

## P R E S S   R E L E A S E

### Canara HSBC Oriental Bank of Commerce Life Insurance Forays into Child Protection Space

#### *Launches Future Smart, a Unit Linked Investment Product that Emphasizes on Long Term Investments For Your Child*

#### For immediate release

**New Delhi, January 13, 2011:** 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, has entered into child protection space by launching Canara HSBC Oriental Bank of Commerce Life Insurance Future Smart Plan under its SMART Solutions umbrella.

Canara HSBC Oriental Bank of Commerce Life Insurance Future Smart is a unit linked insurance plan that provides long-term investment opportunity to build a bright future for your child. Its comprehensive insurance cover ensures fulfillment of securing the child’s future along with an opportunity to meet the future financial needs.

Speaking on the launch, **Mr Mario Perez, Director – Sales, Marketing & Products, Canara HSBC Oriental Bank of Commerce Life Insurance Company**, said: *“At Canara HSBC Oriental Bank of Commerce Life Insurance, we design products that fulfill the long-term needs of our customers. Our Future Smart Plan ensures that the future financial needs of a child remain undisturbed even in case of an unfortunate event.”*

**Mr Perez** further added, *“We are offering lower allocation charges if the customer opts for ECS (Electronic Clearing Service)/SI (Standing Instructions) for payment of premium, an unbeatable combination of lower costs and increased convenience. The feature of ‘Milestone Withdrawals’ facilitates the customer to meet the continuing education needs of the child considering the ever-rising education fee.”*

The plan offers comprehensive coverage in case of the insured’s death. The sum assured is paid immediately, the future premiums are paid by the company and the fund value is paid at maturity of the product.

Some of the key features of this plan are as follows:

- a) Safety Switch Option (SSO):** As the policy nears maturity, the customer may want to avoid market volatility and safeguard his funds. The Safety Switch Option enables the customer to move his funds systematically to a relatively low risk Liquid Fund in the last 3 years.
- b) Milestone Withdrawal:** To ensure that the child gets the best quality preparation to realise his/her dreams e.g. best higher education, this plan offers Milestone Withdrawal feature. If the customer opts for this feature, he will receive 15% of the fund value in each of the last 5 years of the policy. The remaining fund value will be given at the time of plan maturity as chosen.

- c) **Auto Funds Rebalancing:** If a customer wishes to maintain allocation of his investments in a specific proportion across funds, he can do so through Auto Funds Rebalancing. Once opted, after every 3 months, it automatically rebalances the allocation of the investments in various funds to the allocation proportions chosen by the customer.
- d) **Premium Funding Benefit Option:** If a customer has opted for the Premium Funding benefit for Total and Permanent Disability (TPD) option, all future premiums will be funded by the Company in case he/she has a TPD.
- e) **Fund Switching:** There are 5 investment funds to choose from and the customer can switch some or all of his investments from one fund to another, any number of times. The minimum amount that can be switched is Rs 10,000.
- f) **Premium Redirection:** The customer can modify the allocation of future premiums once in a policy year. The revised allocation proportion will be applied to the subsequent premiums.
- g) **Change in Sum Assured:** The customer can increase or decrease the sum assured from the 6th policy year, provided all due premiums are paid. This facility is available once every year subject to maximum of 3 times during the policy term. There will be no change in the annual premium as a result of change in sum assured.
- h) **Partial Withdrawal:** The customer can make partial withdrawal for any unforeseen contingency, from the 6th policy year. The minimum amount that can be withdrawn is Rs 10,000 and the maximum is such that the fund value after withdrawal does not fall below 120% of the annual premium.
- i) **Settlement Option:** This benefit provides regular inflow of income for a defined period not more than 5 years post maturity. It gives flexibility to the customer to withdraw maturity benefits in regular instalments.
- j) **Tax Benefit:** The Customer can avail tax benefits on premiums paid and the benefit paid out under the policy under Section 80C and Section 10(10D) respectively, of the Income Tax Act, 1961.

With the launch of Canara HSBC Oriental Bank of Commerce Life Insurance Future Smart Plan, the Company has strengthened its product suite to provide a wider choice to customers and help them find the right solution for protecting their family and future financial needs.

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### **About Canara HSBC Oriental Bank of Commerce Life Insurance Company Limited** [www.canarahsbclife.com](http://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 has exclusive access to around 53 million customers and a pan-India network of over 4600 branches of Canara Bank, HSBC and Oriental Bank of Commerce. 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. Based on market demand and customer preferences, the Company currently offers 9 products - 3 unit-linked and 6 traditional. Individual unit-linked products include Grow Smart Plan, Dream Smart Plan and Future Smart Plan and traditional products include Secure Smart Plan, Pure Term Plan and Immediate Pension Plan. Group Products include Group Term Plan, Group Loan Protection Plan and Group Traditional Plan on traditional platform.

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 around 900 bank branches (with SPs) selling its products in 316 locations. Out of 316 locations, around 80 locations are in semi-urban and rural areas.

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, the Company tied up with three Rural Regional Banks (RRBs) – Pragathi Gramin Bank in Karnataka, Shreyas Gramin Bank in Uttar Pradesh and South Malabar Gramin Bank in Kerala. Through a strong network of around 790 branches of the three RRBs, Canara HSBC Oriental Bank of Commerce Life Insurance Company will reach out to more than 7 million customers in addition to the existing customer base of 53 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.

The Company is the fastest Indian life insurance company to cross Rs 500 crore and Rs 1000 crore in weighted premium income till date.

Canara HSBC Oriental Bank of Commerce Life Insurance Company Limited closed FY 2009-10 with Rs 861.3 crore in gross written premiums, recording a growth of 189% over FY 2008-09.

Since launch on June 16, 2008 to December 31, 2010, the Company's business in terms of Gross Written Premium (GWP) stood at Rs 2,188.0 crore and the number of policies sold are 2,16,305.

The Company's total capital base currently stands at Rs 825 crore.

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