

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

Canara HSBC Oriental Bank of Commerce Life Unit Linked Pension Plan

UIN - 136L005V01

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;

Annexure means the annexures attached to this Policy, as amended from time to time;

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, Vesting Benefit, Rider Benefits (if any) and any other benefit, as may be applicable in terms of this Policy referred to collectively, as applicable, depending upon whether the Life Assured has chosen Plan Option I or Plan Option II, as specified in Clause 2.1 below;

Business Day means any day which is a working day for the Company's Corporate Office 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 Life Assured and if the Life Assured 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 15;

Company means Canara HSBC Oriental Bank of Commerce Life Insurance Company Limited, a company incorporated under the provisions of the Companies Act, 1956 carrying on the business of life insurance;

Death Benefit means the benefits specified in Clause 2.1.1(a) and (b), payable by the Company, depending upon whether the Life Assured has chosen Plan Option I or Plan Option II;

Financial Year means a period of twelve (12) 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 Life Assured, represented by the number of Units held in the Life Assured's Unit Account multiplied by the respective Unit Price applicable to 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 Life Assured may make payment of unpaid Regular Premium to keep the Policy and all the Benefits in force;

Insurance Cover means the risk cover specified in clause 2.1.1 and Rider Benefit (if any) payable upon the Life Assured's death during the Policy Term, if the Policy has been issued under Plan Option II;

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

Life Assured means the person named as such in the Policy Schedule;

Maturity Switch Option means the option as detailed in Clause 8.5;

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;

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

Plan Option I means the Pure Pension Benefit Plan chosen by the Life Assured under this Policy as at the Policy Commencement Date and accepted by the Company as indicated in the Schedule;

Plan Option II means the Pension with Life Cover Benefit Plan chosen by the Life Assured as at the Policy Commencement Date and accepted by the Company as indicated in the Schedule;

Plan Options means the benefit as per Plan Option I or Plan Option II as specified in Clause 2.1 below chosen by the Life Assured and accepted by the Company which shall be mentioned specifically in the Policy Schedule;

Policy means this Canara HSBC Oriental Bank of Commerce Life Unit Linked Pension Plan, comprising the Proposal, these terms and conditions, the Annexure and the Policy Schedule including any unit 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 Commencement Date means the date of commencement of the Policy as specified in the Policy Schedule;

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 Vesting 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;

Proposal means the signed and completed proposal form provided by the life to be assured prior to the Policy Commencement Date, along with all additional information enclosed thereto and which forms the basis upon which this Policy has been issued to the Life Assured by the Company;

Premium means collectively the Single Premium or Regular Premium and Top-up Premiums (if any) paid;

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

Regulations means the laws and regulations in effect 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 Life Assured and the Company during the Policy Term;

Revival Period means the period of five (5) years commencing from the due date of the first unpaid Regular Premium under this Policy during which period the Life Assured 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 if the life to be assured has chosen Plan Option II, which shall be the later of (i) date of decision by the Company's underwriters to accept the risk under the Policy and (ii) date of realization of the payment of first Premium by the Company;

Sum Assured means the amount specified as such in the Policy Schedule, which is applicable if the Life Assured has chosen Plan Option II as specified in clause 2.1.1(b);

Surrender means the termination of the Policy in its entirety 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 Life Assured 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 paid by the Life Assured under this Policy at irregular intervals in addition to the Single Premium or Regular Premium payable during the Policy Term;

Units means a notional interest of the Life Assured representing a portion or a part of Unit Linked Fund consisting of one (1) 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;

Vesting Age means the age of the Life Assured on the Vesting Date;

Vesting Benefit shall have the meaning ascribed to it in Clause 2.2;

Vesting Date means the date within the limits set out by the Company for this Policy chosen by the Life Assured and specified as such in the Policy Schedule or such other date chosen by the Life Assured as per the preponement/postponement options provided under Clause 13 of this Policy, on which the Vesting Benefits as mentioned in Clause 2.2 become payable.

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 singular shall include 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 Life Assured having made all due payments of Premium, the Company agrees to pay to the Claimant, the following Benefits on the happening of the events mentioned against each Benefit:

2.1 Plan Options

2.1.1 The proposer shall choose an option from among the two (2) Plan Options available under this Policy viz. Plan Option I or Plan Option II, at the time of proposing for insurance. Acceptance of a Plan Option chosen by the proposer shall be subject to underwriting guidelines of the Company. A Plan Option once chosen as at the Policy Commencement Date cannot be changed during the Policy Term. Subject to the other conditions of this Policy if the death of the Life Assured occurs on or before Vesting Date, following are the benefits payable as on the date of receipt of the intimation regarding death of the Life Assured, subject to clause 2.1.3 below, under Plan Option I and Plan Option II (as applicable):

a) Plan Option I- (Pure Pension)- Subject to the terms and conditions of the Policy, if the Schedule indicates that the Policy has been issued under Plan Option I, then if the death of the Life Assured occurs on or after the Policy Commencement Date, the Company shall pay the Fund Value;

b) Plan Option II (Pension with Life Cover) – Subject to the terms and conditions of the Policy, if the Schedule indicates that the Policy has been issued under Plan Option II, then if the death of the Life Assured occurs on or after the Risk Commencement Date, the Company shall pay the higher of the Fund Value and the Sum Assured.

2.1.2 The Policy shall automatically terminate upon payment of a Death Benefit under Clauses 2.1.1 (a) or (b).

2.1.3 In respect of an intimation 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 Vesting Benefit

2.2.1 If the Life Assured survives the Vesting Date and this Policy is in force on such date, the Fund Value as on the Vesting Date ("Vesting Benefit") is payable under the Policy. The Life Assured may choose any one of the following alternatives prior to the Vesting Date (in writing):

a) Use the entire Vesting Benefit for purchase of annuity products offered either by the Company or any other annuity provider as may be permitted under the Regulations; or

b) The Life Assured may opt to receive the maximum amount from the Vesting Benefit permitted to be commuted as per the then prevailing regulations as a lump sum payment, and use the remaining amounts (if any) for purchase of annuities as mentioned in Clause 2.2.1(a).

2.2.2 If the Life Assured opts to use the Vesting Benefit to buy annuities from any other annuity provider, he shall, prior to the Vesting Date, indicate such option in writing to the Company specifying the name of such annuity provider. The Company shall make payment of the Vesting Benefit to such entity named in the Life Assured's request, subject to deduction of any amounts opted to be commuted by the Life Assured as per Clause 2.2.1(b). On such payment, all liabilities of the Company under this Policy shall cease.

2.2.3 Any payment of Benefits under this Policy will be subject to applicable regulations including those on taxation, prevailing as on the relevant date.

2.3 Requirements for Benefit claims

2.3.1 In the event of a claim for Benefit arising under this Policy, the Claimant shall within sixty (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 Vesting Benefit

- (i) Policy document in original;
- (ii) Duly signed discharge voucher;
- (iii) Life Assured's bank account details;
- (iv) Written intimation as to whether the Life Assured intends to purchase annuities from the Company or any other life insurer named in such request, and whether the Life Assured intends to commute the Fund Value subject to the maximum permitted under the Regulations at that point in time.

II In case of claim under Plan Option I

- (i) Original Policy document;
- (ii) Original Death certificate issued by municipal authorities;
- (iii) Company Specific Claim formats duly complete and signed – Claimants.

III In case of claim under Plan Option II

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

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

If the Policy Term is fifteen (15) years or more, then, commencing from the tenth (10th) Policy Anniversary, the Company shall, during the remaining Policy Term, allocate additional Units in the Unit Linked Funds chosen by the Life Assured at the commencement of every fifth (5th) Policy Year thereafter, in the manner specified in Annexure 3 hereto, provided the Company has received all Regular Premiums due till the date of each respective Loyalty Addition.

2.4.2 Loyalty Additions shall not be available in case the Life Assured has opted for Single Premium payment option.

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 Unit Linked Funds.

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 may 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 in the allocation percentage as chosen by the Life Assured.

3.2 Discontinuance of Regular Premium after paying the Regular Premium due for at least three (3) consecutive years.

If any payment of Regular Premium is discontinued by the Life Assured after paying the Regular Premium for at least three (3) consecutive years and the Life Assured does not make such payment within the Grace Period, this Policy (including any Insurance Cover, as applicable if the Policy has been issued under Plan Option II) will continue subject to the Company levying the applicable Charges, 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 (1) full year's Regular Premium, the Company shall terminate the Policy and pay the Surrender Value to the Life Assured;
- (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 Life Assured. In case of a Policy issued under Plan Option II, the Life Assured may specifically opt for continuation of the Insurance Cover beyond the Revival Period, in which event the Policy shall continue, with the Company levying all Charges as mentioned in the Policy Schedule, until the Surrender Value falls below one (1) full year's Regular Premium, at which time the Surrender Value shall be payable to the Life Assured and the Policy shall be automatically terminated. In case of the death of the Life Assured after the Revival Period, during the period where the Life Assured has specifically opted for automatic continuation of the Insurance Cover under Plan Option II, the higher of the Fund Value and the Sum Assured shall be payable.

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 Life Assured shall not be entitled to make any payment of Top-up Premiums under the Policy.

3.3 Discontinuance of Regular Premium within three (3) years of the Policy Commencement Date.

- (i) If any payment of Regular Premium is discontinued by the Life Assured before the completion of three (3) years from the Policy Commencement Date and the Life Assured does not make payment within the Grace Period, the Life Assured may apply for revival of the Policy within the Revival Period.
- (ii) In case this Policy is issued under Plan Option II, Insurance Cover under this Policy shall cease with immediate effect on discontinuance of Premium payment as mentioned in Clause 3.3(i) above. 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.
- (iii) The Company may at its sole discretion, and subject to fulfillment of the conditions set forth in Clause 4 below, allow revival of Policy (and if the Policy has been issued under Plan Option II, the revival of the Insurance Cover). Unless the Policy 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.
- (iv) Unless the Policy is revived, 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 (irrespective of whether the Policy was issued under Plan Option I or II).

Unless the Policy is revived, the Life Assured shall not be entitled to make any payment of Top-up Premiums under the Policy during the Revival Period.

3.4 Automatic Termination of Policy

a) Single Premium

In case of Single Premium policies, notwithstanding any other Clause herein, at anytime during the Policy Term, post completion of three (3) Policy Years from the Policy Commencement Date, if the Surrender Value falls below the equivalent of Rs.10,000 at the time of deduction of the Charges, the Surrender Value shall be payable to the Life Assured and the Policy shall be automatically terminated.

b) Regular Premium

In case of Regular Premium Policies, notwithstanding any other Clause herein, at anytime during the Policy Term, post completion of three (3) Policy Years from the Policy Commencement Date, if the Surrender value falls below the equivalent of one annualized Regular Premium at the time of deduction of the Charges, the Surrender Value shall be payable to the Life Assured and the Policy shall be automatically terminated.

4. Revival of the Policy

- 4.1** Subject to the approval of the Company and the prevailing rules of the Company pertaining to revival, this Policy may be revived within the earlier of (i) the Revival Period or (ii) the Vesting 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) a written application for revival is received from the Life Assured by the Company, together with revival fee as applicable and evidence of insurability and health of the Life Assured, to the satisfaction of the Company;
 - (iv) all unpaid Regular Premiums in arrears and other sums charged by the Company to reinstate this Policy are received by the Company in full.
- 4.2** Notwithstanding anything to the contrary contained elsewhere in this Policy, the Company reserves the right to reinstate the 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 Life Assured.
- 4.3** The revival shall come into effect on the date when the Company specifically communicates it in writing to the Life Assured.
- 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.
- 4.5** For a Policy issued under Plan Option II where Regular Premiums are discontinued before the third (3rd) Policy Anniversary, reinstatement of Insurance Cover shall only take effect from the date of revival of the Policy as communicated by the Company.

5. Top-up Premiums

- 5.1** The Life Assured 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 receipt of Top-up Premium by the Company will not alter the Sum Assured, if the Policy is issued under Plan Option II.
 - (ii) 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 Life Assured in the allocation percentage specified. Life Assured 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 Single Premium, Regular Premium and the Top-up Premiums received from the Life Assured 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 Life Assured in the allocation percentage specified.
- 6.2 Unit Statement:** The Company shall issue to the Life Assured, 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, or payment of Benefits takes place. The Life Assured 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 Life Assured.

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 Life Assured. The Unit Linked Fund(s) offered by the Company as at the Policy 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 under Liquid Fund shall comprise of only short term securities

- 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 thirty (30) days to the Life Assured, modify the proportions of available funds to be invested in bonds and equity/ property in respect of any of the above Unit Linked Funds, 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 and Life Assured 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 Life Assured prior notice stating the Company's intention to discontinue or close a Unit Linked Fund. In case of a discontinuance or closure of Unit Linked Funds as mentioned above, the Company shall provide the Life Assured the option of Switching to other Unit Linked funds offered by the Company free of cost, and such options may be exercised by the Life Assured within the time limits provided by the Company. In the event of a Life Assured not exercising his 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 Life Assured 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 the Maturity Switch Option is exercised by the Life Assured, the Life Assured expressly authorizes the Company to allocate hundred percentage (100%) of the Units in the Life Assured's Unit Account initially into the Equity Fund. The Company will gradually transfer the Units from the Equity Fund, which is a higher risk Unit Linked Fund to the Liquid Fund, which is a lower risk Unit Linked Fund, starting five (5) Policy Years prior to the Vesting Date.
- (iii) The right of Redirection of Premium cannot be exercised when the Maturity Switch Option is in force. Under this option, the Life Assured will not be allowed to change the allocation percentages of the Premium received in the Unit Linked Funds under this Policy, unless the Life Assured 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 Life Assured.
- (v) An indicative grid showing how the Units will be reallocated between Equity Fund and Liquid Fund is shown below:

Policy Year (B.O.Y)	Equity Fund allocation percentage%	Liquid Fund allocation percentage%
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

- (vi) Under this option, the existing Fund Value, as well as future Premiums including Top-Up Premiums will be automatically allocated to applicable allocation percentages as mentioned above.
- (vii) The Maturity Switch Option may be exercised or discontinued by the Life Assured 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 hereto.

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 Life Assured 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 Life Assured. 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 Unit Price shall be computed to three (3) decimal points. Units will be allocated up to four (4) decimal points. 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 cheques 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.
- (iii) All requests for 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 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. The above cut-off timings are as per regulations prevailing on the Policy Commencement Date, which can change from time to time subject to change in regulations.

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 Life Assured 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 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 Policy Commencement Date, if the Age of the Life Assured at the Policy 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 Life Assured subject to deduction of applicable charges.

12. Surrender Value and Surrender

12.1 If the Regular Premium for at least one (1) Policy Year has been paid in full, the Policy shall acquire a Surrender Value.

12.2 The Life Assured may during the Policy Term, surrender this Policy at any time by giving notice in writing to the Company subject to the condition that atleast one (1) Policy Year Premium is paid. 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 Life Assured at the end of the third (3rd) Policy Year, in case the request for Surrender is received before completion of the third (3rd) 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 (3rd) 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. In the event the Life Assured applies for Surrender of the Policy during the first three (3) 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 the third (3rd) Policy Year.

12.3 In case of Surrender of Policy as mentioned in Clauses 12.1 and 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 Regular Premium payment was discontinued in the first three (3) Policy Years, Surrender Charges applicable to the year in which the Regular Premium payment was first discontinued, shall be applied.

13. Review of Vesting Date

13.1 From the beginning of the 5th Policy Year subject to three (3) full annual Regular Premiums being paid under the Policy, the Life Assured may opt to prepone or postpone the existing Vesting Date provided:

(i) the request for preponement is received by the Company at least three (3) months before the new Vesting Date;

(ii) the request for postponement is received by the Company at least three (3) months before the existing Vesting Date;

(iii) the new Vesting Age shall be between forty five (45) and seventy (70) years;

(iv) the option for changing the Vesting Date (including both preponement and postponement) can be exercised only twice during the Policy Term.

13.2 In case of preponement or postponement of the Vesting Date by the Life Assured, the Insurance Cover, if the Policy has been issued under Plan Option II shall cease at earlier of (i) the original Vesting Date mentioned in the Policy Schedule; and (ii) the revised Vesting Date(s). For removal of doubt, it is clarified that the Insurance Cover shall not be extended beyond the original Vesting Date by exercising this option and if the Life Assured dies after the original Vesting Date, but before the revised Vesting Date, only the Fund Value, as at the date of notification of death to the Company is payable to the Nominee.

13.3 In case of postponement of the Vesting Age as per Clause 13.1, above, Regular Premiums shall be payable till the revised Vesting Date. However, no Mortality Charges shall be deducted by the Company after the lower of the original and the revised Vesting Dates.

13.4 Options under Clause 13 is not available in case Life Assured has opted for Single Premium option with Policy Term of 5 years.

14. Switches & Premium Redirection

- 14.1** The Life Assured 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 Life Assured once during each Policy Year, and will be effected within fifteen (15) days from the date of receipt of a written request from the Life Assured by the Company. The facility of Redirection of Unit Linked Funds is available from the second (2nd) Policy Year and the same can be availed of free of cost, once in every Policy Year. Redirection shall be effective from the time the same is communicated by the Company to the Life Assured.
- 14.2** The Life Assured 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.

15. Assignment and Nomination

15.1 Assignment

This Policy cannot be assigned.

15.2 Nomination

The Life Assured may at any time during the currency of this Policy, make a nomination for the purpose of payment of the Death Benefit. Where the Nominee is a minor, the Life Assured may also appoint a person (the 'Appointee') to receive the Death Benefit 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 Insurance Cover, then the Death Benefit shall be paid to the legal heirs of the deceased Life Assured 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 Life Assured shall discharge the Company fully of its liability to make payment of under this Policy.

16. General Conditions

- 16.1 No Participation in surplus or profits.** This Policy does not confer any rights on the Life Assured to participate in surplus or profits of the Company.
- 16.2 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.
- 16.3 Suicide exclusion.** If the Policy has been issued under Plan Option II and the Life Assured commits suicide for any reason, while sane or insane, within one (1) year from the Risk Commencement Date as specified in the Policy Schedule or within one (1) year from the revival of the Policy, no Death Benefit shall be payable under this Policy, other than the Fund Value as at the date of notification of death.
- 16.4 Loans:** No loans will be admissible under this Policy.
- 16.5 Riders:** The Life Assured 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).
- 16.6 Forfeiture.** In issuing this Policy, the Company has relied on the accuracy and completeness of information provided by the Life Assured and any other declarations or statements made or as may be made hereafter by the 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.

17. GENERAL PROVISIONS

- 17.1 Release and discharge.** The Policy will terminate automatically on payment of any Death Benefit under the Plan Options or the Vesting 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.

17.2 Limitation of Liability. Except in the case of a claim for Insurance Cover if the Policy has been issued under Plan Option II, the maximum liability of the Company under this Policy shall not, in any circumstances, exceed the Fund Value.

17.3 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
Haryana – 122 002
India
Resolution Centre: 1800-10-30003
Email id: cru@canarahsbclife.in

17.4 Taxes, duties and levies

It shall be the sole responsibility of the Life Assured/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 Life Assured/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.

17.5 Disclosure of information

If the Life Assured 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.

17.6 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 Life Assured'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 Life Assured 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.

17.7 Entire Contract

This Policy comprises the terms and conditions set forth in this Policy document, the Annexure, 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.

17.8 Governing Law and Jurisdiction

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

17.9 Section 45 of the Act

No policy of life insurance effected before the commencement of this Act shall, after the expiry of two (2) 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 (2) 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 Life Assured and that the Life Assured 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 Assured 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 towards charges for Insurance Cover if the Policy is issued under Plan Option II. The rates of Mortality Charges applicable are shown in Annexure 2. These rates would remain unchanged during the Policy Term.
- (ii) **Premium Allocation Charges** is a percentage of the Premium received, appropriated towards Charges and is charged at the time of receipt of the Premium. The Company charges the Premium Allocation Charges, at the following rates for Premium payments:

Regular Premium	
Policy Year	Premium Allocation Charges as a percentage of the Premium
1st Policy Year	15%
2nd to 3rd Policy Year	8%
4th to 7th Policy Year	2%
8th Policy Year onwards	NIL

Single Premium	
Policy Term	Premium Allocation Charges as a percentage of the Premium
5 to 9 Years	3.75%
10 Years & above	2.50%

Top-Up Premium (applicable to both Regular & Single Premium)
2% of the 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. 40 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) 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.

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

Regular Premium		Single Premium	
Policy Year	Surrender Charge applicable as a percentage of the Fund Value	Policy Year	Surrender Charge applicable as a percentage of the Fund Value
1	90%	1	8%
2	25%	2	6%
3	5%	3	4%
4	2%	4	2%
5 and thereafter	Nil	5 and thereafter	Nil

All the Charges mentioned above are subject to taxes as applicable from time to time which shall be borne by the Life Assured.

ANNEXURE 2: MORTALITY CHARGES - For Plan Option II (Pension with Life Cover)

Mortality Charges for Plan Option II (Pension with Life Cover) are applicable as per following table:

UL –Pension		
Mortality Charge		
Age (l.b.d.)	Male	Female
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
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

UL –Pension		
Mortality Charge		
Age (l.b.d.)	Male	Female
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
70	36.29	25.62

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 Life Assured, 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 (Clause 2.4.1 of the Policy)

Additional Units will be allocated according to following table in case the Life Assured has opted for Regular Premium Payment:

Policy Year (during the Policy Term)	Loyalty Additions as a percentage of annualized Regular Premium
10	6%
15	9%
20	12%
25	15%
30	18%
35	21%
40	24%
45	27%
50	30%