

**HDFC GROUP UNIT LINKED PLAN – OPTION B**  
**HDFC STANDARD LIFE INSURANCE COMPANY LIMITED**  
**Registered Office: Ramon House, H T Parekh Marg, 169, Backbay**  
**Reclamation, Churchgate, Mumbai 400 020**

**STANDARD POLICY PROVISIONS**

This booklet is numbered \_\_\_\_\_

In this policy, the investment risk in the investment portfolio is borne by the policyholder.

**1 Definitions**

*Scheme* – Means the scheme listed in the Policy Schedule.

*Sponsor* – Means the person / body sponsoring the Scheme and is listed on the Policy Schedule.

*Trustees* – Means the Trustees, if applicable, of the scheme.

*Policyholder, You* – Means the Trustees of the Scheme or if no trust exists, the sponsor of the scheme as listed on the Policy Schedule.

*Member* – Means a member of the Scheme.

*Register* – Means the list of Members of the scheme.

*Insurer, Us, We* – Means HDFC Standard Life Insurance Company Limited.

*Cut-off time* – Is the time by which we must have accepted your instructions to invest in, or encash units from, a Fund for us to invest in or encash units at the associated valuation time.

*Valuation time* – Means the time we value the assets in an Investment Linked Fund as described in Provision 3 (Valuation of Investment Linked Funds).

*Accounts* – Are separately held sets of units that you have requested us to hold. You will instruct us on which Account(s) to apply Premiums to and remove encashments from.

*He* - Words importing the masculine gender shall include the feminine gender and vice versa.

*Initial Lump-sum Contribution* – The single premium due on the date of issue of the policy.

*Simplified Instructions* – Are those instructions that are in the format specified by us from time to time and pertain to a single consolidated money transaction for all the Accounts in the policy.

*Threshold Fund Value* – The fund value, net of any surrender charge, at which the policy will discontinue if premiums cease to be paid.

## 2 Investment Linked Funds

- 1 We will maintain a number of investment-linked Funds in order to determine the benefits under this Policy and certain other policies issued by us from time to time. Our liability under the policy lies only to you and is limited to the extent of the unit value of your policy less any charges due to us plus any death benefits that may be payable. We are not liable to meet the scheme's financial obligations to the members of the scheme.
- 2 Each Fund is divided into units. In any investment-linked Fund, units of any particular type shall be of equal value. You will not hold the units directly and the assets of each Fund will belong to us.
- 3 We decide what assets the Funds invest in.
- 4 We may close, withdraw, modify, split or combine Funds or introduce new Funds. 'Withdraw' means no further payments will be accepted into the Fund, any existing units held in the Fund will continue to be allocated. 'Close' means we will encash all the units, which exist for a Fund and terminate the Fund.

Where we close or withdraw a Fund, we will notify you three months in advance that, we will switch any existing units in that Fund and / or apply any future Premiums which would have been applied to that Fund to another Fund that has, in our opinion, the closest investment objectives to the original Fund. During the three month notice period, you can switch to any other available Fund in terms of Provision 9 (Fund Switches). Any charges, which are normally deducted for a switch of Funds, as outlined in Provision 9 (Fund Switches) will not be deducted in these circumstances.

- 5 We will not allocate units in any investment-linked Fund unless assets equivalent to those units are added at the same time to the Fund. We will also not withdraw assets from any such Fund (except to meet the deductions described in section (7) of this Provision) unless units equivalent to those assets are cancelled at the same time. Units will only be cancelled in any such Fund under the terms of Provisions 8, 9, 11, 14 or 15, and assets equivalent to the cancelled units will be withdrawn from the same Fund at the same time.
  
- 6 We will add the income from the assets of an investment-linked Fund to that Fund.
  
- 7 We can deduct from the assets of an investment-linked Fund any amounts that we decide are appropriate to cover:
  - (a) expenses, taxes, statutory duties and other charges for buying, managing, maintaining, valuing and selling assets:
  - (b) any other expenses, taxes, statutory duties and charges arising from our operation of the Fund:
  - (c) part or all of any tax, statutory levy or other charge on us allocated to the Fund; and
  - (d) the management charges described in Provision 4 (Fund Management Charges).
  
- 8 Units invested in any of our investment-linked Funds do not participate in the profits of the HDFC Standard Life Insurance Company Limited or any of its participating Funds.

### 3 Valuation of Investment Linked Funds

- 1 At such intervals as we may decide, but usually each day the financial markets are open, we will value each investment linked Fund so that we can set the prices of units as specified in Provision 5 (Unit Prices).
- 2 The maximum and minimum values of a Fund are based on the maximum and minimum values of assets in that Fund, allowing for any cash that has not been invested, an estimate of income earned but not received, an estimate of charges incurred but not yet paid, allowance for future deductions of the types described in Provision 2 section 7, allowance for investment transactions made but not yet settled and allowing for the expenses of purchasing or selling assets.
- 3 The maximum value of an asset will not be greater than the market price at which it could be bought allowing for the expenses of buying assets.
- 4 The minimum value of an asset will not be less than the market price at which it could be sold allowing for the expenses of selling assets.
- 5 The value of quoted securities (such as stocks and shares) will normally be based on Indian market practice of market or fair value in accordance with regulations/guidelines/directives from the Insurance Regulatory and Development Authority (IRDA) or any applicable regulator. The investments in buildings and land will be based on valuations prepared and certified by independent valuers appointed by us and adjusted to take account of changes in prices, where material, since the last valuations. We will determine the values of all other assets.
- 6 We will always make best endeavour to value the assets on each day the financial markets are open. In certain extreme circumstances, this may not be possible, as the value of assets may be too uncertain. In such circumstances we may defer the valuation of assets until normality returns. Examples of such circumstances are:
  - (a) When one or more stock exchanges, which provide a basis for valuation for a substantial portion of the assets of the Fund, are closed other than for ordinary holidays.
  - (b) When, as a result of political, economic, monetary or any circumstances out of our control, the disposal of the assets of the unit Fund are not reasonable or would not reasonably be practicable without being detrimental to the interests of the remaining unit holders.
  - (c) During periods of extreme volatility of markets during which surrenders and switches would, in our opinion, be detrimental to the interests of the existing unit holders of the Fund.
  - (d) In the case of natural calamities, strikes, war, civil unrest, riots and 'bandhs'.
  - (e) In the event of any force majeure or disaster that affects our normal functioning.
  - (f) If so directed by the Insurance Regulatory and Development Authority or any applicable regulator.

#### **4 Fund Management Charges on Investment Linked Funds**

We will take the appropriate Fund Management Charge as specified in the Policy Schedule, from the Funds. This Charge will be taken on a daily basis and incorporated into the Unit Prices for each Fund. This charge is subject to change at any time at our sole discretion, and may differ by Fund. This charge will not be changed without prior approval from the Insurance Regulatory and Development Authority.

#### **5 Unit Prices**

- 1 Once we have calculated the value of the assets in the Fund at the valuation time as specified in provision 3 (Valuation of Investment Linked Funds), we will set the unit price for use on that day by dividing the value of the assets in the Fund by the number of units in existence for the Fund. The resulting price will be rounded to the nearest Rs. 0.0001. This price will be published on our company's website.
- 2 For the purposes of Provision 6 (Premiums), if we receive your Premium and all necessary documentation to allow the Premium to be processed, and we are satisfied that the information received is correct, before the Cut-off time for the next Valuation then we will use the unit prices set at the next Valuation to allocate your Premium. If we receive your Premium and all necessary documentation to allow the Premium to be processed, and we are satisfied that the information received is correct, after the Cut-off time for the next Valuation then we will use the unit prices set at the Valuation after the next one.

Where you instruct us, to apply a Premium on a date in the future, we will action those instructions, as if they arrive at the start of the business day, you instructed us to process the Premium, subject to the Cut-off time rules defined above. If you wish to amend any future dated instructions you may do so until the Cut-off time for that Premium. If amendment instructions are received after the Cut-off time for that Premium they will not be acted upon.

- 3 For the purposes of Provision 9 (Fund Switches) if you instruct us to switch Funds at the next Valuation and we receive those instructions and all necessary documentation to allow the switch to be processed, before the Cut-off time for the next Valuation, then we will use the unit prices set at the next Valuation to switch your Funds. If we receive those instructions and all necessary documentation to allow the switch to be processed, after the Cut-off time for the next Valuation, then we will use the unit prices set at the Valuation after the next one.

Where you instruct us to switch Funds on a date in the future, we will action those instructions as if they arrive at the start of the business day, you instructed us to process the switch, subject to the Cut-off time rules defined above. If you wish to amend any future dated Fund switch instructions you may do so until the Cut-off time for the switch. If amendment instructions are received after the Cut-off time for the switch they will be treated as a separate switch instruction.

We can delay a switch of Funds in terms of Provision 9, section 5.

- 4 For the purpose of Provision 11 (Charges), the unit prices used to cancel units will be those set on the Valuation on the effective date the charges are deducted from the Policy, or if no such Valuation is made, on the most recent Valuation prior to the effective date.
- 5 For the purpose of Provision 14 (Cash Benefit Payments from the policy) if you instruct us to make a cash benefit payment from the policy at the next Valuation, and we receive those instructions to make a cash benefit payment from the policy, and all necessary documentation to allow the cash benefit payment to be processed, before the Cut-off time for the next Valuation then we will use the unit prices set at the next Valuation to redeem units from your policy. If we receive those instructions and all necessary documentation to allow the cash benefit payment to be processed, after the Cut-off time for the next Valuation then we will use the unit prices set at the Valuation after the next one.

Where you instruct us to make cash benefit payment from the policy, at a date in the future we will action your instructions as if they arrive at the start of the business day you instructed us to process the cash benefit payment, subject to the Cut-off time rules defined above. If you wish to amend any future dated cash benefit payment instructions you may do so, until the cut off time for that cash benefit payment. If amendment instructions are received after the Cut-off time for that cash benefit payment, they will not be acted upon.

- 6 For the purpose of Provision 10 (Additional Benefit for Large Schemes): the prices of units used to add units will be those set on the Valuation on the effective date of the addition, or if no such Valuation is made, on the most recent Valuation prior to the effective date.
- 7 Cut-off times and valuation times may vary over time and by Fund. Details of our current practices are shown in the Policy Schedule and any changes are available on request.

## 6 Premiums

- 1 Premiums can be paid into the policy by you, the policyholder. Premiums can be paid by any method agreed by us.
- 2 On your request, if agreed by us, separate Accounts may be maintained into which Premiums may be paid and from which redemptions may be made.
- 3 If you have chosen more than one Account, we will split the Premium between Accounts in accordance with your instructions. A proportion of each Account's Premium, the premium allocated, will be used to buy units for that Account in the Fund(s) of your choice. The Premium Allocation Rate for all Premiums is on your Policy Schedule.
- 4 The policy will not come into force until the first Premium is accepted by us.
- 5 You will agree with us when Premiums are expected to be paid to allow us to efficiently administer the policy. The Policy Schedule will show the dates Premiums are expected to be paid. Top-up Premiums can be paid at any time. If Premiums are not paid, the existing Funds will continue to be used to meet the charges due on the policy. There is a grace period for paying the premiums of 15 days.
- 6 All payments will be accepted subject to realisation of funds. We will not make cash benefit payment from the policy, as described in Provision 14 (Cash Benefit Payments from the policy) in respect of a Premium until the funds in respect of that Premium have been realised by us.

## **7 Choosing your Investment Linked Funds**

- 1 Initially your Premium will be used to allocate units in the Funds chosen by you in the Application Form.
- 2 At any time, you can ask for some or all of your future Premiums for an Account to be allocated to units in different Funds. Premiums will only be applied as per the revised instructions if we accept those instructions before the Cut-off time for that Premium. We will only act on those instructions to change the Fund choice for future Premiums when we have all necessary information to allow the change of Fund choice to be processed and we are satisfied that the information received is correct.
- 3 If written instructions have not been received as to which Account or which Fund a Premium should be invested in then the Premium will not be invested until such time as the instructions are received. The Premium will then be allocated using the unit price applicable after the next Cut-off time.
- 4 The charge for a Premium redirection request for each Account is specified in the Policy Schedule and is subject to our review at any time.

## **8 How we allocate, cancel and redeem units**

### **How we allocate units to your Policy**

- 1 The amount used to allocate units in each Fund and each Account will be rounded to the nearest paisa.
- 2 Where units are added in line with Provision 10 (Additional Benefits for Large Schemes) we will add units in each Fund of each Account, held under the Policy in proportion to the value of the units in each Fund of each Account, on the date of addition.
- 3 The number of units allocated in each Fund of each Account is rounded to the nearest  $1/100000^{\text{th}}$  of a Unit.
- 4 We will retain any money left over after rounding.



### **How we will cancel and redeem units from your Policy**

5 Where units are redeemed to make a cash benefit payment from the policy in line with Provision 14 (Cash Benefit Payments from the policy) or in line with Provision 9 (Fund Switches), we will redeem units in each Fund of each Account held under the policy as per your instructions, on the date of Fund switch or cash benefit payment from the policy.

6 Where units are cancelled to collect the Policy Administration Charge from the policy in line with Provision 11 (Charges), we will cancel units equally in each Account held under the policy.

Within each Account, we will cancel units from each Fund held under the Account in proportion to the value of the units of those Funds, on the date of deduction of the charge.

If the units held under an Account are not sufficient to meet the charges, then the Account will be used to meet part of the charge and the outstanding balance will be taken from the other Accounts held under your policy.

7 Where units are cancelled to collect a charge from an Account in line with Provision 11 (Charges), we will cancel units from each Fund held under the Account in proportion to the value of the units of those Funds, on the date of deduction of the charge.

8 Where units are redeemed to make a cash payment from the policy in line with Provision 15 (Discontinuance of the Policy), we will redeem all units in each Fund of each Account, held under the policy as per your instructions after we have deducted any charges due to us (as detailed in section 2 of Provision 15). These charges will be collected by cancelling units in each Fund of each Account held under the policy in proportion to the value of the units of each Fund of each Account, on the date of deduction of the charge.

9 The number of units cancelled or redeemed from each Fund of each Account, will be rounded to the nearest  $1/100000^{\text{th}}$  of a Unit.

10 We will retain any money left over after rounding.

## 9 Fund Switches

- 1 You can ask us to switch the Funds in which your units for an Account are held. To do this, we will first redeem some or all of your existing units in that Account. We will then use the proceeds from the redeemed units, less the charge described in section 4 of this Provision, to buy units for that Account in your chosen Fund or Funds.
- 2 You may choose any investment linked Fund which we have not withdrawn or closed.
- 3 We will redeem units in accordance with Provision 8 (How we allocate, cancel and redeem units). We will allocate units in accordance with Provision 8.
- 4 The charge for a Fund switch request for each Account is specified in the Policy Schedule and is subject to our review in future.
- 5 We may delay switching Funds if it is necessary to do so in order to maintain fairness and equity between unit holders remaining in, and unit holders leaving a Fund. Where this applies, we may delay switching all or part of your Funds for up to 30 days. If we delay the switch, we will use the unit prices that apply on the day on which the switch actually takes place.

## 10 Additional Benefits for Large Schemes

1. We will give an additional benefit by way of addition of units to schemes with large funds. The table of additional benefits for large schemes is specified in the Policy Schedule.
2. The additional units will be added to the policy once a year on each policy anniversary. This date is the Date of Addition.

We may at our discretion change the time when we will add the additional units into your policy.

3. The amount of additional units to be given will be calculated in the following manner. The Fund Value on the last working day prior to the Date of Addition is determined.

The amount of additional units to be given will depend on the total number of Accounts held on the Date of Addition.

Based on the above Fund Value and the number of Accounts , the percentage to be added is determined, which is expressed as a percentage of the value of the Funds held under this Policy, on the last working day prior to the Date of Addition. The percentage is as specified in the Policy Schedule. This percentage will be applied to each Fund in each Account of this Policy to determine the number of additional units for each Fund in each Account of this Policy.

4. If a scheme terminates at your request, in line with Provision 15 (Discontinuance of the Policy), before the policy anniversary and before additional units for the additional benefits for large schemes are added, no additional units will be given to the scheme for part of the year.

If a scheme terminates at our request, in line with Provision 15 (Discontinuance of the Policy), before the policy anniversary and before additional units for the additional benefits for large schemes are added, additional units will be given to the scheme for part of the year before the termination of the policy.

This number of additional units to be added is as described in section 3 above, except the percentage of value of the Fund held under the policy will be modified in proportion to the period from the date of the last addition of units to the date of termination.

## 11 Charges

- 1 Charges will be levied to cover our expenses of running the policy and to provide a margin for profit.
- 2 The charge deducted through the Premium Allocation Rate is described in Provision 6 (Premiums).
- 3 The Fund Management Charge is described in Provision 4 (Fund Management Charges on Investment Linked Funds) and is as specified in the Policy Schedule.
- 4 The amount of the Policy Administration Charge due will be taken from the policy by a cancellation of units in accordance with Provision 8 (How we allocate, cancel and redeem units). The Policy Administration Charge will be taken on each policy anniversary. The charge is as specified in the Policy Schedule.
- 5 We will deduct a Switch Charge in accordance with Provision 9 (Fund Switches). The charge will be taken from an Account by a cancellation of units on each Fund switch request from the Account and is as specified in the Policy Schedule.
- 6 The following Miscellaneous Charges as described in sections 7 to 11 of this provision will be taken.
- 7 A Premium Payment Charge will be taken from an Account by a cancellation of units on each Premium payment into the Account and is as specified in the Policy Schedule.
- 8 An Account Withdrawal Charge will be taken from an Account by a cancellation of units on each redemption from the Account and is as specified in the Policy Schedule.

- 9 An Ad-hoc Statement Charge will be taken from an Account by a cancellation of units on each request for additional statements and is as specified in the Policy Schedule.
- 10 We will deduct a Premium Redirection Charge in accordance with Provision 7 (Choosing your Investment Linked Funds). The charge will be taken from an Account by a cancellation of units on each Premium redirection request from the Account and is as specified in the Policy Schedule.
- 11 An Initial Lump-sum Contribution Withdrawal or Surrender Charge will be taken from an Account by a cancellation of units on each withdrawal or surrender of Initial Lump-sum Contribution from the Account and is as specified in the Policy Schedule.
- 12 Where the policy is cancelled by you then a Surrender Charge will be levied, as specified in the Policy Schedule.  
  
The amount of the Surrender Charge due will be taken from the policy when we receive written notification of the cancellation.
- 13 Any statutory levy or charges including any tax may be charged to you either now or in future by the Company and such amount so charged shall become due and payable in addition to the Premium and such charge shall be subject to the same terms and conditions as applicable to payment of Premium.
- 14 The Charges may be changed at any time subject to the maximums specified in the Policy Schedule. We will inform you of the level of Charges whenever they are changed. No Charge will be changed without prior approval from the Insurance Regulatory and Development Authority.
- 15 We shall be reimbursed for any outlay made by us on your behalf. Such costs may be recovered by cancelling units from the policy, or by payment from you, as we decide.

## 12 Register of Members

- 1 You will maintain a “Register of Members” which includes those persons who are members of the scheme. The Register is part of the policy.
- 2 You will also be required to hold nomination details for each member.
- 3 A person must be a Member of the scheme to be included in the Register.
- 4 We may at any time conduct an inspection of the register without notice and may from time to time ask for the records or / and ask for an auditor’s certificate.
- 5 You may remove a person from the Register at any time. If we discover a person included in the Register who is not a Member of the Scheme, or has ceased to be a member of the scheme, we will ask you to remove the person from the Register.
- 6 The minimum number of Members is stated on the Policy Schedule.

## 13 Death Benefits

- 1 A lump sum death benefit as specified in the Policy Schedule will be insured for each Member of the Scheme who is listed on the Register, who is 18 years old or above, has not yet achieved the age of 75 years, or the age at which his membership to the scheme ends if earlier. If a person ceases to be a Member of the Scheme, he will no longer be eligible for the lump sum Death Benefit, even if he remains on the Register.
- 2 The lump sum death benefit will be paid to you provided we are satisfied the Member has died, was eligible for the benefit and died during the period the assurance was in place.

We will require a statement from the sponsor that the Member is dead and a death certificate of the Member issued by a body recognised by us as competent to issue death certificates (or other satisfactory proof of death), as evidence that a Member is dead.

We will not pay any death benefit under this policy until we receive the above at our Corporate Office.

#### **14 Cash Benefit Payments from the Unit Value of the Policy**

- 1 If you request us in writing to make a sum of money available from an Account, then we will pay the required sum provided the Funds in that Account are sufficient to meet the payment, and we will redeem units in accordance with Provision 8.
- 2 We will deduct any tax from payments if we are required to do so by the tax authorities.
- 3 All payments from the policy will be made to you.
- 4 We may delay making a cash payment from the Funds if it is necessary to do so in order to maintain fairness and equity between unit holders remaining in, and unit holders leaving a Fund. Where this applies, we may delay encashing all or part of your Funds for up to 30 days. If we delay the encashment, we will use the unit prices that apply on the day on which the encashment actually takes place.
- 5 Our liability under the policy lies only to you and is limited to the extent of the unit value of your policy less any charges due to us. We are not liable to meet the scheme's financial obligations to the members of the scheme.

#### **15 Discontinuance of the Policy**

1. The policy can be terminated at any time, provided three months written notice of the request has been provided by you to us, or by us to you, or a shorter period if mutually agreed. If premiums cease to be paid and the value of the policy falls below the Threshold Fund Value then the policy will be terminated. The Threshold Fund Value is as specified in the Policy Schedule.
2. The value of the policy will be paid to you after the policy has ended. The value of the policy is equal to the realised value when all remaining units in all the Accounts are redeemed as outlined in Provision 14 (Cash Benefit Payments from the policy), less any charges in respect of cancellation as outlined in Provision 11 (Charges).
3. We may delay making a cash payment of the remaining value of the policy if it is necessary to do so in order to maintain fairness and equity between unitholders remaining in, and unitholders leaving a Fund. Where this applies, we may delay encashing all or part of your Funds for up to 30 days. If we delay the encashment, we will use the unit prices that apply on the day on which the encashment actually takes place.
4. On discontinuance of the policy we are only liable to the value of the policy as defined above.

## 16 General

- 1 You must provide any information or evidence which we need to administer the policy.

Your Policy is based on the information provided by you in the Application Form and other information which you have supplied to us, however, if any of the information which you provided is incorrect, we reserve the right to vary the benefits which may be payable and, further, if there has been non-disclosure of a material fact then we may treat your Policy as void.

- 2 We reserve the right to change any of these policy provisions if it becomes impossible or impractical to enact the provision.
- 3 You will be responsible and liable for making payment in the appropriate form to the scheme member or to the nominated dependant or to another scheme as transfer value or to any annuity provider, as applicable.
- 4 We may at any time, check that the benefit has been paid to the correct person.
- 5 In case of non-employer-employee schemes, the claim amount will be paid in the name of the member.
- 6 In case of non-employer-employee schemes, you will be responsible for ensuring that you have the authority from a majority of the members to arrange insurance on their behalf.
- 7 Where you issue certificates of insurance to the members, we reserve the right to check, examine, ask for modifications to the certificates of insurance.



### **17 Tax Exemptions (Applicable to schemes that require tax approval)**

- 1 The policy is granted for investment by an Approved Scheme under Income Tax Act, 1961 and associated Income Tax Rules. We reserve the right to change the policy as may be necessary to ensure it continues to meet any legal requirements as an investment for Approved Schemes.
- 2 If you cease to have the full tax status of an Approved Scheme then you must inform us as soon as practically possible. If we are required to pay any tax as a result of the loss of this status then you will reimburse us as described in section 15 of Provision 11 (Charges).

### **18 Annuity Purchase**

If your Scheme requires you to provide an annuity to the Member or his nominated dependants and if you specify the necessary details, we will quote rates for the provision of an annuity at our then current rates.

An annuity may be purchased from any provider.

### **19 Special Rules for Large Transactions**

- 1 In order to maintain equity and fairness with all unit holders, for very large transactions above a threshold level, we may, notwithstanding any other provision, choose to apply the following sections 2 and 3, for all such transactions that involve purchase or sale of underlying assets. The threshold level will vary from time to time, depending on, amongst other matters, the liquidity of the stock markets. Details of our current thresholds are available on request.
- 2 The number of units allocated may reflect the expenditure incurred in the actual market transactions which occurred. Transactions may occur over a number of days.
- 3 The value of units obtained from encashment may be the actual value obtained as a consequence of the actual market transactions which occurred. Transactions may occur over a number of days.