

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

Canara HSBC Life Unit Linked Endowment Plan

UIN : 136L002V01

TERMS AND CONDITIONS

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Policy, unless the context requires otherwise, the following words and expressions shall have the meaning ascribed to them respectively herein below:

Act means the Insurance Act, 1938;

Age means age at last birthday;

Authority means the Insurance Regulatory and Development Authority or such other authority or authorities, as may be designated under the applicable laws and regulations as having authority to oversee and regulate life insurance business in India, or any other area that has an impact on the business of life insurance;

Benefits means the Death Benefit, the Maturity Benefit and any other benefit, as may be applicable in terms of this Policy referred to collectively;

Business Day means any day which is a working day for the Company's Corporate Office in Gurgaon and on which day the National Stock Exchange (NSE) is open for trading;

Charges mean collectively, the charges that may be levied by the Company under this Policy with the approval of the Authority from time to time. The charges applicable as at the Policy Commencement Date are mentioned in Annexure 1 hereto;

Claimant means the Policyholder or the assignees as per Section 38 of the Act, and if the Policyholder is not alive at that time, the Nominees, Appointees, executors or other legal representatives, who are entitled to prefer a claim for Benefits under this Policy as per Clause 17;

Policy Commencement Date means the date of commencement of the Policy as specified in the Policy Schedule;

Death Benefit means the benefit as specified in Clause 2.1 of the Policy, payable by the Company upon the death of the Life Assured during the Policy Term;

Financial Year means a period of twelve months commencing from April 01 each year and ending with March 31 of the following year;

Fund Value means at any point of time, the value of the Units held by the Policyholder, represented by the number of Units held in the Policyholder's Unit Account multiplied by the respective Unit Price of the Units held in the respective Unit Linked Fund(s);

Grace Period means the period of thirty (30) days commencing from the due date of each Regular Premium due, during which the Policyholder may make payment of unpaid Regular Premium to keep the Policy and all the Benefits in force;

Loyalty Additions means the additional Units automatically allocated by the Company in the Unit Linked Funds chosen by the Policyholder, in accordance with Clause 2.4.1;

Insurance Cover means the Death Benefit cover and Rider Benefits (if any) payable under this Policy upon the Life Assured's death;

Life Assured Life Assured means the person named as such in the Policy Schedule, on whose life the Insurance Cover is effected in terms of this Policy;

Maturity Benefit means the Fund Value as on the Maturity Date, payable to the Claimant, provided the Life Assured is still living;

Maturity Date means the date specified as such in the Policy Schedule on which the Maturity Benefit becomes payable;

Maturity Switch Option means the option of automated fund management as detailed in Clause 8.5;

Minor means a person who has not completed the age of 18 years;

Net Asset Value (NAV) means the market value of investments held under the Unit Linked Fund plus or minus the expenses incurred in the purchase or sale of the assets (as the case may be) depending upon whether the Unit Linked Fund is a net buyer or seller of assets, plus the value of any current assets and any accrued income net of Fund Management Charges less the value of any current liabilities and provisions, if any;

Nominee means the person or persons appointed under Section 39 of the Act to receive the Death Benefit and any Rider Benefits, if payable, in the event of death of the Life Assured;

Policy means this Canara HSBC Life Unit Linked Endowment Plan, comprising these terms and conditions and the Policy Schedule including any account statements or other correspondence issued by the Company, all of which shall form an integral part of the Policy;

Policy Anniversary means an annual anniversary of the Policy Commencement Date;

Policy Schedule means the schedule attached to and forming part of this Policy;

Policy Term means the period between the Policy Commencement Date and the Maturity Date, specified as such in the Policy Schedule;

Policy Year means a period of twelve (12) consecutive months starting from the Policy Commencement Date and ending on the day immediately preceding its Policy Anniversary and each subsequent period of twelve (12) consecutive months thereafter, during the Policy Term;

Policyholder means the person specified as such in the Policy Schedule;

Office means any office established by the Company for servicing customers, except its Registered Office and Corporate Office;

Premium means collectively the Regular Premium and Top-up Premiums if any paid;

Redirection means the facility allowing the Policyholder to modify the allocation of future Premium into the Unit Linked Funds in a different investment pattern from the option exercised previously by the Policyholder;

Regulations means the laws and regulations in effect from time to time and applicable to this Policy, including without limitation the regulations and directions issued by the Authority from time to time including re-enactments and/or amendments to such laws and regulations;

Regular Premium means the premium specified as such in the Policy Schedule payable in regular installments as agreed between the Policyholder and the Company;

Revival Period means the period of five years commencing from the due date of the first unpaid Regular Premium under this Policy during which the Policyholder may apply to the Company for revival of this Policy subject to satisfaction of Clause 4;

Rider means the supplementary or additional benefit coverage, if any, issued by the Company, attached to and forming part of this Policy;

Rider Benefits means the benefits payable under the Riders;

Risk Commencement Date means the date mentioned as such in the Policy Schedule, which shall be the later of (i) date of acceptance of risk by the Company and (ii) date of realization of proposal deposit by the Company. If the Life Assured is a minor aged less than seven (7) years as at the Policy Commencement Date, the Risk Commencement Date shall be date corresponding to the day immediately succeeding the Policy Anniversary following the date on which the Life Assured attains the age of seven (7) years;

Settlement Options has the meaning specified in Clause 2.2.2;

Sum Assured means the amount as mentioned in the Policy Schedule payable upon the death of the Life Assured as per Clause 2.1;

Surrender means the termination of the Policy in its entirety at the instance of the Policyholder as specified in Clause 12;

Surrender Value shall mean the Fund Value less applicable Surrender Charges as mentioned in Annexure 1 hereto;

Switches means the facility available to the Policyholder to change the investment pattern of the available Unit Linked Funds by shifting from one Unit Linked Fund to another (in whole or in part);

Top-up Premium means any amount not exceeding 25% of the Regular Premiums paid under the Policy at any time, paid by the Policyholder at irregular intervals in addition to the Regular Premium payable during the Policy Term;

Units means a notional interest of the Policyholder representing a portion or a part of Unit Linked Fund consisting of one undivided share in the assets of the relevant Unit Linked Fund;

Unit Linked Fund means specific and separate investment funds established, offered, operated and maintained by the Company, in terms of Clause 8 below or as may be introduced by the Company from time to time, with the approval of the Authority;

Unit Price means the price of the Units of each Unit Linked Fund arrived at by dividing the Net Asset Value of the Unit Linked Fund by the total number of outstanding Units in the Unit Linked Fund at that time.

1.2 Interpretation

This Policy is divided into numbered clauses for ease of reference and reading. Except as stated, these divisions and the corresponding clause headings do not limit the Policy or its interpretation in any way. Unless the context requires otherwise, words of one gender shall include the other gender and the singular shall include the plural and vice versa and references to any statute include subsequent changes to that statute.

2. BENEFITS

Subject to the provisions contained herein and fulfillment of the terms and conditions of this Policy and the Policyholder having made all due payments of Regular Premium, the Company agrees to pay to the Claimant, the following Benefits on the happening of the events mentioned against each Benefit:

2.1 Death Benefit

- 2.1.1 Subject to the Policy remaining in force, if the death of the Life Assured occurs on or after the Risk Commencement Date but before the Maturity Date, the Company shall pay the higher of the Fund Value and the Sum Assured;
- 2.1.2 If the Life Assured is a Minor as at the Policy Commencement Date and death occurs prior to the Risk Commencement Date while the Policy is in force, the Company shall pay the Fund Value;
- 2.1.3 The Policy shall automatically terminate upon payment of a Death Benefit under clause 2.1.1 or clause 2.1.2;
- 2.1.4 In respect of a notification of death of the Life Assured received at the Office of the Company prior to 3 PM on any Business day, the closing NAV of the same day will be applied for computation of the Fund Value. For intimations received at the Office of the Company post 3 PM on any Business day, the NAV declared on the next Business Day shall be applied for computation of the Fund Value.

2.2 Maturity Benefit

- 2.2.1 If the Life Assured survives the Maturity Date and the Policy is in force on such date, the Company shall pay the Maturity Benefit which shall be equivalent to the Fund Value computed on the basis of the closing NAV of the Maturity Date or the actual date of payment of the Maturity Benefits if the same is payable on any other day(s) as per the Settlement Options specified in Clause 2.2.2.

2.2.2 Settlement Option

- (i) The Policyholder may exercise the option to receive the Maturity Benefit either as a lump sum payment on the Maturity Date or in installments, for a maximum period of up to 5 years from the Maturity Date ('Settlement Period'), subject to levy of Charges as specified in Clause 6 provided:
 - a) There will not be any Insurance Cover during the settlement period;
 - b) The Company receives a written request from the Policyholder at least three (3) months prior to the Maturity Date for the same, indicating the settlement period;
 - c) Charges including Fund Management Charges and Policy Administration Charges shall continue to be deducted by the Company from the Fund Value during the settlement period;
 - d) The Policyholder agreeing and acknowledging that all risks inherent in receiving the Maturity Benefit as per the Settlement Option will be borne entirely by the Policyholder;
 - e) The Policyholder shall not be entitled to make Switches or Partial Withdrawals during the Settlement Period; however the Policyholder shall be entitled to cancel the Settlement Option and withdraw the Fund Value as at that date at any time during the Settlement Period.
- (ii) In the event of death of the Life Assured during the Settlement Period, the entire remaining Fund Value will be paid to the Claimant.

2.3 Requirements for Maturity Benefit and Death Benefit claims

- 2.3.1 In the event of a claim for Death Benefit arising under this Policy, the Claimant shall within 60 days of the claim arising, make a written intimation to the Company using the claim intimation form informing the Company of the claim along with the following documents:

I In case of claim for Maturity Benefit

- (i) Policy document in original;
- (ii) Duly signed discharge voucher; and
- (iii) Policyholder's Bank Account details

II In case of claim for Death Benefit (arising other than out of accidents or unnatural deaths)

- (i) Original Policy document;

- (ii) Death certificate issued by municipal authorities;
- (iii) Company Specific Claim formats duly complete and signed – Claimants Statement, Physician's Statement, Treating Hospital Certificate & Employer / School Certificate;
- (iv) Post-mortem/ chemical viscera report (if performed);
- (v) Hospital / other treatment records;
- (vi) Photo identification of the Claimant.

III Additional requirements in case of a Claim for Death Benefit arising out of accidents or unnatural deaths

- (i) Police reports (First information report, Panchnama, Police Investigation Report);
- (ii) Copy of driving license of the Life Assured (only in case of a road accident where the Life Assured was driving the vehicle).

2.3.2 Notwithstanding anything contained in Clause 2.3.1 above, depending upon the cause or nature of the claim, the Company reserves the right to call for other and/or additional documents or information, including documents/information concerning the title of the Claimant, to the satisfaction of the Company for processing the claim.

2.4 Special Features applicable to the Benefits

2.4.1 Loyalty Additions

- (i) Where the Policy Term is fifteen (15) years or more, at the end of every 5th Policy Year during the Policy Term, the Company shall allocate additional Units in the Unit Linked Funds chosen by the Policyholder at the rates mentioned in Annexure 3 hereto, provided
 - a) the Company has received all Regular Premiums due till the date of each respective Loyalty Addition; and
 - b) no Partial Withdrawal has been made by the Policyholder till the end of the fifteenth Policy Year.
- (ii) In the event the Policyholder makes partial withdrawals during the initial 15 years of the Policy Term, no further Loyalty Additions shall be made by the Company.

2.4.2 Increase/ decrease of the Sum Assured

- (i) The Policyholder may at any time during the Policy Term, by making an application in writing to the Company at least 2 months prior to the next Policy Anniversary, request the Company to increase/decrease the Sum Assured under this Policy without effecting any change to the Regular Premium payable, provided:
 - a) The Company has received at least three full annual Regular Premium from the Policyholder under this Policy, and all Premiums due under the Policy till such date, have been paid;
 - b) For increase in Sum Assured, the Life Assured should not be a Minor or aged above fifty (50) years (last birthday), at the time of such request;
 - c) Such increase /decrease in accordance with the applicable Regulations, and subject to underwriting acceptance;
 - d) The Company being entitled to deduct from the Fund Value, medical expenses (if any subject to a maximum of Rs.3,000) on account of an increase in the Sum Assured;
 - e) Such increase/decrease in the Sum Assured can be exercised once in a Policy Year, subject to three times during the Policy Term.

2.5 Mode of payment of Benefits

2.5.1 All Benefits and other sums under this Policy shall be payable in the manner and currency permitted under the Regulations.

2.5.2 Discharge

Any discharge given by the Claimant, or by any person authorized by the Claimant in writing in respect of the Benefits or the sums payable under this Policy shall constitute a valid discharge to the Company in respect of such payment. The Company's liability under the Policy shall be automatically discharged by such payment.

2.5.3 Cancellation of Units

Subject to the other provisions contained herein, Benefits under this Policy shall be settled by cancellation of required number of Units from the respective Unit Linked Fund(s). If the Policyholder has chosen more than one Unit Linked Fund, the cancellation of Units will be effected in the same proportion as the aggregate value of the Units held in each Unit Linked Fund, unless specified otherwise by the Policyholder and accepted by the Company.

2.6 Death during Grace Period

In the event of death of the Life Assured during the Grace Period, any Death Benefit payable shall be subject to deduction of Regular Premium that is due as on the date of death of the Life Assured.

3. Regular Premium & effect of discontinuance of payment of Regular Premium

3.1 Payment of Regular Premium

Regular Premium shall be paid during the Policy Term in the agreed amounts and frequency on or before the end of Grace Period corresponding to the due date specified in the Policy Schedule. If any Regular Premium is received before the due date, the Company shall keep such amount in an advance premium account and adjust such sum towards Regular Premium on the applicable due date. The amounts in the advance premium account shall not be allocated into Units before the due date. All Premiums shall, subject to deduction of applicable Charges as mentioned in Annexure 1 hereto, be allocated in the respective Unit Linked Funds as chosen by the Policyholder.

3.2 Discontinuance of Regular Premium after paying the Regular Premium due for at least three consecutive years

If any payment of Regular Premium is discontinued by the Policyholder after paying the Regular Premium for at least three consecutive years and the Policyholder does not make such payment within the Grace Period, the Insurance Cover under the Policy will continue subject to the Company levying the applicable Mortality Charges, Policy Administration Charges, Fund Management Charges and Rider Premium Charges if any, from the Fund Value.

Provided however that such automatic continuation of the Policy will cease on the earlier of the following two events:

- (i) If the Surrender Value under this Policy falls below one full year's Regular Premium, the Company shall terminate the Policy and pay the Surrender Value to the Policyholder;
- (ii) If at the end of the Revival Period, the Policy has not been revived by paying all due Regular Premiums to the Company along with such other Charges as may be prescribed by the Company, the Policy shall stand terminated and the Surrender Value shall be payable to the Policyholder, unless the Policyholder has specifically opted for continuation of Insurance Cover beyond the Revival Period, in which event the Insurance Cover shall continue with the Company levying all Charges as mentioned in the Policy Schedule, until the Surrender Value falls below one full year's Regular Premium. On the Surrender Value falling to one full year's Regular Premium, the Company shall terminate the Policy and pay Surrender Value to the Policyholder.

For computation of Surrender Value, Surrender Charges pertaining to the year in which the Policy is terminated as mentioned in sub-clauses (i) and (ii) above, shall be applied. Unless the Policy is reinstated, the Policyholder shall not be entitled to make any payment of Premiums under the Policy.

3.3 Discontinuance of Regular Premium within three years of the Policy Commencement Date

- (i) If any payment of Regular Premium is discontinued by the Policyholder before the completion of three years from the Commencement Date and the Policyholder does not make payment within the Grace Period, the Insurance Cover under this Policy shall cease with immediate effect. The Policy in such case shall continue without any Insurance Cover, with deduction by the Company of Charges (other than Mortality Charges and Rider Premium Charges), if any, from the Fund Value.
- (ii) The Policyholder may during the Revival Period, apply to the Company for revival of the Insurance Cover, and the Company may at its sole discretion, and subject to fulfillment of the conditions set forth in Clause 4 below, allow revival of the Insurance Cover. Unless the Insurance Cover is so revived, the Company shall pay the Surrender Value, if any, on expiry of the Revival Period, upon which the Policy will automatically terminate. For computation of Surrender Value, Surrender Charges pertaining to the year in which the premium payment was first discontinued shall be applied.
- (iii) In case of death of the Life Assured after the Grace Period but during the Revival Period, the Death Benefit payable shall be equal to the Fund Value.

Unless the Policy is revived, the Policyholder shall not be entitled to make any payment of Premiums and Partial Withdrawals under the Policy.

3.4 Termination of Policy

Notwithstanding any other Clause herein, at anytime during the policy term, post completion of 3 years from Risk Commencement Date, if the Surrender value falls below the equivalent of one Annualized Regular Premium at the time of deduction of the charges, this Policy will immediately terminate and the Surrender Value will be paid to the Policyholder and on such payment all rights and benefits under the policy will automatically cease.

4. Revival of Insurance Cover

- 4.1** Subject to the approval of the Company and the prevailing rules of the Company pertaining to revival, the Insurance Cover under this Policy may be revived within the earlier of (i) five years from the due date for payment of the first unpaid Regular Premium or (ii) the Maturity Date or (iii) the termination of the Policy in terms of Clause 3.2, 3.3 and 3.4 above, provided:

- (i) the Policy has not been surrendered for cash;
- (ii) no claim has arisen under the Policy;
- (iii) the Policy has not terminated as mentioned in Clause 3 above;
- (iv) a written application for revival is received from the Policyholder by the Company, together with revival fee as applicable, evidence of insurability and health of the Life Assured, to the satisfaction of the Company;
- (v) all unpaid Regular Premiums in arrears and other sums charged by the Company to reinstate this Policy are received by the Company in full;
- (vi) the cost incurred by the Company for medical examination of the Life Assured prior to revival of the Policy shall be deducted from the Fund Value up to a maximum of Rs. 3,000.

4.2 Notwithstanding anything to the contrary contained elsewhere in this Policy, the Company reserves the right to reinstate the Insurance Cover under this Policy either on its original terms and conditions or on such other or modified terms and conditions as the Company deems fit, or to reject the revival. The decision of the Company in this regard shall be final and binding on the Policyholder.

4.3 The revival shall come into effect on the date when the Company specifically communicates it in writing to the Policyholder.

4.4 Units against Regular Premium received for revival shall be allocated on the basis of the NAV applicable on the later of the following two dates (i) date of acceptance of revival by the Company and (ii) date of realization of such Regular Premium by the Company.

5. Top-up Premiums

5.1 The Policyholder may at any time during the Policy Term pay one or more Top-up Premiums, subject to a minimum of Rs.2000/- in multiples of Rs.100/- or such other amount fixed by the Company, subject to the following conditions:

- (i) The total amount of Top-up Premium paid under the Policy shall not exceed 25% of the total amount of Regular Premiums paid till the date of payment of Top-up Premium.
- (ii) The receipt of Top-up Premium by the Company will not alter the Sum Assured.
- (iii) All due installments of Regular Premium till the date of the payment of the Top-up Premium have been received in full by the Company.

5.2 Top-up Premium, as reduced by the applicable Charges, shall be invested in the Unit Linked Fund(s) chosen by the Policyholder in the allocation percentage specified. Policyholder is mandatorily required to specifically mention allocation of Top-up Premiums in Top-up request form.

6. Unit Account, Unit Statement and Annual Statement

6.1 Unit Account: For the purpose of this Policy, the Company will maintain an account called the Unit Account, to which the Regular Premium and the Top-up Premiums received from the Policyholder under this Policy shall be credited, net of applicable charges. The amount so credited shall be utilized for purchase of Units at the applicable NAV in the Unit Linked Funds offered by the Company and chosen by the Policyholder.

6.2 Unit Statement: The Company shall issue to the Policyholder, a unit statement showing the details of Units held and particulars of credits and debits in respect of the Unit Account on every Policy Anniversary as well as whenever a transaction in the nature of receipt of Premium, Switch, Partial Withdrawal or payment of Benefits takes place. The Policyholder may authorize the Company to send the Unit Statement on e-mail and the statement sent to such registered e-mail ID shall be considered as a valid discharge of Company's obligation under this clause.

6.3 Annual Report: The Company shall also issue an Annual Report covering the performance of the Unit Linked Funds during the preceding financial year in relation to the economic scenario and market developments including particulars like investment strategies and risk control measures, changes in interest rates tax rates etc affecting the investment portfolio.

7. Charges

Subject to the other terms and conditions mentioned herein, during the Policy Term, the Company shall levy the Charges. The Company reserves the right to revise the Charges, with the prior approval of the Authority, subject to the maximum limits mentioned against each Charge in Annexure 1 hereto. All charges mentioned herein are subject to applicable taxes and levies (present or future), including service tax, which shall be borne by the Policyholder.

8. Unit Linked Funds

8.1 The Company may from time to time, with the approval of the Authority, introduce, modify, amend or consolidate Unit Linked Fund(s) and offer such Unit Linked Fund(s) to the Policyholder. The Unit Linked Fund(s) offered by the Company as at the Commencement Date and the indicative portfolio allocations and risk profiles of the Unit Linked Fund(s) are as follows:

1. Equity Fund

Assets	Minimum	Maximum	Risk Profile	Objective
Equity	60%	100%	High	Generate long-term capital appreciation from active management of a portfolio invested in diversified equities.
Money Market	Nil	40%		

2. Growth Fund

Assets	Minimum	Maximum	Risk Profile	Objective
Equity	50%	90%	Medium to High	Achieve capital appreciation by investing predominantly in equities, with limited investment in Fixed Income Securities
Debt Securities	10%	50%		
Money Market	Nil	40%		

3. Balanced Fund

Assets	Minimum	Maximum	Risk Profile	Objective
Equity	30%	70%	Medium	Generate capital appreciation and current income, through a judicious mix of investments in equities and fixed income securities.
Debt Securities	30%	70%		
Money Market	Nil	40%		

4. Debt Fund

Assets	Minimum	Maximum	Risk Profile	Objective
Debt Securities	60%	100%	Low to Medium	Earn regular income by investing in high quality Debt securities.
Money Market	Nil	40%		

5. Liquid Fund

Assets	Minimum	Maximum	Risk Profile	Objective
Debt Securities*	Nil	60%	Low	Generate reasonable returns commensurate with low risk and a high degree of liquidity.
Money Market	40%	100%		

* Debt Securities shall comprise of only short term securities

The Unit Linked Funds shall confirm to the above asset allocation over a period of six months from inception of each Fund.

- 8.2** Subject to investment norms and policies of the Company in effect from time to time and applicable Regulations, the Company shall have the discretion to select the investments and/or make the investments under each Unit Linked Fund, having regard to the investment objectives of the respective Unit Linked Fund. Subject as aforesaid, the Company shall have absolute discretion to formulate its investment policies and make investments and to deal with all matters in relation to the Unit Linked Funds. The Company shall have absolute legal and beneficial ownership of all investments and assets of the Unit Linked Fund(s).
- 8.3** The Company may, at its discretion, with the prior approval of the Authority and with prior written notice of 30 days to the Policyholder, modify the proportions of available funds to be invested in bonds and equity/ property in respect of any of the above Unit Linked Fund, depending upon the prevailing and expected investment environment and the applicable Regulations.
- 8.4** The Company may also at its discretion, subject to approval of the Authority close or discontinue any of the Unit Linked Funds on the happening of events including but not limited to extreme volatility of markets, which in the opinion of the Company warrants such discontinuance or closure. In the event of closure or discontinuance of any Unit Linked Fund, the Company shall give the Policyholders at least three months prior notice stating the Company's intention to discontinue or close a Unit Linked Fund, except in cases where such closure or discontinuance is on account of an unforeseen emergency or Force Majeure conditions, where issuance of such prior notice is not possible. In case of a discontinuance or closure of Unit Linked Funds as mentioned above, the Company shall provide the Policyholders the option of switching to other Unit Linked funds offered by the Company free of cost, and such options may be exercised by the Policyholders within the time limits provided by the Company. In the event of a Policyholder not exercising its option to switch to another Unit Linked Fund, the Company shall be entitled to switch the Funds to another Unit Linked Fund at its discretion, subject to prior approval from the Authority.

8.5 Maturity Switch Option

- (i) The Policyholder may at any time during the Policy Term, opt for Maturity Switch Option, by writing to the Company, which request shall be effective from the Business Day immediately following the date of receipt of such request by the Company.
- (ii) If this option is exercised by the Policyholder, the Company will gradually transfer the Units in the Unit Linked Funds under this Policy from a higher risk Unit Linked Fund (i.e. Equity Fund) to a lower risk Unit Linked Fund (i.e. Liquid Fund), as the Policy nears the Maturity Date. Under this option, investment will be made only into the Equity and Liquid Funds. By opting for Maturity Switch Option the Policyholder expressly authorizes the Company to allocate 100% of the Unit Linked Funds in the unit account initially into the Equity Fund and gradually shifts them into the Liquid Fund, starting five years prior to Maturity Date.
- (iii) The right of switching and redirection of Premium cannot be exercised when the Maturity Switch Option is in force. Under this option, the Policyholder will not be allowed to change the allocation percentages of the Premium received in the Unit Linked Funds under this Policy, unless the Policyholder opts out of Maturity Switch Option by making a request to this effect in writing, to the Company.
- (iv) Investment risk relating to the fluctuations of unit price will continue to remain with the policyholder.

An indicative grid showing how the Units will be reallocated between Equity Fund and Liquid Fund is shown below:

Years to Maturity (B.O.Y)	Equity Fund allocation %	Liquid Fund allocation %
Policy Commencement up to T-5	100	0
Policy term-4	80	20
Policy Term-3	60	40
Policy Term-2	40	60
Policy Term-1	20	80
Policy Term	0	100

Note: T - Policy Term;
B.O.Y.- Beginning of Year

Under this option, the existing Fund Value as well as future Premiums including Top-Up Premiums will be automatically allocated to applicable fund allocation percentages as mentioned above.

The Maturity Switch Option may be exercised or discontinued by the Policyholder at any time during the Policy Term, each such entry and exit being treated by the Company as a Switch, with Switching Charges being levied, if applicable at the rates mentioned in Annexure 1.

9. Risk Factors

9.1 This Policy is issued on the express understanding that the investments are subject to the following risks among others and the Policyholder has opted for this Policy with full knowledge of such risks:

- (i) The names of the Unit Linked Funds do not in any manner indicate the quality of the Unit Linked Funds or their future prospects or returns. The Unit Linked Funds do not offer any guarantee or assure any guaranteed return.
- (ii) Investments in Units are subject to market and other risks. Investment risk in investment portfolio is borne by the Policyholder. There is no assurance that the objects of the Unit Linked Funds will be achieved.
- (iii) The Unit Price of the Units may fluctuate depending on factors and forces affecting the capital markets and the level of interest rates prevailing in the market.
- (iv) Past performance of the Unit Linked Fund and other plans of the Company are not indicative of future performance of any of these Funds.

9.2 All benefits payable under this Policy are subject to tax laws and other fiscal enactments in effect from time to time.

10. Units

10.1 The Units shall have a nominal value of Rs. 10/- each at the inception of the Unit Linked Fund. The Unit Price shall be computed to 3 (Three) decimal points. Units will be allocated up to 4 (Four) decimal points. The Unit Price will be declared as soon as may be possible after close of every Business Day.

10.2 Allocation of Units

- (i) Units against the Regular Premium received by the Company at inception shall be allocated on the Policy Commencement Date after deduction of applicable charges.
- (ii) Allocation of Units against subsequent Regular Premium and Top up Premiums (if any) duly accompanied by a completed Top-up Premium request form, shall be made on the basis of the closing NAV of the following dates:
 - a) Closing NAV of the same day in case of payments by local cheques or Demand Drafts at the Office of the Company before 3 PM on any Business Day.
 - b) Closing NAV of the subsequent Business Day in case of payments received by local cheque or Demand Drafts at the Company's office post 3 PM on any Business Day.
 - c) Closing NAV of the date of realization by the Company in case of payments made by outstation cheques or through ECS, Standing Instructions and Auto Debits.

All requests for Partial Withdrawals, Surrenders, Switching of Units, payment of Top-Ups, Maturity Switch Option and all intimations pertaining to claim of Benefits shall be in writing, submitted at any of the Company's Offices. In case of Partial Withdrawal, Switch, Maturity Switch Option or Surrender requests received at the Company's Office prior to 3 PM on any Business Day, the same would be processed basis the closing NAV of that day. The closing NAV of the next Business Day would be applied in case of all requests received at the Company's offices after 3 PM on any Business Day.

10.3 Computation of Net Asset Value ('NAV')

Net Asset Value shall be calculated on all Business Days in accordance with the Authority's guidelines in force from time to time. As per the prevailing guidelines of the Authority, Net Asset Value will be calculated as follows:

- (i) Appropriation price computed as mentioned herein is applied when the Unit Linked Fund is a net buyer of assets: - Market Value of investment held by the Unit Linked 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 Charges less the value of any current liabilities less provisions, if any.
- (ii) Expropriation price as mentioned herein is applied when the Unit Linked Fund is a net seller of assets: - Market Value of investment held by the Unit Linked Fund less the expenses incurred in the sale of assets plus the value of any current assets plus any accrued income net of Fund Management Charges less the value of any current liabilities less provisions, if any.

10.4 Valuation of Unit Linked Funds

The calculation made by the Company in regard to the valuation of its Unit Linked Funds is final and binding for all purposes except in case of manifest error. The valuation of assets of the Unit Linked Funds shall be made as per the applicable Regulations and valuation norms of the Company in effect from time to time.

10.5 Recovery of Charges

All Charges, other than the Fund Management Charges and the Premium Allocation Charges, shall be recovered by cancellation of required number of Units from the respective Unit Linked Funds on the date on which such Charges fall due. If the Policyholder has chosen more than one Unit Linked Funds, the cancellation of Units will be effected, to the extent feasible, in the same proportion as the aggregate value of the Units held in each Unit Linked Fund.

Fund Management Charges shall be recovered before arriving at the Unit Price. Premium Allocation Charges shall be recovered by deduction from the amount of the Regular Premium or Top-up Premium received, as the case may be prior to allocation of the Premium into Units. Switching Charges will be charged to the source Unit Linked Fund from which the Units are switched and shall be recovered by cancellation of required number of Units from the respective Unit Linked Funds.

11. Age Admission

The Age of the Life Assured has been admitted on the basis of the declaration made by the Policyholder / Life Assured in the Proposal and/or in any statement, supporting document/proof provided in this regard. If the Age of the Life Assured is found to be different from that declared, the Company may, adjust the Premiums and/or the Benefits under this Policy and/or recover the additional amounts, if any, as it deems fit. This Policy shall however become void from the Commencement Date, if the Age of the Life Assured at the Commencement Date is found to be higher than the maximum or lower than the minimum entry Age that was permissible under this Policy at the time of its issue and the Fund Value if any, shall be returned to the Policyholder subject to deduction of applicable charges.

12. Surrender Value and Surrender

12.1 If the Regular Premium for at least one Policy Year has been paid in full, the Policy shall acquire a Surrender Value.

12.2 The Policyholder may surrender this Policy at any time after completion of one Policy Year during the Policy Term by giving notice in writing to this effect to the Company. The Company shall on receipt of a duly signed request for Surrender:

- (i) cancel the units immediately, and pay the Surrender Value if any after deduction of Surrender Charges to the Policyholder at the end of the third Policy Year, in case the request for Surrender is received before completion of the third Policy Year;
- (ii) terminate the Policy and pay the Surrender Value after deduction of the applicable Surrender Charges, in case the request for Surrender is received after completion of the third Policy Year.

On Surrender Value payment being made by the Company, the Policy shall terminate forthwith and the Company will be relieved and discharged from all obligations under the Policy thereafter.

12.3 In the event the Policyholder applies for Surrender of the Policy during the first three Policy Years, the units will be immediately disinvested and kept in rupee terms and Surrender Value if any after deduction of applicable Charges will be paid at the end of third Policy Year.

12.4 In case of Surrender of Policy as mentioned in Clauses 12.2(i) and (ii) above, Surrender Charges applicable for the year in which the request for Surrender of the Policy is received by the Company, shall be applied for arriving at the Surrender Value. However in case Premium payment was discontinued in the first three Policy Years, Surrender Charges applicable to the year in which the Premium payment was first discontinued, shall be applied.

13. Partial Withdrawal

13.1 If at least three (3) full years Regular Premiums have been paid under this Policy and the Life Assured is not a Minor at such time, the Policyholder may make Partial Withdrawals up to 50% of the Sum Assured in a Policy Year, provided the Surrender Value after availing the Partial Withdrawal Benefit is not less than 120% of one full year Regular Premium. Partial Withdrawals shall be made for a minimum amount of Rs. 10,000 and thereafter in multiples of Rs. 1000. The Company shall pay the Partial Withdrawal amount, after deducting the Partial Withdrawal Charges, by cancelling Units of equivalent amount.

13.2 The first four Partial Withdrawals in a Policy Year can be availed of for no extra charge. The Company shall charge a sum of Rs. 250, from the fifth Partial Withdrawal in any one Policy Year. The Policyholder cannot carry forward the unused Partial Withdrawal in one Policy Year to the next Policy Year.

13.3 Partial Withdrawals, in case of Top-up Premiums, can be availed only after completion of three years from the date of payment of the respective installment of the Top-up Premium, except in the case of Top-up Premium payments received in the last three Policy Years.

13.4 Partial Withdrawal Benefits shall not be allowed in case where the Life Assured is a minor until the Life Assured attains the age of majority.

13.5 Partial Withdrawal Benefits shall not be allowed in during the Revival Period as specified in Clause 4.

14. Switches & Premium Redirection

The Policyholder will have an option to redirect the future allocation of the net amount of Premiums available for investment amongst one or more Unit Linked Funds. Redirection can be exercised by the Policyholder once during each Policy Year, and will be effected within 15 days from the date of receipt of a written request from the Policyholder by the Company. The Policyholder may also Switch the Fund Value represented in any Unit Linked Fund amongst one or more Unit Linked Funds. Requests for Switches and Premium Redirection shall be made by duly completing the forms prescribed by the Company in this regard, and delivering the same at the Offices of the Company. The Company shall deduct switching charges if applicable as mentioned in Annexure 1. The minimum amount requested to be switched or value of units requested to be switched shall be Rs. 10,000. Requests for switching may indicate the percentage of units in the respective funds to be switched or the amount representing the value of units to be switched.

The facility of Redirection of Unit Linked Funds is available from the second Policy Year and the same can be availed of free of cost, once in one Policy Year. It is effective from the time the Redirection is communicated to the Policyholder.

15. Assignment and Nomination

Notice of any assignment or nomination must be submitted in writing to the Company at any of its Offices.

16. Assignment

An assignment of the Policy may be made by an endorsement upon the Policy itself or by a separate instrument signed in either case by the assignor specifically stating the fact of assignment and duly attested. Only the Policyholder may make the first assignment. Such assignment shall be effective, as against the Company, from and upon the service of a written notice upon the Company and the Company accepting and recording the assignment on the Policy. In case of assignment under this Policy, the assignee shall not be entitled to increase or decrease the Death Benefit or Rider Benefits. In registering an assignment, the Company does not accept any responsibility or express any opinion as to its validity or legal effect. An assignment of the Policy shall automatically cancel all nominations made under Clause 17 below.

17. Nomination

The Life Assured, where he is the Policyholder, may, at any time during the currency of this Policy, make a nomination for the purpose of payment of the Death Benefits, in the event of his death. Where the Nominee is a minor, the Policyholder may also appoint a person (the 'Appointee') to receive the Benefits if payable during the minority of the Nominee. Any change of nomination, which may be effected before the termination of the Policy shall also be communicated to the Company. The change in nomination shall come into effect from the date on which the Company endorses such change in the Policy Schedule.

In the event of a Nominee dying prior to the Death Benefit becoming payable under this Policy, the Death Benefit shall be paid to the surviving Nominees, if any. In case none of the Nominees are surviving on the date of payment of the Benefits, then the Benefits shall be paid to the legal heirs of the deceased Policyholder in accordance with applicable law. Any payment made by the Company in good faith to such surviving Nominees or the legal heirs of the deceased Policyholder shall discharge the Company fully of its liability to make payment of Benefits under this Policy.

18. General Conditions

18.1 No Participation in surplus or profits

This Policy does not confer any rights on the Policyholder to participate in surplus or profits of the Company.

18.2 Automatic Vesting

If the Policy is issued on the life of a minor, the Policy will vest on the Life Assured automatically on his attainment of Age of majority, and on such vesting, the Company will recognize the Life Assured to be the owner of this Policy.

18.3 Review, revision

The Company reserves the right to review, revise, delete and / or alter any of the terms and conditions of this Policy, including without limitation the Benefits, the Charges other than those charges which are specifically stated to remain unchanged in this Policy, the method, manner and timing of levy or recovery of the Charges or valuation of the investments and / or assets of the Unit Linked Funds and / or determination of the Unit Price, with the approval of the Authority.

18.4 Suicide exclusion

If the Life Assured commits suicide for any reason, while sane or insane, within one year from the Risk Commencement Date as specified in the Policy Schedule or within one year from the date of revival of the Policy, no Benefits shall be payable under this Policy, other than the Fund Value as at the date of notification of death.

18.5 Loans

No loans will be admissible under this Policy.

18.6 Riders

The Policyholder may opt for one or more Riders to be attached to this Policy during the Policy Term, as and when offered by the Company with the approval of the Authority. Acceptance of Riders by the Company shall be subject to the conditions of this Policy and the Rider(s). In the event the Life Assured is a Minor, Riders can be applied for only after the Minor Life Assured attains 18 years of age.

18.7 Forfeiture

In issuing this Policy, the Company has relied on the accuracy and completeness of information provided by the Proposer /Life Assured and any other declarations or statements made or as may be made hereafter by the Policyholder/Life Assured in the proposal form. Subject to the provisions of the applicable Regulations including Section 45 of the Act, in the event any such information, declaration or statement is found to be false or incorrect or any material information is found to be withheld or misrepresented, the Policy shall become null and void from commencement, and the Company shall cease to be liable for payment of any Benefits under this Policy.

19. GENERAL PROVISIONS

19.1 Release and discharge

The Policy will terminate automatically on payment of the Death Benefits or the Maturity Benefits or the Surrender Value, as the case may be, and the Company will be relieved and discharged from all obligations under this Policy thereafter.

19.2 Limitation of Liability

Except in the case of a claim for Death Benefit, the maximum liability of the Company under this Policy shall not, in any circumstances, exceed the Fund Value. The maximum liability of the Company under this Policy shall not, in any circumstances, exceed the aggregate amount of the relevant Benefits payable hereunder.

19.3 Grievance Redressal / Complaints

Any grievance or complaints to the Company must be made in writing and delivered to the address of its Grievance Redressal Officer, which is currently:

Complaint Redressal Unit
Canara HSBC Oriental Bank of Commerce Life Insurance Company Limited
Centrum Plaza, 5th Floor,
Tower B, Sector 53, Golf Course Road,
Gurgaon-122002,
Haryana,
India
Resolution Centre : 1800-10-30003
Email id: cru@canarahsbclife.in

19.4 Taxes, duties and levies

It shall be the sole responsibility of the Policyholder/Claimant to ensure compliance with all applicable provisions of the Regulations, including taxation laws, and payment of all applicable taxes in respect of the Premiums and Benefits or other payouts made or received by the Policyholder/Claimant under this Policy and the Company does not accept any liability or responsibility in this regard. Except as may be specifically required by the Regulations, the Company shall not be responsible for any tax liability arising in relation to this Policy, the Premiums payable or the Benefits or other payouts made in terms of this Policy. The Company shall be entitled to deduct such amounts towards taxes, duties or such other levies as may be required from any sum received by it or payable under this Policy, and deposit the amount so deducted with the appropriate government or regulatory authorities.

19.5 Disclosure of information

If the Policyholder or Nominee or anyone acting for any of them or with their knowledge makes any misleading, false or fraudulent claim then this Policy shall be void and any benefits hereunder shall stand forfeited.

19.6 Loss of Policy document – issue of duplicate

The Company will replace a lost Policy Document when satisfied that it is lost. However, the Company reserves the right to make such investigations into and to call for such evidence of the loss of the Policy Document, at the Policyholder's expense, as the Company considers necessary before issuing a duplicate Policy Document. The Company has the right to charge a fee for the issue of a duplicate Policy.

It is hereby understood and agreed that Policyholder will protect the Company and hold the Company harmless against any claims, costs, expenses, awards or judgments arising out of or howsoever connected with the original Policy or arising out of issuance of duplicate Policy.

19.7 Entire Contract

This Policy comprises the terms and conditions set forth in this Policy document, the Policy Schedule, the terms and conditions set forth in the Riders, if any, applicable to this Policy and the endorsements, if any, made on or applicable to this Policy, which shall form an integral part and the entire contract, evidenced by this Policy. The liability of the Company is at all times subject to the terms and conditions of this Policy and the endorsements made from time to time. In the event of any inconsistency between the terms and conditions set forth in this Policy document and the terms and conditions set forth in the Riders to this Policy, the terms and conditions set forth in this Policy shall prevail.

19.8 Governing Law and Jurisdiction

This Policy shall be governed by and interpreted in accordance with the laws of India.

19.9 Section 45 of the Act

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 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.

Provided that nothing in this section shall prevent the insurer from calling for proof of Age at any time if it 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 insured was incorrectly stated in the proposal.

ANNEXURE 1: CHARGES

- (i) **Mortality Charges** are levied on the first Business Day of each Policy month by way of cancellation of Units. The rates of mortality charges applicable are shown in Annexure 2. These rates would remain unchanged during the entire term of the Policy.
- (ii) **Premium Allocation Charges** is a percentage of the Premium appropriated towards charges from the Premium received and is charged at the time of receipt of the Premium. The Company charges the Premium Allocation Charges, at the following rates:

Policy Year	Premium Allocation Charges as a percentage of the Premium
Regular premium	
First Policy Year	48%
2nd Policy Year	24%
3 rd Policy Year onwards	1%
Top-Up Premium	2% of such Top Up premium

The balance amount of the Premium, after appropriation of the Premium Allocation Charges, shall be utilized for allocation of Units in Unit Linked Funds as per the allocation percentages specified.

- (iii) **Fund Management Charges** are levied on a daily basis as a percentage of value of assets held in the respective Unit Linked Fund at the time of computation of the Net Asset Value. Mentioned below are the current rates of Fund Management Charges for each of the Unit Linked Funds, which may be revised by the Company from time to time with the approval of the Authority, subject to a maximum of 2.25% for each Unit Linked Fund:

Unit Linked Funds	Fund Management Charges
Equity Fund	1.75%
Growth Fund	1.50%
Balanced Fund	1.30%
Debt Fund	1.00%
Liquid Fund	0.80%

- (iv) **Policy Administration Charges** represent all expenses other than those covered by Premium Allocation Charges and Fund Management Charges, and is expressed as a fixed amount. Policy Administration Charges are levied on the first (1st) Business Day of each month during the Policy Term by cancellation of Units for equivalent amount. The current Policy Administration Charges are as follows:

The Policy Administration Charges levied by the Company for the Financial Year 2008-09 shall be Rs. 75 per month. The rate of Policy Administration Charge prevailing on the Policy Commencement Date shall be applicable to a Policy during its first Policy Year. Thereafter the Policy Administration Charges at the increased rates shall be applicable to such Policy commencing from each Policy Anniversary.

Policy Administration Charges levied by the Company shall increase at the rate of five percent (5%) on the existing charges effective April 1, each year. The Policy Administration Charges prevailing on the Policy Commencement Date shall be applicable to the Policy at inception and this shall increase at the rate mentioned above during the Policy Term.

The Company may revise the Policy Administration Charges mentioned above with the approval of the Authority, subject to a maximum of Rupees five thousand (Rs. 5000/-) in a year.

(v) Partial Withdrawal Charges are levied on the Fund Value at the time of Partial Withdrawal of the Unit Linked Fund during Policy Term. The first four Partial Withdrawals in a Policy Year can be availed free of charges. The Company shall charge a sum of Rs.250 per withdrawal from the fifth Partial Withdrawal in any one Policy Year, which may be revised by the Company with the approval of the Authority, up to a maximum of Rs. 500/-.

(vi) Switching Charges are levied on switching of Units from one Unit Linked Fund to another.

The current rate of switching charges levied by the Company is as follows:

No. of Switches*	Charges per Switch
0 to 6 in a Policy Year	Nil
Above 6 in a Policy Year	Rs. 250/- per switch

*Includes exercise of Maturity Switch option also.

Switching charges may be revised by the Company with the approval of the Authority, up to a maximum of Rs. 500/- per switch.

(vii) Surrender Charges is expressed as a percentage of the Fund Value surrendered, and is calculated on the Unit Price prevailing on the date of Surrender. The Surrender Charges applicable at present is as follows:

Policy Year	Surrender Charge applicable as a percentage of the Fund Value
1	90%
2	90%
3	80%
4 and thereafter	NIL

All the charges mentioned above are subject to taxes as applicable from time to time which shall be borne by the Policyholder.

ANNEXURE 2: MORTALITY CHARGES

Mortality Charges are applicable as per the following table:

Canara HSBC Life Unit Linked Endowment Plan

Age (l.b.d.)	Male	Female
0	-	-
1	-	-
2	-	-
3	-	-
4	-	-
5	-	-
6	-	-
7	0.40	0.47
8	0.40	0.42
9	0.40	0.38
10	0.38	0.40
11	0.45	0.40
12	0.53	0.40
13	0.65	0.38
14	0.71	0.45
15	0.77	0.53
16	0.82	0.65
17	0.87	0.71
18	0.92	0.77
19	0.96	0.82
20	1.00	0.87
21	1.03	0.92
22	1.06	0.96
23	1.09	1.00
24	1.11	1.03
25	1.13	1.06
26	1.15	1.09
27	1.16	1.11
28	1.17	1.13
29	1.17	1.15
30	1.17	1.16
31	1.17	1.17
32	1.20	1.17
33	1.25	1.17
34	1.31	1.17

Age (l.b.d.)	Male	Female
35	1.39	1.20
36	1.48	1.25
37	1.59	1.31
38	1.72	1.39
39	1.87	1.48
40	2.05	1.59
41	2.25	1.72
42	2.42	1.87
43	2.60	2.05
44	2.83	2.25
45	3.11	2.42
46	3.44	2.60
47	3.82	2.83
48	4.24	3.11
49	4.72	3.44
50	5.24	3.82
51	5.82	4.24
52	6.44	4.72
53	7.12	5.24
54	7.84	5.82
55	8.61	6.44
56	9.43	7.12
57	10.29	7.84
58	11.03	8.61
59	11.95	9.43
60	13.07	10.29
61	14.39	11.03
62	15.90	11.95
63	17.61	13.07
64	19.52	14.39
65	21.62	15.90
66	22.72	17.61
67	25.62	19.52
68	28.82	21.62
69	32.37	22.72

Age (l.b.d.)	Male	Female
70	36.29	25.62
71	40.62	28.82
72	45.39	32.37
73	50.64	36.29
74	56.40	40.62
75	62.73	45.39

The rates mentioned above are the standard mortality rates offered by the Company in respect of this plan. In case this policy has been issued pursuant to "Revised Terms" made by the Company to the Policyholder, the mortality charges mentioned in such "Revised Terms" shall be applicable to this Policy in supersession of the rates mentioned above.

ANNEXURE 3: LOYALTY ADDITIONS

Subject to the conditions mentioned in Clause 2.4.1 of the Terms & Conditions, extra Units will be allocated according to following pattern:

Policy Year (during the Policy Term)*	Loyalty additions as a percentage of annualized regular premium
5	3%
10	6%
15	9%
20	12%
25	15%
30	18%
35	21%
40	24%
45	27%
50	30%
55	33%
60	36%
65	39%
70	42%
75	45%