawn from.

- ii) The minimum amount of partial withdrawal is Rs.5,000/- and the remaining balance of Single Premium Fund Value after the partial withdrawal is at least 1/5th of the Single Premium (across all Funds).
  - iii) The Life Assured is not less than 18 years of Age at the time the written notice for partial withdrawal is received by the Company.
2. The Company may at any time vary the minimum value of Units to be withdrawn and/or the minimum balance of value of Units to be maintained (across all Funds) after such partial withdrawals with prior approval from IRDA.
3. The Policyholder will have the option to choose the Fund from which to do partial withdrawal.
4. All partial withdrawal of Units would be at the prevailing Unit Price and not at any guaranteed unit price
5. No Charge is applicable on partial withdrawals.

**d. Option to decrease Sum Assured**

The Policyholder has the option to decrease the Sum Assured to 1.1 times of Single Premium from the first Policy Anniversary. Such reduction will be allowed at the Policy Anniversary only.

## PART "A" - GENERAL CONDITIONS

### 8) Age Proof

- a) The Mortality Charge payable under the Policy is calculated on the basis of the Life Assured's Age as declared in the Proposal Form. If the Life Assured's Age has not been admitted by the Company, the Policyholder shall furnish such proof of the Life Assured's Age as is acceptable to the Company and have the Age admitted.
- b) If the Age so admitted (the "correct Age") is found to be different from the Age declared in the Proposal Form, then without prejudice to the Company's other rights and remedies including those under the Insurance Act 1938, the following actions shall be taken:
  - i) If the correct Age is such as would have made the Life Assured uninsurable under this Policy, the plan of assurance shall stand altered to such plan of assurance as is generally granted by the Company for the Life Assured's correct Age, which will be subject to the terms and conditions 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 per Section 6 c) above 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 the redemption of Units.
  - iii) If the Life Assured's correct Age is lower 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") from the next Monthly Due Date.

### 9) Assignment and Nomination

- a) No assignment shall be effective unless and until the Company receives a 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, whose details will be specified in the Schedule, to receive benefits payable under Section 6 a) 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 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 or sufficiency of any assignment or nomination, if the assignment or nomination is not notified to the Company in writing, in recording the assignment or registering the nomination or change in assignment or nomination.
- f) 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) Suicide Exclusion**

If the Life Assured commits suicide whether sane or insane, within one year from the Date of Commencement of Risk, the Company's liability shall be limited to the extent of the Single Premium Fund Value as on the date of intimation of death of the Life Assured at the Company's office.

**12) Non-Disclosure & Fraud**

- i) If the Policyholder has either not disclosed all facts or has misrepresented facts (in the Proposal Form, 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 Single Premium under or in respect of the Policy.
- ii) 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 Single Premium paid shall be made.

**13) Notices**

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

- i) The Policyholder or the Life Assured:
  1. Shall be sent by hand, post, facsimile or e-mail to the Policyholder or Life Assured 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 to the Policyholder or Life Assured on 7<sup>th</sup> (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.
- ii) The Company shall be submitted by hand, post, facsimile or E-mail to:

Bajaj Allianz Life Insurance Company,  
GE Plaza, Airport Road,  
Yerawada, Pune - 411006  
Toll Free No. 1800225858  
Email: [life@bajajallianz.co.in](mailto:life@bajajallianz.co.in)

**14) Electronic Transactions**

Subject to Section 13) above, the Policyholder agrees to adhere to and comply with all such terms and conditions as the Company may prescribe from time to time with regard to all transactions and hereby agrees and confirms that all transactions (other than those requiring a written notice or communication under this Policy) effected by or through facilities for conducting remote transactions including the Internet, World Wide Web, electronic data interchange, call centres, tele-service operations (whether voice, video, data or combination thereof) or by means of electronic, computer, automated machines network or through other means of telecommunication, established

by or on behalf of the Company, for and in respect of the Policy or its terms, or the Company's other products and services, shall constitute legally binding and valid transactions when done in adherence to and in compliance with the Company's terms and conditions for such facilities, as may be prescribed from time to time.

**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 or increased (as applicable) by the amount of any reduction or increase in the Single Premium Fund Value due to a fall or rise in the Unit Price between the date of allocation and redemption of Units (without reference to any Premium Allocation Rate or Charges).

**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 an endorsement in writing and signed by an officer of the Company authorized for this purpose.

**18) Payment of claim**

The Company shall be under no obligation to make any payment under Section 6 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:

- a) Written notice as soon as possible and in any event within 180 days of the death of the Life Assured, and the circumstances resulting in the death of the Life Assured.
- b) The claimant's proof of entitlement to receive payment under the Policy.
- c) Original Policy Document.
- d) Original death certificate of the Life Assured issued by a competent authority.
- e) Medical cause of death certificate from the doctor who last attended to the Life Assured or from the hospital in which the death occurred.

**19) 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 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 f) below for the issuance of a copy of the Policy Document.
- b) Upon the issuance of a copy 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 Policy servicing, the Policyholder may contact the Company's nearest Customer Care Center during the Company's office hours from 9 am to 6 pm. Alternatively, the Policyholder may communicate with the Company:

By post at: Customer Care Desk

Bajaj Allianz Life Insurance Company Ltd.

GE Plaza, Airport Road, Yerawada, Pune - 411006

By Phone: Toll Free No. 1800225858

By Fax: 020-6602-6789

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

### **Grievance Redressal Committee**

Any grievance or complaint 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

## 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 any of the following events:

- a) The Units in the Policy are fully surrendered.
- b) The Single Premium Fund Value less Surrender Charge as per Section 33 g) below falls to an amount equivalent to one tenth of the Single Premium.
- c) The receipt of intimation of death of the Life Assured at the Company's office.
- d) On Maturity Date.

**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.

## PART "B" - SCHEDULE OF INVESTMENT FUNDS

### 27) Type of Funds

- i) The following Funds may be available as at the Policy Commencement Date:
  1. Shield Plus Fund III
  2. Growth Plus Fund III
  3. Equity Growth Fund II
  4. Asset Allocation Fund
  5. Bond Fund
  6. Liquid Fund
  7. Equity Index Fund II
  8. Accelerator Mid-Cap Fund II
  9. Pure Stock Fund
- ii) The Company may add, close, merge, modify or consolidate the Funds under this Policy with prior approval from the IRDA.

### 28) 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 upto 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 market volatility 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 event of any force majeure or disaster that affects the normal functioning of the Company.
  6. If so directed by the IRDA.
- b) The Policyholder shall be notified of such a situation if it arises.

### 29) Fund Management

All the Funds will be internally managed by the Company.

### 30) Investment Objectives

At Policy inception, the Policyholder will have the choice of following nine (9) funds:

**1) Shield Plus Fund III - Risk Profile - Medium**

The investment objective of this Fund is to provide capital appreciation by investing in mix of debt securities, equities, mutual funds and highly rated debentures, subject to achieving minimum guaranteed Unit Price at Maturity Date.

Indicative Portfolio Allocation:

Debt securities:	minimum 50%
Debenture	maximum 50%
Mutual Funds, Equities and Money market instruments:	maximum 50%

The minimum Unit Price at Maturity Date, under Shield Plus Fund III, is guaranteed to be 170% of the Unit Price as on date of allocation of units to UnitAccount under a Policy.

**2) Growth Plus Fund III - Risk Profile - High**

The investment objective of this Fund is to protect the capital as well as to achieve capital appreciation over the term of 10 years. The above objective does not intend to offer any explicit investment guarantee to the Policyholder. The fund strategy would be to invest in highly- rated secured debentures, corporate bonds, exchange traded funds, equities and money market instruments.

Indicative Portfolio Allocation:

Debentures, Corporate Bonds, and Exchange Traded Funds and Equities:	minimum 80%
Mutual Funds and Money market instruments:	maximum 20%

**3) Equity Growth Fund II: Risk Profile: Very High**

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

**4) Asset Allocation Fund: Risk Profile: High**

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.

**5) Bond Fund:**

**Risk Profile: Moderate**

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.

**Indicative Portfolio Allocation:**

Debt and money market instruments: 100%

**6) Liquid Fund:**

**Risk Profile: Low**

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.

**Indicative Portfolio Allocation:**

Bank deposits and money Market Instruments: 100%

**7) Equity Index Fund II:**

**Risk Profile: High**

The investment objective of this Fund is to provide capital appreciation through investment in equities forming part of National Stock Exchange 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 Policyholders.

**8) Accelerator Mid-Cap Fund II:**

**Risk Profile: Very High**

The investment 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 Policyholders.

**9) Pure Stock Fund:**

**Risk Profile: Very High**

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.

**Indicative Portfolio Allocation:**

Equity: Not less than 60%

Government treasury bills (Non-interest bearing): 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 Policyholders.

**31) Risk Profile**

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

Funds	Risk Profile
Shield Plus Fund III	Medium
Growth Plus Fund III	High
Equity Growth Fund II	Very High
Asset Allocation Fund	High
Bond Fund	Moderate
Liquid Fund	Low
Equity Index Fund II	High
Accelerator Mid Cap Fund II	Very High
Pure Stock Fund	Very High

**32) Fund Provisions**

a) **Purpose of the Funds**

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

b) **Investment of the Funds**

1. 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 any IRDA Regulations as applicable from time to time. It is further provided that the assets of each Fund may comprise such proportion as the Company may determine including un-invested cash or any other assets whether or not this produces income.
2. 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) Mortality Charge**

1. The Mortality charge will be deducted at monthly intervals at the rate the Company applies to the attained Age of the Life Assured, through cancellation of Units at the prevailing Unit Price on the Date of Commencement of Risk and on subsequent Monthly Due Dates. 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.
2. The Mortality Charge per thousand Sum at Risk is given in Annexure – I. The Mortality Charge is applied at the Sum at Risk, which is equal to the Sum Assured less Single Premium Fund Value.

**b) Fund Management Charge**

Fund	Fund Management Charge per annum
Shield Plus Fund III	1.35%
Growth Plus Fund III	1.35%
Equity Growth Fund II	1.35%
Asset Allocation Fund	1.25%
Bond Fund	0.95%
Liquid Fund	0.95%
Equity Index Fund II	1.25%
Accelerator Mid Cap Fund II	1.35%
Pure Stock Fund	1.35%

The Fund Management Charge is applied at Net Asset Value of the Funds before deduction of this Charge.

**c) Policy Administration Charge**

The Policy Administration Charge, as mentioned in the Schedule, will be deducted at each Monthly Due Date throughout the Policy Term by the cancellation of Units.

**d) Premium Allocation Charge**

The Premium Allocation Rate is mentioned in the Schedule. The balance is taken as the Premium Allocation Charge.

**e) Fund Switching Charge**

The Policyholder may exercise unlimited free switches during the Policy Term.

**f) Miscellaneous Charge**

The Miscellaneous Charge will be charged at the rate of Rs.100/- per transaction in respect of decrease of Sum Assured or issuance of copy of the Policy Document.

**g) Surrender Charge**

Policy Year	Surrender Charge as a % of Single Premium

1 - 3	Surrender not allowed
4	6%
5	3%

There is no Surrender Charge from 6<sup>th</sup> Policy Year.

**34) Recovery of Charges**

- (i) The Fund Management Charge will be deducted from the NAV of the Funds while calculating the Unit Price.
- (ii) The Policy Administration Charge, the Mortality Charges will be recovered monthly at Monthly Due Dates by the redemption of Units at the prevailing Unit Price.
- (iii) 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 deduction of proportionate monthly charges, then the same shall be deducted proportionately from the value of Units of the other Funds.

**35) Revision of Charges**

- i) After taking due approval from the IRDA , the Company reserves the right to revise the above mentioned charges.
- ii) The Company will give a notice of three months to the Policyholders for any 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 after applying Surrender Charge and terminate the Policy.

**iii) Unit Transactions**

- a) Allocation of Units
  - 1. For Single 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
  - 2. For Single 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
  - 3. For Single 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
  - 1. For written applications received by the Company from the Policyholder for death, surrender, partial withdrawal 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
  - 2. 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

**iv) 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 above, 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 Policyholder shall be notified should such a situation arise.

**v) Non-Participation in Profits**

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

**vi) Fund Closure**

The Company may, close any of the Funds with prior approval of the IRDA, and absolute opinion of the Company, the said Fund should 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. 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.

**vii) Unit Statement**

The Company will issue a 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 33) above.

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

For and behalf of Bajaj Allianz Life Insurance Company Limited

Authorised Signatory