

Standard Policy Provisions

Aegon Life Star Child Plan UIN-138LoosV01

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

1. Definitions

Age means age nearest birthday unless specifically otherwise provided.

Base Plan means the coverage which provides benefits mentioned in Clause 3 on Policy Benefits.

Base Plan Premium is the installment premium payable by you for the Base Plan and is mentioned in the Policy Schedule.

Charges means the charges mentioned in Clause 11.

Company, Insurer, We, Us mean Aegon Life Insurance Company Limited.

Cut Off time means the time on a business day of the Company upto which we will accept the premiums and options for surrender, partial withdrawals or switches and allocate Units at the Unit Price of that date. Presently the cut-off time is 3.00 p.m., which could change in the future subject to IRDA approval.

Due Dates means the dates on which the Policy Premiums are due and payable by the Policy Holder.

First Premium is the premium received along with the Proposal Form for issuance of the Policy.

Fund or Investment Fund means a specific and segregated investment fund managed by us for the exclusive interest of all the Policy Holders sharing the same investment fund option.

Fund Value means, unless otherwise provides for exclusion of Units purchased out of Top Up premiums, the product of the total number of Units under the Policy and the Unit Price per Unit.

Grace Period is a period of 30 days starting from the due date of premium and ending at midnight of the 30th day from the due date of premium irrespective of whether the 30th day is a holiday, public or otherwise.

IRDA means the Insurance Regulatory and Development Authority.

Life Assured is the person in relation to whom the Base Plan or Rider Cover is granted by us.

Maturity Date is the date of expiry of the Base Plan by efflux of the Policy Term and is mentioned in the Policy Schedule.

Monthly Date is the first day of each Policy Month.

Policy means the contract of Insurance entered into between the Policy Holder and the Company as evidenced by this document which sets down the benefits available to the Policy Holder and the terms and conditions for availing of such benefit/s. Policy includes the Base Plan and the Riders, if any.

Policy Holder, Life Assured, You or Your or Yours mean the Policy Holder named in the Policy Schedule.

Policy Anniversary is the date corresponding to the Policy Date occurring after the completion of every Policy Year.

Policy Date is the date of commencement of the Base Plan and is mentioned in the Policy Schedule

Policy Premium is the sum of the Base Plan Premium and premium for Riders, if any.

Policy Term means the period commencing on the Policy Date and ending on the Maturity Date and is mentioned in the Policy Schedule.

Policy Year and **Policy Month** are measured from the Policy Date and are periods of twelve calendar months and one calendar month respectively.

Premium Redirection is the facility available to you to modify the allocation of the amount of renewal premium into a different investment pattern from the option (investment pattern) in effect at the time you exercise this facility.

Proposal Form is the application form you have submitted to us for purchasing this Policy.

Redemption means the encashing of Units at the prevailing Unit Price offered by us and involves cancellation of Units in transactions such as partial withdrawals, surrender, maturity or switches.

Rider is a benefit payable on the happening of a specified event as mentioned in the Rider coverage and is allowed as an add-on to the Base Plan. The Riders granted under this Policy are mentioned in the Policy Schedule.

Rider Premium is the installment premium for the relevant Rider coverage and is mentioned in the Policy Schedule.

Settlement Option is the facility available to you or to the nominee to receive the maturity proceeds in the manner stated in Clause 10 of this Policy.

Settlement Period is the period of upto five years from the Maturity Date.

Single Premium Policy is a policy where the Premium Payment Frequency in the Policy Schedule is “Single”.

Surrender Value is the Fund Value less applicable Surrender Charge.

Top-Up Premium or Top-Up is an amount(s) paid by you during the Policy Term and is over and above the Policy Premium payable by you.

Unit is a portion or a part of the Investment Fund and is represented by one undivided share in the assets underlying that Fund.

Unit Price is the value per unit of each investment fund calculated in rupees as mentioned below:

The Unit Price will be based on the Appropriation Price when the Company is required to purchase assets to allocate Units at the Valuation Date and the Expropriation Price when the Company is required to sell the assets to redeem the Units at the Valuation Date.

The Appropriation Price is calculated as follows:

(Market or fair value of investments plus expenses incurred in the purchase of assets plus current assets plus any accrued income net of fund management charges minus current liabilities and provisions) divided by number of units outstanding under the Investment Fund.

The Expropriation Price is calculated as follows:

(Market or fair value of investments minus expenses incurred in the sale of assets plus current assets plus any accrued income net of fund management charges minus current liabilities and provisions) divided by number of units outstanding under the Investment Fund.

Valuation Date is the date on which we value the assets of the Funds as set out in Clause 6.4 below.

2. General

2.1 Product Description

'Aegon Life Star Child Plan' is the name of a unit linked product of the Company. This is a linked non participating plan. This Policy will participate in the investment performance of the Investment Fund(s) of the Company, chosen by you, to the extent of allocated units. This policy, however, does not in any way give you any right whatsoever to any share in the profits or surplus of the business of the Company. A Unit Linked Policy is subject to different risk factors and the investments in the Investment Funds are subject to fluctuations in financial markets and other risks. The Unit Price can go up or down depending on the factors and forces affecting the financial markets. The name of the concerned Investment Fund does not indicate the quality and the past performance of the Fund and is not necessarily indicative of its future performance. The Investment Funds chosen for investment under this Policy do not offer any guaranteed returns.

2.2 Assignment & Nomination

(i) Assignment

An assignment of the Policy can be made by an endorsement on the Policy itself or by a separate instrument signed in either case by the assignor specifically stating the fact of assignment and duly attested. The first assignment may be made only by the Policy Holder. Such assignment shall be effective, as against the Company, from and upon the service of a written notice upon the Company together with the endorsement or instrument or a copy thereof duly certified to be correct by both the assignor and the assignee. Assignment will not be permitted where the Policy is under the Married Women's Property Act, 1874 and conditions apply to assignments of policies issued to partnerships or Hindu Undivided Families.

(ii) Nomination

The Policy Holder, where he himself is the Life Assured under this Policy, may at any time during the tenure of the Policy make a nomination for the payment of the money secured by the Policy in the event of his death. Where the nominee is a minor, an Appointee, who is not a minor, will necessarily be appointed by the Policy Holder to receive the death benefits during the minority of the nominee. Nomination can be made by communicating the same in writing to the Company. The Nominee can be changed by the Policy Holder at any time during the term of the Policy and any such change shall vacate earlier nomination automatically.

(iii) The Company does not express any opinion on the validity or legality of the assignment or nomination.

2.3 Suicide Exclusion

If the Life Assured under the Policy, whether medically sane or insane, commits suicide, within one year of

- a) The Policy Date or
- b) Effective Date of Reinstatement, where the Policy has been discontinued in accordance with Clause 5.1,
the Policy shall be void and the Company will be liable to pay the Fund Value as on the Valuation Date following the intimation of death.

Further if the Life Assured under the Policy, whether medically sane or insane, commits suicide, within one year of exercising the option to increase the Sum Assured as per provisions of Clause 3.6 then the amount of increased Sum Assured shall not be considered in the calculation of the Death Benefit in Clause 3.1.

2.4 Incorrect Information & Non Disclosure

Your Policy is based on the replies furnished to the questions in the Proposal Form and in the report, if any, of the Medical Examiner and the declarations which have been made to the Company and any other information provided by you or on your behalf in writing before we accepted the risk under your proposal. If any information provided by you is incomplete or incorrect, not with standing any other provisions under the Policy, the Company reserves the right to vary the benefits which may be payable and if there has been non disclosure of any material fact or if the replies to any of the questions asked in the Proposal Form/ report of the Medical Examiner are false or wrongly answered then we may treat the Policy as void.

Section 45 of the Insurance Act, 1938 is reproduced hereunder for your ready reference.

"No policy of life insurance effected before the commencement of this Act shall after the expiry of two years from the date of commencement of this Act and 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:

Provided that nothing in this section shall prevent the insurer from calling for proof of age at any time if he is entitled to do so, and no policy shall be deemed to be called in question merely because the terms of the policy are adjusted on subsequent proof that the age of the Life Assured was incorrectly stated in the proposal."

2.5 Free Look Option

If you disagree with any of the terms and conditions of the Policy, you have the option to return the Policy Document along with a letter stating reasons for the objection within fifteen days of receipt of the Policy Document ("the free look period"). The Policy will be cancelled by us and we will pay you an amount equal to the

- Sum of Premium Allocation Charges, Policy Administration Charges and Mortality Charges deducted from the Policy;
- Plus the Fund Value as on the Valuation Date following the receipt of your letter
- Minus the aggregate of the Stamp Duty on the Policy, any expenses borne by the Company for medical examination and proportionate Mortality Charges.

All the rights under the Policy shall stand extinguished immediately on the cancellation of the Policy under the free look option.

2.6 Misstatement of age or gender

The Charges payable under the Policy, more specifically mentioned under clause 11, have been calculated on the basis of the age and/or gender of the Life Assured as declared in the Proposal Form.

Without prejudice to the Company's other rights and remedies including those under the Insurance Act, 1938, if the age or gender of the Life Assured has been misstated or incorrectly mentioned, then the Company will determine the Charges as described in clause 11 using the correct age and gender. This may be done in any of the following manner:

- a) If the correct age is higher than the age declared in the Proposal Form, the Charges payable under the Policy shall be altered corresponding to the correct age of the Life Assured from the Date of Commencement and the Policy Holder shall pay to the Company, the difference between the Charges charged at such lower rate (more specifically mentioned under the head Charges) and such re-calculated higher rate retrospectively from the Date of Commencement.
- b) If the correct age of the Life Assured is lower than the age declared in the Proposal Form, the Charges payable under the Policy shall be altered corresponding to the correct age of the Life Assured from the Date of Commencement (and the Company may adjust the difference by adding Units corresponding to the difference between the Charges charged at such higher rate and the Charges chargeable at such re-calculated lower rate retrospectively from the Date of Commencement.

Not with standing the above the Company may terminate the Policy and refund the Surrender Value (if the Life Assured's correct date of birth/age is such as would have made him/her uninsurable).

If a Rider is attached to this Policy and if the correct age is found to be different from the age declared in the Proposal Form the Company will adjust the Rider Sum Assured accordingly. If the correct age affects the original terms of acceptance of the Policy in such a way that we are unable to adjust the terms of acceptance to reflect the correct age, then subject to applicable law, this Policy shall be void and company will retain all rider premiums.

2.7 Payment of Claim

The Company would seek the following primary documents in support of a claim to enable processing of the claim intimated by you under the Policy

- For Maturity Benefit and Surrender Benefit: the original Policy Document
- For Death Benefit
 - Original Policy Document;
 - Certificate of the Doctor / Medical Officer certifying the cause of death;
 - Death Certificate issued by the local authority; and
 - Claimant's Statement
- For benefits under Rider(s), if any
 - Original Policy Document; and
 - Any other documents or information as mentioned in the Rider provisions.

The Company is entitled to call for additional documents or information for processing of the claim depending on the cause of claim.

2.8 Taxation

The tax benefits on the Policy would be as per the prevailing provisions of the tax laws in India. If required by the relevant legislation prevailing from time to time, the Company will withhold taxes from the benefits payable under the Policy. The Company reserves the right to recover statutory levies including service tax by way of adjustment of the premiums paid by you or make necessary recoveries from the Fund Value and/or Unit Prices and/or benefits payable under the Policy.

2.9 Notices

Any notice, direction or instruction given by you to the Company under the Policy shall be in writing and delivered by hand, post, facsimile or electronic mail to Aegon Life Insurance Company Limited, 2nd Floor, Paranjpe 'B' Scheme, Subhash Road, Near Garware House, Vileparle (East), Mumbai – 400 057.

Any notice, direction or instruction to be given to you under the Policy shall be in writing and delivered by hand, post, facsimile or electronic mail to your updated address in the records of the Company and is deemed to have been received by you within seven days after posting or immediately upon receipt in the case of hand delivery, facsimile or electronic mail.

2.10 Currency and Payment

All payments to or by the Company will be in Indian rupees and shall be in accordance with the prevailing Exchange Control regulations and other relevant laws of India.

2.11 Applicable Law

The Policy is subject to the provisions of the laws of India and more particularly the Indian Contract Act, 1882 as amended, the Insurance Act, 1938, the Insurance Regulatory And Development Authority Act, 1999, the rules and regulations made under these enactments, the directions and guidelines issued by the IRDA from time to time and the tax laws.

3. Benefits

3.1 Death Benefit

If the policy is in force and the Life Assured dies before the Date of Maturity,

- a) The Company will pay to the nominee under the Policy the Base Plan Sum Assured applicable at the time of death
- b) All the rider benefits, if attached to the policy, will cease without value.
- c) The Company will invest all the future Base Plan Premiums, if any, becoming due after the date of death of the Life Assured, net of applicable charges as per clause 11 except mortality charges, into the policy unit account on their respective due dates. If any premium due date, after the death of the Life Assured, has passed before the claim is admitted, such due premiums will be invested on the date the claim is admitted.
- d) On the Maturity Date, the nominee shall have option to either receive the Fund Value in lump sum or exercise settlement option as in clause 10.
- e) After payment of the base plan sum assured as in sub-clause a) above, and in case of death of the nominee, the policy will continue and the company will continue paying future Base Plan Premiums as above till the Date of Maturity. On Maturity Date, the Fund Value will be paid to the legal heirs of the deceased Life Assured.

If the premiums have not been paid for the first three policy years and the policy is in lapse status, death benefit is the fund value and the policy will terminate after payment of fund value.

3.2 Maturity Benefit

Upon your survival to the Maturity Date you can choose to

- a) Receive the Fund Value in a lump sum; or
- b) Exercise the settlement option as in clause 10.

3.3 Special Units

A Policy will be eligible for allocation of Special Units provided the minimum Policy Term is 15 years. The Company will allocate Special Units under the Policy on the 10th Policy Anniversary and on the Policy Anniversary occurring after three years of each such allocation at the rate of 1.5% of the average Fund Value in your policy. The Average Fund Value will be the average of the Fund Values on all Monthly Dates falling during the last thirty six months preceding the date on which the Special Units are to be allocated. This allocation is done by creating additional Units to your Policy across the Funds, in the same proportion as your Allocation Proportion then in effect.

3.4 Partial Withdrawals

(i) The Policy Holder, or the nominee in case of death of the Life Assured, will have option to make Partial Withdrawals at any time after the three Policy Years immediately following the Policy Date subject to payment of all Policy Premium in full during these three Policy Years and following further conditions:

- a) The Partial Withdrawal amount is not less than Rs. 5000/-.
- b) The sum total of all Partial Withdrawals as at the end of any Policy Year shall not exceed 50% of the Fund Value at the beginning of that Policy Year.
- c) The balance of Fund Value remaining after any Partial Withdrawal is not less than two times of the annual Base Plan Premium or, as the case may be, 20% of the Single Premium paid under the Policy.

- d) In respect of Partial Withdrawal from Fund Value of Units purchased out of Top-Up Premiums, there will be a lock-in period of 3 years from the respective date of payment of each Top-Up premium.
- e) The Partial Withdrawal shall be subject to prevalent administrative rules regarding minimum and maximum withdrawal amounts.
- f) Four Partial Withdrawals will be permitted free of charge in each Policy Year. On any further Partial Withdrawal a Charge as given in Clause 11 will be levied.
- g) Subject to Sub-clause (d), Partial Withdrawal and Systematic Partial Withdrawal, referred to below, shall be effected by cancellation of Units first from eligible Top-Up premiums across all the Investment Funds as nearly equal as possible. However this condition will not apply if Top-Up premium is paid during the last three policy years of the Policy Term.

(ii) Systematic Partial Withdrawal

- a) The Policy Holder, or the nominee in case of death of the Life Assured, may exercise the option for systematic monthly, quarterly or annual Partial Withdrawal facility. On the exercise of such Option, the Company will redeem units from the policy periodically to make Partial Withdrawal payments as per the frequency and amount selected by the Policy Holder or the nominee after the death of the Life Assured, as the case may be, and approved by the Company. Each installment of Systematic Partial Withdrawal shall not be less than Rs.2,000 or any other applicable amount revised from time to time by the Company.
- b) All conditions as specified in Sub-clauses (b),(c),(d) and (g) of Clause 3.4 (i) above will be applicable to each Systematic Partial Withdrawal installment
- c) Once a Systematic Partial Withdrawal transaction fails due to one or more of the Partial Withdrawal conditions given in Sub-clauses (b),(c),or (d) of Clause 3.4 (i) not being satisfied, the Systematic Partial Withdrawal facility will be terminated and the Policy Holder notified of such event. The Policy Holder will have to instruct the Company again to resume Systematic Partial Withdrawals subject to the conditions as were applicable prior to the termination.
- d) The Systematic Partial Withdrawal payments shall be made only through Electronic Clearance Service (ECS) of banks or such other modes as decided by the Company from time to time.
- e) There will be no fee for Systematic Partial Withdrawal facility.

3.5 Surrender Benefit

This Policy may be surrendered by the Policy Holder at any time after completion of three Policy Years. The Policy will not acquire any Surrender Value until Policy Premiums of the first twelve Policy Months has been paid. The Surrender Value payable is equal to the Fund Value as on the date we receive your Surrender request less applicable Surrender Charges as mentioned in Clause 11. The policy can not be surrendered after death of the life assured.

3.6 Option to Change Base Plan Sum Assured

You may opt to increase in Base Plan Sum Assured from the one stated in the Policy Schedule, provided the policy is in force. Any such increase will be subject to underwriting rules of the Company, subject to no change in the Base Plan Premium and subject to our administrative rules regarding maximum Base Plan Sum Assured. The change will be effective from the Monthly Date following the acceptance by us of the option exercised by you. Reduction in sum assured is not allowed. This option can not be exercised after death of the life assured.

3.7 Premium Redirection

The Policy Holder, or the nominee after death of the Life Assured, is entitled to change the renewal premium allocation proportion to various Investment Funds. The new premium allocation proportion will be applicable for all future Base Plan Premiums and Top-Ups. The Premium Redirection request should be received at least 21 days before the next premium due date and the premium redirection request, if so made and received, will be effective from the next premium due date. The altered allocation proportions will be applicable on all future premiums received after the date of the alteration of such allocation proportions. Two Premium Redirection requests will be processed free of charge in one Policy Year. All subsequent redirection requests will carry a Premium Redirection charge as given in Clause 11.

4. Premiums

If any amount received towards Policy Premium is less than the installment due, the same will not be accepted. On the other hand if the amount received towards Policy Premium is more than the installment due, the excess amount will be refunded to the Policy Holder. No interest or reward is payable on the excess amount received. If a Policy Premium is received in advance, Units will be created only on the Due Date of the Base Plan Premium.

The Base Plan Premium received by the Company (net of relevant Premium Allocation Charges) is used to create Units in the relevant Investment Funds in accordance with the Allocation Proportion then in effect under the Policy. The Units will be created on the Valuation Dates of the relevant Funds as per the provisions of Clause 7.

At any time during the Policy Term, you may in addition to your Policy Premium, apply for payment of Top-Up Premium in the specified form, subject to the following conditions:

- The Policy is in force and the life assured is alive; and
- Policy Premium due till the date of the application has been paid in full; and
- Any Top-Up Premium payment is not of less than Rs. 5,000/-. This minimum limit may be changed by the Company from time to time; and
- As long as total Top-Up Premiums paid (including all Top-Up Premiums paid earlier) under the Policy does not exceed 25% of the total Policy Premiums paid, the Base Plan Sum Assured will not increase. Any Top-Up Premium in excess of this limit will result into increase in Base Plan Sum Assured by 1.25 times of such excess Top-Up Premium. Such increase in the Base Plan Sum Assured and acceptance of the Top-Up Premium shall be subject to underwriting requirements to the satisfaction of the Company.

The creation of Units out of the Top-Up Premium (net of the relevant Premium Allocation Charges) in the relevant Funds will be made in accordance with the Allocation Proportion then in effect. The Units will be created on the Valuation Dates of the relevant Investment Funds as per the provisions mentioned in Clause 7. If a Policy Premium is due and Top-Up Premium is received, such Top-Up Premium will first be used to pay the due Policy Premium. The remainder will be allocated as a Top up.

5. Non-forfeiture

5.1 Discontinuance of Policy Premium within three years of the Policy Date

If any Policy Premium due within the first three Policy Years of the Policy Date remains unpaid even after the grace period of 30 days from the date of unpaid Policy Premium, the Policy will lapse with effect from the Due Date of the first unpaid premium ("Lapse Date") and no benefits will be payable under the Policy. The Policy will continue in a lapsed status and all Charges except Mortality Charges will be deducted.

Death Benefit (as in Clause 3.1) if payable during the Grace Period will be reduced by the outstanding Policy Charges.

Reinstatement of the Policy: The Policy Holder can apply for reinstatement of the lapsed Policy within two years from the due date of the first unpaid premium ("Reinstatement Period"). The reinstatement shall be subject to the following conditions:

- Satisfactory evidence of insurability of the Life Assured; and
- Payment in full of an amount equal to the Base Plan Premiums due but unpaid till the Effective Date of Reinstatement.
- A lapsed rider cannot be reinstated but a new rider can be added as per terms and conditions prevailing for the purchase of the rider.

The Effective Date of Reinstatement is the date on which the above requirements are met by you and approved by the Company. On this date, appropriate Premium Allocation Charge, outstanding PWB Mortality Charges and excluding rider premium, if any, shall be deducted from the abovementioned payment and the balance of the premium amount shall be invested in Investment Funds as chosen by you.

In case of surrender of the Policy during the Reinstatement Period, provided the Policy has completed three Policy Years, we shall pay you the Surrender Value, if any. In case of death of the Life Assured during the Reinstatement Period, the Fund Value will be paid.

If the Policy is not reinstated during the Reinstatement Period, the Policy will stand terminated and the Surrender Value shall be payable on the completion of the third Policy Year or at the end of the Reinstatement Period, whichever is later.

5.2 Discontinuance of Policy Premium after three Policy Years

If the due Policy Premiums have been paid for at least three consecutive Policy Years from the Policy Date and subsequent Policy Premiums are unpaid, you may reinstate the Policy within five years from the date of first unpaid premium. Such reinstatement shall be subject to the following conditions:

- Satisfactory evidence of insurability of the Life Assured; and
- Payment in full of an amount equal to the Base Plan Premiums due but unpaid till the Effective Date of Reinstatement.
- A lapsed rider cannot be reinstated but a new rider can be added as per terms and conditions prevailing for the purchase of the rider.

The Effective Date of Reinstatement is the date on which the above requirements are met by you and approved by the Company. On this date, appropriate Premium Allocation Charge and excluding Rider Premiums, if any, shall be deducted from the above mentioned payment and the balance of the premium amount shall be invested in Investment Funds as chosen by you.

During the period allowed for reinstatement, the Policy shall continue to be in force for the Base Plan by levying applicable Policy Charges. At the end of the allowed period for reinstatement, if the Policy is not reinstated the Policy shall be terminated by paying the Surrender Value.

You are however entitled to submit a written notice to the Company within the period allowed for the reinstatement of the Policy opting to continue the Policy.

The Company will continue deduction of applicable Policy Charges and keep the Policy in force for the Base Plan until the Fund Value does not fall below the amount equivalent to one year's Base Plan Premium. Where the Fund Value falls to the level of an amount equal to one year's Base Plan Premium or the Fund Value is inadequate for the deduction of the applicable Policy Charges as per Clause 11, whichever is earlier, the Policy shall stand terminated and surrender value equal to one year Base Plan Premium shall be paid.

6. Investment Funds

6.1 An Investment Fund is a specific and separate fund managed for the exclusive interest of all Policy Holders sharing the same Investment Fund. The Company holds legal and beneficial interests in the assets of each Investment Fund and has sole discretion on the investment and the management of each Investment Fund within the defined asset portfolio allocation as set out under clause 6.2. The four Investment Funds currently offered under the Policy by the Company are – Enhanced Equity Fund, Balanced Fund, Debt Fund and Secure Fund.

6.2 The Company will manage the investment mix of each of the Investment Fund according to the following indicative table:

Asset Class	Secure Fund	Debt Fund	Balanced Fund	Enhanced Equity Fund
Equities	0%	0%	30% - 70%	75% - 100%
Fixed Interest Securities and Money Market Instruments	100%	100%	30% - 70%	0% - 25%

6.3 Investment Objectives of the Investment Funds

Secure Fund: This fund will aim to invest in a diversified portfolio of debt and money market instruments of short to medium term maturities. The main objective will be to generate investment income with very low volatility risk since asset durations would be reasonable small.

Debt Fund: This fund will aim to generate investment income by investing in a diversified portfolio of government debt, corporate debt and money market instrument of varying maturities.

Balanced Fund: This fund will aim to maintain a balance between equity and debt exposure so that the client has a stable and attractive long term return. The fund will also shift allocation between debt and equity to gain from asset price movements over medium to long term.

Enhanced Equity Fund: This fund will aim at investing in equities of various sectors to diversify the portfolio and to generate returns in the long term. The fund will also have the flexibility to invest in fixed interest assets and money market instruments up to 25% each.

Note

- Enhanced Equity Fund, Balanced Fund, Debt Fund and Secure Fund are the names of the Investment Funds and do not in any manner indicate the quality of the Investment Funds, their future prospects or returns.
- Investments in the Investment Funds are subject to market and other risks and the achievement of the Objective of any of the Investment Funds cannot be assured.
- The Company may from time to time change the asset portfolio allocation in the existing Investment Funds with the approval of the IRDA.

6.4 Investment Fund Valuation

The valuation of assets under each Investment Fund shall be made as per the valuation norms prescribed by the Company and the IRDA.

The Company is aiming to value the Investment Funds on each day of the operation of the financial markets. The Company however, reserves the right to value less frequently in extreme circumstances, where the value of the assets may be subject to extreme volatility and uncertainty. In such circumstances the Company may defer valuation of assets until normalcy returns. 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 other than for normal 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 Investment Fund are not reasonable or would not reasonably be practicable without being detrimental to the interests of the remaining Policy Holders invested in the Investment Fund;
- c) During periods of extreme volatility of capital markets during which surrenders and switches would, in our opinion, be detrimental to the interests of the existing Policy Holders sharing the same Investment Fund option;
- d) In case of natural calamities, strikes, war, civil unrest and riots;
- e) In event of any force majeure or disaster that affects our normal functioning;
- f) If so directed by the IRDA.

The Fund Management Charge as explained in Clause 11 is levied at the time of computation of the Unit Price.

6.5 Investment Fund Addition

The Company may from time to time create and add new Investment Funds with different Charges with the approval of the IRDA and consequently, new Investment Funds may be made available to you. All provisions of the Policy will apply to such new Investment Funds unless stated otherwise.

6.6 Investment Fund Closure

The Company reserves the right to close any Investment Fund at any time by giving a three month written notice of its intention to close the Investment Fund and from the date of such closure the Company will cease to create or cancel Units in the said Investment Fund ("Closing Investment Fund"). Closure of an Investment Fund will be on the happening of an event which in the sole opinion of the Company requires the said Investment Fund to be closed and such closure of an investment fund shall be subject to prior approval of IRDA. The Company will require the Policy Holder who has invested in the Closing Investment Fund to replace it with another Investment Fund/s ("Replacing Investment Fund") in the format specified by the Company and before the date specified in the written notice of the Company. Upon receiving your confirmation, units in the Closing Investment Fund allocated to this Policy will be cancelled on the last Valuation Date of the Closing Investment Fund. The Company will create Units in the Replacing Investment Fund/s, with proceeds from the cancellation of the Units in the Closing Investment Fund on the last Valuation Date of the Closing Investment Fund.

If the Company has not received the confirmation as above from you for modification of your Investment Fund allocation before the closure of the Investment Fund, the Company will:

- Switch your funds from the Closing Investment Fund to the most conservative Investment Fund then available; and
- Change your Allocation Proportion in such a way that the percentage of allocation of premium to the Closing Investment Fund is added to the percentage allocated to the most conservative Investment Fund option then available. Currently the most conservative Investment Fund option is Secure Fund. The Company would however declare the most conservative Investment Fund option from time to time depending upon its then current Investment profile.

6.7 Switch amongst Investment Funds

You can apply for Switch of your funds from one Investment Fund to another/others through a Switch Application Form specified by the Company. The facility of Switch would be subject to the administrative rules of the Company, existing at the time of your Switch application. Switching of funds will be effected at the Unit Price declared on the date your Switch application is received and accepted by the Company before Cut-off time and on the next day's Unit Price declared if the application is received and accepted at the Company after the Cut-off time. You are entitled to make four Switches per Policy Year free of charge. Every additional Switch in a Policy Year would be subject to a charge as specified in Clause 11. Switch is not allowed during the settlement period of the policy. However, after death of the life assured, the nominee shall have right to exercise switch options till the Maturity Date subject to applicable charges.

7. Units

7.1 Creation of Units

The Units shall be created based on the Unit Price.

Units will be created in the Investment Fund/s on receipt by the Company of the Policy Premium (except First Premium) along with a local cheque/demand draft payable at par at the place where the premium/application for switch is accepted by us on the following basis:

- The same day's closing Unit Price shall be applicable if received before the cut-off time (the "Same Day")
- The next day's closing Unit Price shall be applicable if received after the cut-off time (the "Next Day")

In respect of Policy Premiums (except First Premium) received with outstation cheques/demand drafts at the place where the premium is accepted by us, the closing unit price of the day on which cheques/demand draft is realized shall be applicable.

In respect of First Premium, the applicable Unit Price will be of the Policy Date or date of realization of the amount by the Company, whichever is later.

If the same day or the next day or the due date of the installment premium is not a Valuation Date, then the Company shall apply the Unit Price of the next immediate Valuation Date.

7.2 Cancellation of Units

Units will be cancelled from the Investment Funds, when an application (including in respect of claims, surrender, maturity, switch, partial withdrawal) is received by the Company:

- Before the cut-off time, at the same day's closing Unit Price shall be applicable (the "Same Day").
- After the cut-off time, at the next day's closing Unit Price shall be applicable (the "Next Day").

If the same day or the next day or the due date of the installment premium is not a Valuation Date, then the Company shall apply the Unit Price of the next immediate Valuation Date.

Under extraordinary circumstances, such as extreme volatility of the value of the investments of the Investment Funds the Company may delay cancellation of Units from an Investment Fund if it is necessary to do so in order to maintain fairness and equity between Policy Holders remaining in that Investment Fund and the Policy Holders leaving that Investment Fund. Where this applies, the Company may delay cancellation of all or part of the Investment Funds for upto 30 days. If the Company delays the cancellation, the Company will apply the Unit Prices of the day on which the cancellation actually takes place.

7.3 Rounding Off

- Company shall follow the rounding off rules as given under for the computation of unit price and number of units.
- Unit Price shall be computed to four decimal places.
- Number of Units shall be computed to six decimal places.

8. Auto Re-balancing Option

If you opt for this option, we will rebalance your Fund Value on each Policy Anniversary in line with the Allocation Proportion in effect.

At the time of Auto Re-balancing i.e. at the time of a Policy Anniversary, there will be an auto switch between the Funds inter se to ensure that the Fund mix as prescribed in the latest Allocation Proportion is maintained at the end of the policy year. However, after death of the life assured, the nominee shall have right to exercise this option till the Maturity Date.

No charge will be taken for this facility at the time of proposal. You or the nominee can opt-in or opt-out of this option subject to charges as mentioned in Clause 11.

9. Invest Protect Option

9.1 If you have chosen the Invest Protect Option you will not be required to choose the allocation proportion of your Base Plan Premium and Top Up premium and instead all premiums will be invested as per the following pattern:

- a) All Base Plan Premiums and Top-Up Premiums, less Premium Allocation Charge, will be invested in Enhanced Equity Fund with effect from the Policy Date, or, as the case may be, from the date you have exercised this option and will remain invested in the said Fund during the Policy Term save and except in the three Policy Years immediately preceding the Maturity Date (these Policy Years being hereafter referred to as the "3rd Last Policy Year" which is the farthest of the three Policy Years from the Maturity Date, the "2nd Last Policy Year" being farther from the Maturity Date among the remaining two Policy Years and the "Last Policy Year" which is the Policy Year immediately preceding the Maturity Date).

- b) All Base Plan Premiums and Top-Up Premiums, less Premium Allocation Charge, received in the 3rd last Policy Year will be invested in the Balanced Fund.
- c) All Base Plan Premiums and Top-Up Premiums, less Premium Allocation Charge, received in the 2nd last Policy Year will be invested in the Debt Fund.
- d) All Base Plan Premiums and Top-Up Premiums, less Premium Allocation Charge, received in the Last Policy Year will be invested in the Secure Fund.

9.2 There will be automatic Switching of Units in the Policy from one Fund to another Fund in the following manner:

Event 1: On each Monthly Date in the 3rd Last Policy Year, 10% of the Units at the beginning of the last 3rd policy year will be switched to Balanced Fund until all the Units are Switched from Enhanced Equity Fund to Balanced Fund, the last Switch being of all the residual Units in the Enhanced Equity Fund, whether they being more or less than 10% of the Units held in the Enhanced Equity Fund as at the beginning of the 3rd Last Policy Year.

Event 2: On each Monthly Date in the 2nd last year, 10% of the Units at the beginning of the last 2nd policy year will be switched from Balanced Fund to Debt Fund until all the Units are Switched from Balanced Fund to Debt Fund, the last Switch being of all the residual Units in the Balanced Fund, whether they being more or less than 10% of the Units held in the Balanced Fund as at the beginning of the 2nd Last Policy Year.

Event 3: On each Policy Monthly Date in the Last Policy Year, 10% of the Units at the beginning of the last policy year will be switched from Debt Fund to Secure Fund until all the Units are Switched from Debt Fund to Secure Fund, the last Switch being of all the residual Units in the Debt Fund, whether they being more or less than 10% of the Units held in the Debt Fund as at the beginning of the Last Policy Year.

9.3 You can opt for this facility in the Proposal Form, for which option there is no charge. This facility can also be chosen or removed after the Policy Date. If this facility is chosen or removed after the Policy Date, a Charge as mentioned in Clause 11 will be recovered by canceling Units. The selection or alteration of this feature will be effective from the next Policy Anniversary. After selection of this facility, no Fund Switches or Premium Redirection will be allowed. However, after death of the life assured, the nominee shall have right to exercise this option till the Maturity Date.

10. Settlement Option

The exercise of the Settlement Option must be received by the Company at least 90 days before the Maturity Date. Upon exercising this option, the Units as at the Maturity Date can be redeemed in periodical installments over a period of time but not exceeding the Settlement Period. During the Settlement Period, the Company

- will deduct all applicable Charges except the Mortality Charges
- will not accept any premiums
- will not allow any Switches
- will not allow any Partial Withdrawals
- will, on death of the Life Assured or nominee, in case this option is exercised by nominee, pay the Fund Value as on the date we receive intimation of death claim.

11. Charges

11.1 Premium Allocation Charge

The Premium Allocation Charge is a percentage of Base Plan Premium and Top-Up Premium.

Annual Base Plan Premium	Premiums pertaining to first policy year	Premiums pertaining to second policy year onwards	Single Premium Policy
Rs 12,000 to less than Rs 25,000	30%	3%	NA
Rs 25,000 to less than Rs 50,000	25%	3%	NA
Rs 50,000 to less than Rs 100,000	20%	3%	4%
Rs 100,000 to less than Rs 500,000	15%	3%	3%
Rs 500,000 and above	10%	3%	3%

There is an additional Premium Allocation Charge of 1% on Base Plan Premiums on policies with monthly premium payment frequency. The Premium Allocation Charge for a Top-Up Premium is 3%.

11.2 Policy Administration Charge

The Policy Administration Charge will be deducted by cancellation of Units at the prevailing Unit Price at Monthly date during the Policy Term. This Charge is Rs. 50/- per month during the calendar year 2008 which will increase by 5% per annum on each 1st January. The first such increase will be effective from 1st Jan 2009. However for Single Premium policies this Charge is Rs. 30/- per month during the calendar year 2008 which will increase by 5% per annum on each 1st January. The first such increase will be effective from 1st Jan 2009.

11.3 Fund Management Charge

The Fund Management Charge is levied at the time of computation of Unit Price and is levied at the rate of 1.25% per annum for the Enhanced Equity Fund, 1.25% per annum for the Balanced Fund, 1.10% per annum for the Debt Fund and 1.00% per annum for the Secure Fund, and it will be charged by adjustment of the Units Prices on each Valuation Date. The Company has the right to increase this charge subject to IRDA approval but such increased charge shall not exceed 2.00% per annum for any of the Investment Funds. The formula for the deduction of FMC is as under:

Charge = NAV * FMC rate * (No of days from the previous valuation date of the unit price / 365)

11.4 Mortality Charge

This charge is deducted by cancellation of Units at the prevailing Unit Price at the beginning of every policy month. This charge is the sum of Base Mortality Charge and PWB Mortality Charge.

Base Mortality Charge is the monthly Mortality Charge Rate based on the current age on the corresponding monthly date multiplied by the Base Plan Sum Assured. PWB Mortality Charge is calculated as (one-twelfth of Annual PWB Rate applicable to the age on Policy Date and Base Plan Premium Payment Term multiplied by the annual Base Plan Premium) divided by 1000. The PWB Mortality Charge is zero after all Base Plan premiums due during the Base Plan's Premium Payment Term have been paid by you.

The applicable service tax and education cess on the mortality charges will also be deducted by deduction of units.
 The monthly Mortality Charge Rate per thousand of Sum-Assured for policies accepted at standard rates is as below:

Age (nearest birthday)	Male	Female	Age (nearest birthday)	Male	Female
18	0.000073	0.000061	47	0.000302	0.000224
19	0.000076	0.000065	48	0.000336	0.000246
20	0.000079	0.000069	49	0.000374	0.000272
21	0.000082	0.000073	50	0.000415	0.000302
22	0.000084	0.000076	51	0.000461	0.000336
23	0.000086	0.000079	52	0.000510	0.000374
24	0.000088	0.000082	53	0.000563	0.000415
25	0.000090	0.000084	54	0.000621	0.000461
26	0.000091	0.000086	55	0.000682	0.000510
27	0.000092	0.000088	56	0.000747	0.000563
28	0.000092	0.000090	57	0.000815	0.000621
29	0.000093	0.000091	58	0.000873	0.000682
30	0.000093	0.000092	59	0.000946	0.000747
31	0.000093	0.000092	60	0.001035	0.000815
32	0.000095	0.000093	61	0.001139	0.000873
33	0.000099	0.000093	62	0.001259	0.000946
34	0.000104	0.000093	63	0.001394	0.001035
35	0.000110	0.000095	64	0.001545	0.001139
36	0.000117	0.000099	65	0.001711	0.001259
37	0.000126	0.000104	66	0.001799	0.001394
38	0.000136	0.000110	67	0.002028	0.001545
39	0.000148	0.000117	68	0.002282	0.001711
40	0.000163	0.000126	69	0.002563	0.001799
41	0.000178	0.000136	70	0.002873	0.002028
42	0.000191	0.000148	71	0.003216	0.002282
43	0.000206	0.000163	72	0.003594	0.002563
44	0.000224	0.000178	73	0.004009	0.002873
45	0.000246	0.000191	74	0.004465	0.003216
46	0.000272	0.000206	75	0.004966	0.003594

The monthly Mortality Charges rate in the above table are guaranteed to remain the same during the Policy Term.

Annual PWB rates per 1000 Annual Base Plan Premium

Entry Age	Premium Payment Term of Base Plan																
	5	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25
18	1.66	3.73	4.13	4.53	4.93	5.31	5.68	6.05	6.40	6.74	7.07	7.39	7.70	8.00	8.28	8.56	8.83
19	1.73	3.86	4.27	4.68	5.09	5.48	5.86	6.23	6.59	6.94	7.28	7.61	7.93	8.23	8.53	8.81	9.08
20	1.79	3.97	4.40	4.82	5.23	5.63	6.02	6.40	6.76	7.12	7.47	7.81	8.13	8.44	8.75	9.04	9.32
21	1.84	4.08	4.51	4.93	5.35	5.76	6.15	6.54	6.92	7.28	7.64	7.98	8.32	8.64	8.95	9.25	9.54
22	1.89	4.16	4.60	5.03	5.46	5.87	6.27	6.67	7.05	7.43	7.79	8.15	8.49	8.82	9.14	9.45	9.75
23	1.93	4.24	4.68	5.12	5.55	5.97	6.38	6.79	7.18	7.56	7.94	8.30	8.65	9.00	9.33	9.65	9.95
24	1.97	4.30	4.75	5.19	5.63	6.06	6.48	6.89	7.30	7.69	8.07	8.45	8.81	9.17	9.51	9.84	10.16
25	1.99	4.35	4.81	5.26	5.70	6.14	6.57	7.00	7.41	7.82	8.21	8.60	8.98	9.34	9.70	10.04	10.38
26	2.02	4.39	4.86	5.32	5.77	6.22	6.66	7.10	7.53	7.95	8.36	8.76	9.15	9.53	9.91	10.28	10.67
27	2.03	4.43	4.91	5.38	5.85	6.31	6.77	7.22	7.66	8.10	8.53	8.95	9.36	9.76	10.17	10.61	11.05
28	2.04	4.48	4.97	5.45	5.94	6.42	6.89	7.36	7.83	8.28	8.73	9.17	9.61	10.08	10.55	11.03	11.52
29	2.05	4.54	5.05	5.55	6.06	6.56	7.06	7.55	8.04	8.52	9.00	9.50	10.00	10.50	11.02	11.54	12.08
30	2.06	4.64	5.17	5.70	6.23	6.76	7.29	7.81	8.33	8.86	9.39	9.93	10.47	11.03	11.59	12.17	12.75
31	2.09	4.79	5.35	5.92	6.48	7.05	7.61	8.17	8.74	9.31	9.89	10.48	11.07	11.68	12.30	12.93	13.57
32	2.17	5.02	5.62	6.22	6.83	7.43	8.04	8.65	9.27	9.90	10.52	11.16	11.82	12.48	13.17	13.86	14.57
33	2.27	5.32	5.96	6.60	7.26	7.91	8.57	9.24	9.91	10.59	11.27	11.98	12.70	13.43	14.18	14.94	15.72
34	2.40	5.67	6.36	7.06	7.77	8.48	9.20	9.92	10.66	11.40	12.15	12.93	13.72	14.53	15.35	16.19	17.04
35	2.56	6.09	6.84	7.60	8.37	9.15	9.93	10.71	11.51	12.33	13.16	14.02	14.90	15.79	16.69	17.61	18.54
36	2.75	6.58	7.39	8.22	9.06	9.90	10.75	11.61	12.49	13.39	14.31	15.26	16.22	17.20	18.20	19.21	20.23
37	2.97	7.13	8.02	8.92	9.83	10.75	11.68	12.63	13.60	14.60	15.61	16.66	17.72	18.80	19.89	20.99	22.11
38	3.22	7.75	8.72	9.70	10.69	11.70	12.73	13.78	14.85	15.95	17.08	18.23	19.39	20.58	21.77	22.98	24.20
39	3.51	8.44	9.49	10.57	11.66	12.77	13.90	15.07	16.26	17.47	18.71	19.98	21.26	22.56	23.87	25.19	26.52
40	3.84	9.21	10.37	11.55	12.75	13.98	15.24	16.52	17.84	19.17	20.55	21.94	23.35	24.77	26.20	27.64	29.09
41	4.17	10.04	11.31	12.61	13.94	15.30	16.69	18.11	19.56	21.04	22.55	24.08	25.62	27.17	28.74	30.31	31.91
42	4.50	10.94	12.35	13.79	15.26	16.76	18.30	19.87	21.47	23.09	24.75	26.42	28.11	29.80	31.51	33.24	34.99
43	4.89	11.99	13.54	15.14	16.76	18.43	20.13	21.86	23.62	25.40	27.22	29.05	30.89	32.74	34.62	36.51	38.43
44	5.36	13.21	14.94	16.70	18.51	20.35	22.22	24.13	26.06	28.02	30.00	31.99	34.01	36.05	38.10	40.18	42.29
45	5.91	14.63	16.54	18.49	20.49	22.52	24.58	26.68	28.80	30.95	33.11	35.28	37.49	39.73	41.99	44.27	46.56
46	6.55	16.23	18.34	20.50	22.70	24.94	27.21	29.51	31.84	34.18	36.54	38.92	41.35	43.80	46.28	48.77	51.28
47	7.28	18.01	20.35	22.74	25.16	27.62	30.11	32.63	35.17	37.72	40.31	42.92	45.58	48.28	50.99	53.70	56.45
48	8.10	19.99	22.57	25.19	27.85	30.55	33.28	36.02	38.79	41.59	44.43	47.29	50.22	53.17	56.12	59.10	62.08
49	9.00	22.15	24.98	27.86	30.78	33.73	36.71	39.71	42.73	45.81	48.91	52.06	55.27	58.48	61.71	64.96	68.15
50	9.99	24.49	27.60	30.75	33.94	37.18	40.43	43.70	47.01	50.38	53.79	57.25	60.73	64.24	67.78	71.25	74.65
51	11.06	27.01	30.41	33.86	37.36	40.88	44.43	48.01	51.64	55.34	59.08	62.87	66.66	70.50	74.27	77.97	81.60
52	12.22	29.71	33.43	37.21	41.02	44.86	48.75	52.67	56.66	60.72	64.82	68.90	73.07	77.17	81.22	85.16	88.99
53	13.47	32.59	36.66	40.78	44.95	49.15	53.40	57.70	62.10	66.55	70.97	75.46	79.93	84.33	88.61	92.76	96.82
54	14.81	35.66	40.11	44.61	49.17	53.78	58.44	63.18	68.00	72.79	77.62	82.50	87.26	91.90	96.43	100.84	105.10
55	16.21	38.94	43.81	48.75	53.73	58.79	63.91	69.13	74.31	79.55	84.83	89.98	95.02	99.95	104.72	109.33	113.82
56	17.66	42.47	47.81	53.21	58.68	64.24	69.87	75.51	81.14	86.86	92.43	97.92	103.26	108.42	113.44	118.30	122.96
57	19.15	46.31	52.13	58.07	64.09	70.19	76.31	82.38	88.56	94.59	100.55	106.31	111.92	117.37	122.61	127.68	132.57
58	20.70	50.48	56.89	63.41	70.01	76.63	83.19	89.86	96.41	102.84	109.06	115.16	121.04	126.72	132.22	137.49	142.58
59	22.60	55.36	62.43	69.57	76.73	83.82	91.02	98.12	105.06	111.81	118.40	124.74	130.93	136.85	142.58	148.08	153.35
60	24.85	60.96	68.69	76.42	84.10	91.85	99.54	107.03	114.35	121.46	128.35	135.01	141.44	147.63	153.57	159.28	164.75

If an Underwriting Extra (extra risk charge being additional Mortality Charge as may be levied subject to consent of the Policy Holder) is payable by you, the Mortality Charge will increase to recover the amount of Underwriting Extra.

11.5 Auto Re-balancing Option Charge

This charge will apply on selection or removal of the Auto Re-balancing Option mentioned in Clause 8 after the Policy Date. This Charge of Rs. 200/- will be deducted from your Fund by cancellation of Units at the prevailing Unit Prices. This charge can be increased upto Rs. 500/- by the Company with prior approval of IRDA.

11.6 Surrender Charge

The Surrender Charge will depend upon the Fund Value as stated in the Table below:

Number of months for which Policy Premium Paid	Surrender Charge as a % of Fund Value pertaining to Policy Premiums
Less than 12 months	100%
12 months to 23 months	50%
24 months to 35 months	20%
36 months to 47 months	10%
48 months to 59 months	5%
60 months onwards	Nil

There is no Surrender Charge on the Fund Value pertaining to Top-Ups and Single Premium Policies.