

P R E S S R E L E A S E

For immediate release

Canara HSBC Oriental Bank of Commerce Life Insurance Launches SMART Solutions To Help Customers Meet Their Financial Needs

Products launched:

- **Two products under SMART Solutions umbrella that are customized to meet life stage based needs – wealth creation through Stay Smart Plan and retirement planning through Retire Smart Plan**
- **Saral Bima Plus Plan - provides enhanced insurance cover through simplified processing for customers in rural and semi-urban areas**

New Delhi, January 11, 2010: Canara HSBC Oriental Bank of Commerce Life Insurance Company Limited – a joint venture between two of India's largest public sector banks, Canara Bank and Oriental Bank of Commerce, and HSBC Insurance (Asia Pacific) Holdings Limited, announced the launch of three unit-linked products - two under the new SMART Solutions umbrella and one non-medical, fast issuance plan for customers residing in rural and semi-urban areas. The products provide comprehensive and flexible solutions to help customers fulfill their primary need of protection along with an opportunity to meet their financial needs.

Mr. Harpal Karicut, Chief Executive Officer, Canara HSBC Oriental Bank of Commerce Life Insurance Company, said: "All products have been designed on the basis of consumer insights gathered through extensive customer research. Through the SMART Solutions umbrella, Canara HSBC Oriental Bank of Commerce Life Insurance Company aims to provide smart choices to customers."

He further added, "The new products are designed to provide customers protection and the necessary corpus for fulfilling different financial needs arising at various life stages. The products have been tailor-made to cater to the insurance needs of the customers through transparency of features and simplicity of purchasing and servicing them."

The new unit-linked products launched are Canara HSBC Oriental Bank of Commerce Life Stay Smart Plan, Canara HSBC Oriental Bank of Commerce Life Retire Smart Plan and Canara HSBC Oriental Bank of Commerce Life Saral Bima Plus.

All three products conform to the cap on overall charges along with Fund Management Charges (FMC) as directed by IRDA.

Product Features:

- 1. Canara HSBC Oriental Bank of Commerce Life Stay Smart Plan: Unit Linked Whole Life Plan**
The Plan will meet the needs of customers looking for good value, long-term savings combined with life assurance cover.

Key Features:

- **Whole of Life Protection:** Life cover till age 99 years
- **Entry Age:** Minimum 31 days and Maximum 65 years
- **Premium Payment Term:** Minimum 10 years and Maximum 99 years less age at entry
- **Premium:** Minimum Rs 25,000 and no limit on the maximum premium amount
- **Life Cover:** Minimum 5 times annualized premium and maximum dependent on underwriting limits
- **Death Benefit:** Higher of the Fund Value or the Sum Assured
- **Maturity Age:** 99 years
- **Maturity Benefit:** Fund Value

The **wealth creation** product also offers **Loyalty Additions** twice during the Policy term to boost the value of the customer's investment. Additional flexibility to customers includes **option to increase or reduce sum assured** according to need, option to choose from **5 funds** ranging from 0% to 100% equity exposure to match the customer's appetite towards investment risks and returns, **top ups, switching/redirection** to take advantage of market movements or change in risk appetite and liquidity to meet contingencies through **partial withdrawals**.

The customers will enjoy tax benefits under Section 80C and Section 10(10D), as per the Income Tax Act, 1961.*

2. Canara HSBC Oriental Bank of Commerce Life Retire Smart Plan: Unit Linked Pension Plan

The Plan proposes to cover the retirement needs of all customers in the age group of 18-60 years. The pure pension option being a 'No Medical Plan' is aimed at fulfilling the savings need of customers and the 'Pension with Life Cover' provides additional benefit to customers - protection along with building of savings for their retirement years. The customer can opt for regular systematic investment option or invest a lump sum towards building a corpus for their retirement.

Key Features:

- **Choose Your Plan:** Option I- Pure Pension Plan or Option II- Pension With Life Cover
- **Single or Regular Premium Payment Options**
- **Entry Age:** Minimum 18 years and Maximum
 - Option I: Single Premium - 65 years; Regular Premium - 60 years
 - Option II: 60 years under both payment options
- **Policy Term:** Minimum under Regular Premium is 10 years and under Single Premium is 5 years and Maximum is 52 years, subject to Maximum Vesting Age
- **Vesting Age:** Minimum 45 years and Maximum 70 years
- **Premium:**
 - Regular: Minimum Premium for Policy Term 10, 15 & above: Rs 12,000 p.a.; Minimum Premium for Policy Term 11-14 years: Rs 35,000 p.a. and no limit on Maximum
 - Single: Minimum Rs 75,000 and no limit on Maximum
- **Death Benefit:** Option I: Fund Value; Option II: Higher of Sum Assured or Fund Value
- **Vesting Benefit:** 1/3rd as lump sum and remaining is available as an annuity that can be purchased from us or through Open Market Options as per current regulation.

The product also offers **Loyalty Additions** at Vesting Age to enhance the value of the customer's investment. Additional flexibility to customers includes **option to prepone or postpone the vesting age** according to need, option to choose from **5 funds** ranging from 0% to 100% equity exposure to match the customer's appetite towards investment risks and returns, **unlimited top ups** to increase the retirement corpus, **switching/redirection** to take advantage of market movements or change in risk appetite on approaching retirement age, **Maturity Switch Option** to automatically change the investment philosophy by moving from a more market influenced fund to a risk averse fund.

The customers will enjoy tax benefits under Section 80CCC, as per the Income Tax Act, 1961.*

3. **Canara HSBC Oriental Bank of Commerce Life Saral Bima Plus: Non-Medical, Fast Issuance Plan**

The Plan is especially designed for the semi-urban and rural segment. The Plan provides express life insurance cover through a simple and hassle-free process of no medicals and 'Declaration of Good Health'.

Key Features:

- **Entry Age:** Minimum 18 years and Maximum 45 years
- **Policy Term:** 15 years
- **Premium Payment Term:** 7 years
- **Premium:** Minimum Rs 6,000 p.a. and Maximum Rs 1,00,000 p.a.
- **Sum Assured:** 5 times Annualized Premium Equivalent

The Plan offers **Enhanced Death Benefit** by way of Sum Assured plus Fund Value and **Loyalty Addition** payable twice helps the customer in increasing the value of his investment through extra allocation of units. **Partial withdrawal facility** valued by this customer segment provides liquidity to meet financial contingencies.

Customers also benefit from the reduced Fund Management Charges (FMC) which is as low as 1.10%. This is lower than IRDA guidelines of capping FMC at 1.35%.

"Saral Bima Plus is slated to be one of our flagship products and designed to meet the investment-cum-protection needs in the semi-urban and rural areas. It has a one-page application form and requires no medical tests, and we aim to issue policies to customers within one day of receiving premiums," **added Mr. Karicut.**

The customers will enjoy tax benefits under Section 80C and Section 10(10D), as per the Income Tax Act, 1961.*

*The tax benefits are as per the law prevailing on the date of issuance of the press release and are subject to changes

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About Canara HSBC Oriental Bank of Commerce Life Insurance Company Limited **(www.canarahsbclife.com)**

Canara HSBC Oriental Bank of Commerce Life Insurance Company Limited was launched in June 2008 and is jointly owned by two of India's largest public sector banks – Canara Bank (holding 51%) and Oriental Bank of Commerce (23%) – and HSBC Insurance (Asia Pacific) Holdings Limited (26%), the Asian insurance arm of one of the world's largest banking and financial services groups – HSBC.

The Company operates a pure bancassurance model and has exclusive access to around 48 million customers and a pan-India network of over 4,400 branches of the three shareholder banks. The formidable distribution strength and in-depth local market knowledge of Canara Bank and Oriental Bank of Commerce coupled with the considerable insurance experience, product range and proven bancassurance capabilities of HSBC make this an unparalleled union of financial strength, expertise and most importantly, trust.

Canara HSBC Oriental Bank of Commerce Life Insurance Company understands that today innovation is a key differentiator. Keeping market and demand forces in mind, the Company currently offers 7 products - 3 unit-linked and 4 traditional. Individual products include Stay Smart Plan, Retire Smart Plan, Saral Bima Plus, Pure Term and Immediate Pension. Group Products include Group Term and Group Loan Protection.

The Company currently has 29 offices across the country (in 27 cities) to provide necessary training and coaching support to the bank staff and ongoing service support to over 900 bank branches (with SPs) selling its products in 313 locations. Out of 313 locations, around 80 locations are in semi-urban and rural areas.

In December 2009, the Company tied up with two Rural Regional Banks (RRBs) – Pragathi Gramin Bank in Karnataka and Shreyas Gramin Bank in Uttar Pradesh – to deliver affordable insurance solutions to address the needs of the rural population, the social sector and economically weaker sections of the society, especially those who have none or very little access to organised financial services. Through a strong network of around 550 branches of the two RRBs, Canara HSBC Oriental Bank of Commerce Life Insurance Company will reach out to more than 4.6 million customers in addition to the existing customer base of 48 million.

The backbone of the Company's operations is a highly IT-enabled business model and policy administration system, including 'E-Application' which has replaced physical application forms required during sales. This has resulted in higher quality and faster policy issuance.

Based on the latest data (November 2009) available on IRDA website, the Company is the fastest Indian life insurance company to cross Rs 500 crore in weighted premium income till date and it also has the Highest Average Premium (GWP) in the industry for individual business since launch.

Since launch on June 16, 2008 to December 31, 2009, the Company's business in terms of Gross Written Premium (GWP) stood at Rs 723.7 crore and the number of policies sold are 1,00,717.

The Company's total capital base currently stands at Rs625 crore.

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