

01/09/2005

Ref:
Engr. Aashka Parikh
B/203 Shalimar Apartments
Kemps Corner, Mumbai
400036
Maharashtra

Dear Engr Aashka Parikh

Sub: Your Policy no. 10023580

We are glad to inform you that your proposal has been accepted and the Insurance Policy has been issued. We have made every effort to design your Policy document in a simple format. We have highlighted items of importance so that you may recognise them easily.

Policy documents:

As an evidence of the insurance contract between HDFC Standard Life Insurance Company Limited and you, the Insurance Policy is enclosed herewith. Please preserve this document safely and also inform your nominees about the same. We are also enclosing alongside a copy of your proposal form and other relevant documents submitted by you for your information and records.

Cancellation in the Free-Look Period:

In case you are not agreeable to any of the provisions stated in the Policy and the details in the proposal form, you have the option of returning the Policy to us stating the reasons thereof, within 30 days from the date of receipt of the Policy. On receipt of your letter along with the original Policy documents where the reasons stated therein are found valid, we shall arrange to refund the value of units allocated to you on the date of receipt of request plus the unallocated part of the premium plus charges levied by cancellation of units, subject to deduction of the stamp duty. A Policy once returned shall not be revived, reinstated or restored at any point of time and a new proposal will have to be made for a new Policy.

Contacting us:

The address for correspondence is given on the first page of the Policy document. To enable us to serve you better, you are requested to quote your Policy number in all correspondences. In case you are keen on knowing more about our products and services, we would request you to talk to your Certified Financial Consultant (Insurance Agent) who has advised you while taking this Policy. The details of your Certified Financial Consultant including contact details are listed below.

To contact us in case of any grievance, please refer to "Grievance Redressal – Contact Details Annexure".

In case you are not satisfied with our response, you can also approach the Insurance Ombudsman in your region whose address is available on our website www.hdfclife.com.

Thanking you once again for choosing HDFC Standard Life Insurance Company Limited and looking forward to serving you in the years ahead.

Yours sincerely,

< Name & Designation of the Authorised Signatory >

Branch Address: [Branch Address]

Agency Code: [Agency Code]

Agency Name: [Agency Name]

Agency Telephone Number: [Agency mobile & landline number]

Agency Contact Details: [Agency address]

Registered Office: Ramon House, H T Parekh Marg, 169 Backbay Reclamation, Mumbai 400 020, INDIA.

101L074V01 - HDFC SL Pension Maximus

HDFC SL Pension Maximus

Unique Identification Number: <>

This Policy is the evidence of a contract between HDFC Standard Life Insurance Company Limited ('We') and the Policyholder ('You') as described in the Policy Schedule here under written in conjunction with the Standard Policy Provisions. This Policy is based on the Proposal made by the within named Policyholder and submitted to the Company along with the required documents, declarations, statements and other information received by the Company from the Policyholder or on behalf of the Policyholder. This Policy is effective upon receipt, by the Company, of the consideration payable as the Single Premium under the Policy. This Policy is written under and will be governed by the applicable laws in force in India and all Premiums and benefits are expressed and payable in Indian Rupees.

HDFC SL PENSION MAXIMUS POLICY SCHEDULE

POLICY NUMBER: 10023580
DATE OF COMMENCEMENT OF POLICY: < RCD >
DATE OF ISSUE OF POLICY: < First Issue Date >

POLICY HOLDER:	Aashka Parikh 8B Laxmi Building Dadar, Mumbai - 400038 Maharashtra
LIFE ASSURED:	Aashka Parikh
DATE OF BIRTH:	13/08/1973
AGE ON COMMENCEMENT OF POLICY (In Years):	32
AGE ADMITTED:	Yes
SINGLE PREMIUM:	Rs.50,000
FREQUENCY:	SINGLE PREMIUM
SUM ASSURED	Rs. 1000
TERM:	10 years
INVESTMENT OPTIONS:	PENSION GUARANTEE FUND 1
BENEFITS:	The benefits are detailed in the Schedule titled <i>Schedule of Benefits</i> and are governed by standard policy provisions.
ADDRESS FOR CORRESPONDENCE:	HDFC Standard Life Insurance Company Ltd 5 th Floor, Eureka Towers, Mindspace Complex, Link Road, Malad (West), Mumbai 400 064 Tel: 022-28442425, Fax: 022-28442433 Email: response@hdfclife.com

SCHEDULE OF BENEFITS			
Benefits (Described in Provision 3)	Sum Assured (Rs.)	Expiry Date (dd/mm/yyyy)	Vesting Date (dd/mm/yyyy)
Vesting Benefit	<i>Unit Fund Value</i>	N.A.	<01/09/2015>
Death Benefit	1,000	<01/09/2015>	N.A.

Expiry of Lock in Period	<5 years from RCD>
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NOMINATION SCHEDULE	
Effective Date: <RCD>	
Name:	Pradip Parikh
Date of Birth:	22/01/1986
Percentage:	100
Address:	8B Laxmi Building, Dadar, Mumbai – 400038, Maharashtra
DETAILS OF APPOINTEE (Applicable where the Beneficiary is a minor)	Notes: 'N.A.' denotes 'Not Applicable'. The benefits payable specified above are subject to the relevant policy provisions. In the event of death of the Life Assured, the Appointee shall be entitled to receive the money secured by the Policy on behalf of the Nominee during the Nominee's minority. This Nomination Schedule replaces all previous Nomination Schedules issued prior to the effective date noted above.
Name:	
Date of Birth:	
Address:	

SCHEDULE OF CHARGES (For HDFC SL Pension Maximus)	
Effective Date: <RCD>	

PREMIUM ALLOCATION RATE	PREMIUM ALLOCATION CHARGE
97.5%	2.5%

Other Charges	Current Charge	Maximum Charge
Policy Administration Charge	0.13% of Initial Single Premium, subject to a maximum charge of Rs 500, will be deducted monthly.	Policy Administration Charge is guaranteed for entire duration of the policy term.
Fund Management Charge	1.35% of the fund per annum computed and charged daily.	Subject to the maximum cap as allowed by IRDA from time to time.
Statutory Charges		
Service Tax & Education Cess	As per current rates on the current applicable charges.	Service Tax & Education Cess rates as set by the Government.
Miscellaneous Charges		
Investment Guarantee Charge	0.50% of the fund per annum charged daily.	The Investment Guarantee Charge is guaranteed for the entire duration of the policy term.
Additional Servicing Charge	Servicing requests may be charged at Rs. 250 per request.	Rs. 500 per request.

Signed at Mumbai on 01 September 2005
For HDFC Standard Life Insurance Company Limited

Authorised Signatory
101L074V01 - HDFC SL Pension Maximus

APPENDIX-1 TO THE POLICY SCHEDULE
Unit Linked Guidelines
Effective Date: 01/07/2006

Unit Linked Guidelines

On 21 December 2005, the Insurance Regulatory and Development Authority issued Guidelines for Unit Linked Life Insurance Products via Circular 032/IRDA/Act/Dec-2005. Our Unit Linked Products conform to these Guidelines and subsequent clarifications and modifications to these guidelines including the latest modifications issued on 28 June 2010 via Circular IRDA/ACT/CIR/ULIP/102/06/2010. Where the Standard Policy Provisions refer to the Unit Linked Guidelines, we have extracted the relevant sections (*in italics*), with the numbering as in the guidelines. This product is also compliant with the ULIP – Fund Approval Procedure and NAV Process Regulation issued vide circular number IRDA/F&I/CIR/INV/173/08/2011.

Partial Withdrawal

This product conforms to the Unit Linked Guidelines and does not allow partial withdrawal.

The relevant section from the Guidelines for Partial Withdrawal and Surrender is extracted below.

Extracted from Circular No: IRDA/ACT/CIR/ULIP/102/06/2010 dated 28th June 2010

8. In the case of unit linked pension / annuity products, no partial withdrawal shall be allowed during the accumulation phase and the insurer shall convert the accumulated fund value into an annuity at the vesting date. However, the insured will have an option to commute up to a maximum of one-third of the accumulated value as lump sum at the time of vesting. In the case of surrender, only a maximum of one-third of the surrender value can be commuted after the lock-in period. The remaining amount must be used to purchase an annuity, subject to the provisions of Section 4 of Insurance Act, 1938.

Surrender

This product conforms to the Unit Linked Guidelines and requires that the proceeds from a Surrendered policy be annuitized as per prevailing regulations.

The relevant section from the Guidelines for Partial Withdrawal and Surrender is extracted below.

Extracted from Circular No: IRDA/ACT/CIR/ULIP/102/06/2010 dated 28th June 2010

8. In the case of unit linked pension / annuity products, no partial withdrawal shall be allowed during the accumulation phase and the insurer shall convert the accumulated fund value into an annuity at the vesting date. However, the insured will have an option to commute up to a maximum of one-third of the accumulated value as lump sum at the time of vesting. In the case of surrender, only a maximum of one-third of the surrender value can be commuted after the

lock-in period. The remaining amount 2 must be used to purchase an annuity, subject to the provisions of Section 4 of Insurance Act, 1938.

Unit pricing and Cut-off time for applicability of Net Asset Value (NAV)

Our current unit pricing and Cut-off time conform to the following extract from the Insurance Regulatory and Development Authority's 'Fund Approval Procedure and NAV Process Regulation' and 'Guidelines for Unit-Linked Life Insurance Products' respectively. These times are subject to change with prior approval from the Insurance Regulatory and Development Authority.

Extracted from Circular No: IRDA/F&I/CIR/INV/173/08/2011 dated 29th July 2011

L. NAV COMPUTATION

NAV: The NAV of the Segregated **FUND** [SFIN] shall be computed as:

Market Value of investment held by the fund + Value of Current Assets – Value of Current Liabilities & Provisions, if any

Number of Units existing on Valuation Date (before creation / redemption of Units)

2. The NAV computed as above, in respect of 'each' Segregated Fund, shall be Audited by the Concurrent Auditor on a day-to-day basis.

3. The NAV calculated as above, in respect of 'each' Segregated fund, shall be declared on the Insurer's Website and at the **Life Insurers Council** Website, as and when the same is ready.

Extracted from Circular No: 032/IRDA/Actl/Dec-2005 dated 21st December 2005

10.6 Uniform Cut-off timings for applicability of Net Asset Value:

The allotment of units to the policyholder should be done only after the receipt of premium proceeds as stated below:

10.6.1: Allocations (premium allocations, switch in):

10.6.1.1 In respect of premiums/funds switched received up to 3:00 p.m. by the insurer along with a local cheque or a demand draft payable at par at the place where the premium is received, the closing NAV of the day on which premium is received shall be applicable.

10.6.1.2 In respect of premiums/funds switched received after 3:00 p.m. by the insurer along with a local cheque or a demand draft payable at par at the place where the premium is received, the closing NAV of the next business day shall be applicable.

10.6.1.3 In respect of premiums received with outstation cheques/demand drafts at the place where the premium is received, the closing NAV of the day on which cheques/demand draft is realized shall be applicable.

10.6.2: Redemptions:

10.6.2.1 In respect of valid applications received (e.g. surrender, maturity claim, switch out etc) up to 3:00 p.m. by the insurer, the same day's closing NAV shall be applicable.

10.6.2.2 In respect of valid applications received (e.g. surrender, maturity claim, switch etc) after 3:00 p.m. by the insurer, the closing NAV of the next business day shall be applicable.

APPENDIX-2 TO THE POLICY SCHEDULE

Cap on Charges Circular

Effective Date: 01/10/2009

Unit Linked Products - Cap on charges Circular

On 22 July 2009, the Insurance Regulatory and Development Authority specified an overall cap on the charges on Unit Linked Life Insurance Products via Circular No. 20/IRDA/Act/ULIP/09-10. Our Unit Linked Products conform to this circular and subsequent clarifications and modifications issued to the circular including the latest modification via Circular No. IRDA/ACT/CIR/ULIP/102/06/2010 dated 28 June 2010. Where the Standard Policy Provisions refer to the Charge Cap Circular, we have extracted the relevant sections (in italics), with the numbering as in the Circular.

I. Limit on the charges based on net yield

This policy is issued only after it conforms to the requirement of the circular, which requires that the overall prescribed charges are capped at a limit such that the difference between the illustrated gross yield and the net yield after specified charges have been deducted is within the limit prescribed by the circular. The relevant section from the circular and from the clarification to the circular is extracted below.

Extracted from Circular No: 20/IRDA/Act/ULIP/09-10 dated 22nd Jul 2009

*To encourage long term business and enable policyholders to earn additional returns thereby and taking into account the product features and the current cost structure, it is mandated that the cap on charges will be based on the difference between gross and net yields of any product. The net yield is the gross yield adjusted for all charges. **For insurance contracts which are of a tenor of less than or equal to 10 years duration, the difference between gross and net yields shall not exceed 300 basis points. For other contracts, i.e. those whose contract period is above 10 years, the difference between gross and net yields shall not exceed 225 basis points.***

Further, the following must be observed.

- a. Extra premium due to underwriting emanating from extraordinary health conditions, cost of all rider benefits, service tax on charges (as applicable) and any explicit cost of investment guarantee shall be excluded in the calculation of net yield.*
- c. Please refer IRDA circular letter IRDA/ACT/ULIP/2008-09 of January 25, 2008 on 'benefit illustration'. There should be a specific mention of the gross yield and net yield to the customer at the point of sale. This benefit illustration must be approved by the IRDA.*
- d. At the time of sale, for benefit illustration purpose, the insurer may assume a growth rate of 10% per annum of the investment as a model, as suggested by the Life Council. This will help the customer to understand the product and charges easily so that the prospect could consider the gross yield and net yield while making an informed decision.*

Extracted from Circular No: IRDA/ACT/CIR/ULIP/102/06/2010 dated 28 June 2010

10. The net reduction in yield for policies with term less than or equal to 10 years shall not be more than 3.00% at maturity. For policies with term above 10 years, the net reduction in yield at maturity shall not be more than 2.25%.

The Benefit Illustration of this policy, signed by you (copy enclosed along with this policy document) confirms that your policy meets requirement of the above circular.

II. Limit on Fund Management Charge

Our Unit Linked Product confirms to the limit prescribed on the fund management charge. The relevant section given in the clarification to the circulars is extracted below.

Extracted from Circular No: 29/IRDA/Actl/ULIPs/2009-10 dated 20th August 2009

2. *Within the overall cap prescribed in paragraph 5 of the reference cited, the Fund Management Charge shall not exceed 135 basis points irrespective of the tenor of the contract;*

III. Charge Cap for Discontinuing/Surrendering Policies based on Net Yield

Extracted from Circular No: IRDA/ACT/CIR/ULIP/102/06/2010 dated 28 June 2010

9. *Vide circular IRDA/Actl/ULIP/055/2009-10 dated 24th September, 2009, caps on charges were fixed on Unit Linked contracts with a tenor of 10 years or less and for those with tenor above 10 years. However, taking into account the discontinuance/lapsation/surrender behavior and with a view to smoothen the cap on charges, the following limits are prescribed starting from the 5th policy anniversary:*

<i>Number of years elapsed since inception".</i>	<i>Maximum reduction in yield (Difference between Gross and Net Yield (% pa))</i>
5	4.00%
6	3.75%
7	3.50%
8	3.30%
9	3.15%
10	3.00%
11 and 12	2.75 %
13 and 14	2.50 %
15 and thereafter	2.25 %

APPENDIX-3 TO THE POLICY SCHEDULE Treatment of Discontinued Linked Insurance Policies Regulations,2010 Effective Date: 01/09/2010

Unit Linked Products – Treatment of Discontinued Linked Insurance Policies

On 1 July 2010, the Insurance Regulatory and Development Authority notified the IRDA (Treatment of Discontinued Linked Insurance Policies) Regulation, 2010. Our Unit Linked Products conform to this Regulation and subsequent clarifications issued to the Regulation. Where the Standard Policy Provisions refer to the Regulation, we have extracted the relevant sections from the IRDA (Treatment of Discontinued Linked Insurance Policies) Regulation, 2010 (in italics), with the numbering as in the Regulation.

As specified in the Regulation, all Unit Linked Insurance policies will have a Lock-In period of 5 years.

If you surrender the policy before the 5th policy anniversary, the Unit Fund value (as on the date of surrender) will be moved to the 'Discontinued Policy Fund' which will earn a minimum rate of interest as specified by IRDA. The current minimum rate of interest defined by IRDA is the interest rate on savings bank account of State Bank of India. The interest rate applicable will be the interest rate given on standard savings bank accounts. A Fund Management Charge of 0.50% p.a., charged daily, will be levied on the 'Discontinued Policy Fund'. This may be subject to change as notified by IRDA from time to time.

The amount allocated to the 'Discontinued Policy Fund', with interest as stated above, from the date of allocation to the Discontinued Policy Fund, will become available to purchase an annuity, on completion of the Lock-In Period.

If you surrender the policy after the 5th policy anniversary, the Unit Fund Value will become available to purchase an annuity, immediately on receipt of all necessary documentation.

Subject to the prevailing regulations, part of this surrender value can be taken in the form of a cash lump sum and the rest converted to an annuity. The current maximum limit for any cash lump sum is one-third of the Vesting Benefit.

If the policy has an outstanding policy loan from us against it, then please refer to Provision 16 (Loans) for additional conditions that will apply.

Extracts from Regulation

Extracted from IRDA (Treatment of Discontinued Linked Insurance Policies) Regulation, 2010 dated 1st Jul 2010

Definitions:

2. (1) Unless the context otherwise requires,-

viii. "**Lock-in-period**" means the period of five consecutive years from the date of commencement of the policy, during which period the proceeds of the discontinued policies cannot be paid by the insurer to the policyholder or to the insured, as the case may be, except in the case of death or upon the happening of any other contingency covered under the policy.

Extracted from Circular No: IRDA/LIFE/MISC/CIR/235/10/2011 dated 13 October 2011

vii. **“Discontinued Policy Fund”** means the segregated fund of the insurer that is set aside and is constituted by the fund value of all discontinued policies determined in accordance with these regulations.

Provided that such discontinued policy fund shall be invested as per the pattern filed and approved by the Authority under the File and Use Procedure.

Explanation:

(i) **“Proceeds of the discontinued policies”** means

The fund value as on the date the policy has discontinued, after addition of the entire income earned and after deduction of the fund management charges as provided in these regulations, subject to a minimum guarantee of the interest, as applicable to savings bank accounts of State Bank of India.

“Provided that where a policy is discontinued, only discontinuance charge and fund management charge as prescribed in sub regulation 7 (vi) may be levied by the insurer, and no other charges by whatsoever name called shall be levied.

Regulation 7 (vi) shall be inserted as:

To ensure that the fund management charge levied shall not exceed 50 bps per annum on the discontinuance fund, after ensuring a guaranteed return specified in sub regulation 6.

HDFC SL PENSION MAXIMUS

STANDARD POLICY PROVISIONS

Unique Identification Number: <>

1. General

Your Policy is a Single Premium Unit Linked Life Insurance Policy. Being a Unit Linked policy your Policy will participate in the investment performance of the Pension Guarantee Fund 1, of HDFC Standard Life Insurance Company Limited, to the extent of the allocated units. Your Policy does not in any way give you any right whatsoever to any share in the profits or surplus of the business of the Company, by whatever name called.

ALL UNIT LINKED POLICIES ARE DIFFERENT FROM TRADITIONAL INSURANCE POLICIES AND ARE SUBJECT TO DIFFERENT RISK FACTORS. IN THIS POLICY, THE INVESTMENT RISK IN INVESTMENT PORTFOLIO IS BORNE BY THE POLICYHOLDER.

We reserve the right to change any of these policy provisions if it becomes impossible or impractical to enact the provision.

We reserve the right to change any of these policy provisions in accordance with changes in applicable Regulations or Laws.

2. Definitions

Charges - means Premium Allocation Charge, Policy Administration Charge, Fund Management Charge, Service Tax & Education Cess Charge, Additional Servicing Charge and Investment Guarantee Charge.

Cut-off time – Is the time by which we must have accepted your instructions to invest in, or encash units from the Fund, for us to invest in or encash units at the associated valuation time. Current Cut-off times conform to those specified in the Unit Linked Guidelines and details are given in the Appendix-1 to the Policy Schedule.

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

Fund - means the Pension Guarantee Fund 1 fund, which is the name of the Fund earmarked by the Company for Unit Linked business and available to this product.

Premium Allocation Rate - means the proportion of the Premium that is allocated for purchase of Units.

Policyholder, You - means the Policyholder stated in the Policy Schedule. The policyholder is the owner of the Policy.

Life Assured - The Life Assured is the person on whose life the contingent events has to occur for the benefits to be payable. The Life Assured has to be the policyholder.

Valuation time – Means the time we value the assets in an Investment Linked Fund as described in Provision 7 (Valuation of Investment Linked Funds).

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Unit Fund Value - means the value obtained by multiplying the number of units allocated to your Policy by the corresponding price of the units.

Unit Linked Guidelines - means the guidelines issued by the Insurance Regulator in circular number 032/IRDA/Actl/Dec-2005 and its subsequent clarifications and amendments.

Expiry Date of Death Benefit – means the date on which the term of the Policy ends and is the date when the Death Benefit cover ceases.

Vesting Date - means the date on which the original term of policy ends and is the date when the risk cover ceases.

3. Benefits

- (i) We will pay the following benefits to the person who is entitled to receive them:
- a. Vesting Benefit – Upon survival of the Life Assured to the vesting date of this benefit, risk cover ceases and the higher of the Unit Fund Value, as on the Vesting date, or the accumulated value, of the Initial Single Premium, at the minimum guaranteed rates as specified by the IRDA for Pension products, would become available to secure pension benefits.

The year on year minimum guaranteed rate will be as defined below.

The guaranteed interest rate shall be determined as specified by IRDA and is based on the average of the reverse repo rate prevailing as on the last working day of June, September, December and March of the preceding year. Thus the guaranteed interest rate for each year may vary depending upon the variation in the reverse repo rates. However, the guaranteed interest rate shall be subject to a maximum of 6 per cent and a minimum of 3 per cent. Each year, the minimum guaranteed rate arrived at based on above definition will apply to policies for calculating the interest in that year. The interest will not be added to the policy year on year, the sole purpose of the calculation of interest in each year is to determine the final minimum guaranteed value payable on the Vesting date.

If there is an outstanding policy loan from us against the policy then the outstanding loan including any accrued interest will be deducted from the Unit Fund Value before the payment of this benefit.

Subject to the prevailing regulations, part of this value can be taken in the form of a cash lump sum and the rest converted to an immediate annuity at the rate then offered by HDFC Standard Life Insurance Company Limited. Alternatively, if it is permitted by the prevailing regulations, the proceeds net of any cash lump sum can be used to buy an immediate annuity with any other insurance company who will accept such business. The current maximum limit for any cash lump sum is one-third of the Vesting Benefit. Upon this payment the Policy terminates and no further benefit becomes payable.

- b. Death Benefit – If the Life Assured dies before the Expiry Date of this benefit, the Unit Fund Value plus the fixed Sum Assured of Rs.1,000 is payable. Upon payment of this benefit, the Policy terminates and no further benefits are payable.

If there is an outstanding policy loan from us against the policy then the outstanding loan including any accrued interest will be deducted from the Unit Fund Value before the payment of this benefit.

The year on year minimum guaranteed rate, as described in Provision 3(i)(a) will not apply for the death benefits.

Pre-requisites for payment of benefits:

Before we pay the benefits under your Policy we will require to be satisfied that:

- **the Policy has not been surrendered or terminated or cancelled ;**
- **the information that was given in the application is correct;**
- **all Policy provisions including any endorsement to your Policy have been met;**
- **the person to whom the benefits are to be paid is entitled to receive them;**

and in addition:

Vesting Benefit – We will pay the vesting benefit only if this benefit has not been surrendered or cancelled or terminated; and we are satisfied that the Policy has vested and the Life Assured is surviving to the Vesting date of this benefit; and all relevant documents in support of your claim have been provided. These would normally include the original Policy document.

Death Benefit – We will pay the death benefit only if this benefit has not been surrendered or cancelled or terminated; and we are satisfied that the death of the Life Assured has occurred before the expiry date of this benefit; the standard policy provisions specified in Provision 14 (Incorrect Information and Non – Disclosure) are not attracted; and all relevant documents in support of the claim have been provided. These would normally include the fully completed claim form; and original Policy document; and original death registration certificate or certified extract from the death register; and original certificate or certified copies of doctor certifying death; and original certificate or certified copies of cremation or burial; and originals or certified copies of any medical reports that we consider relevant to the death. Depending on the circumstances of the death, further documents may have to be provided as we might reasonably require.

4. Premiums

- (i). The Initial Single Premium must be paid along with the submission of your completed application.
- (ii). Single Premium Top-Up is Not Allowed at any point of time under this Policy.
- (iii). A proportion of the Initial Single Premium - the Premium Allocation Rate will be used to buy units in the Pension Guarantee Fund 1. The balance premium that is not allocated is the Premium Allocation Charge. The Premium Allocation Rate and the Premium Allocation Charge are specified in the Schedule of Charges and are guaranteed for the term of the Policy.
- (iv). The Unit Price used to allocate the premium will be based on the Unit Price prevailing on the later of the Date of receipt of the instrument or the Date of

the instrument used to pay the premium or the Date of realisation of the Outstation Cheque used to pay the premium.

- (v). The Policy Term cannot be changed at any time.

5. Surrendered Policies

A Policy may be surrendered at any time. On request for surrender, the Life Assured will not be covered for any of the risk benefits, as described in Provision 3(i) with immediate effect.

The amount available on surrender will be the Unit Fund Value.

The year on year minimum guaranteed rate, as described in Provision 3(i)(a) will not apply for any surrender benefits.

If the surrender is in the first five years of the policy, the Unit Fund Value will be moved to a 'Discontinued Policy Fund' which will earn a minimum guaranteed interest rate as specified by the IRDA for Discontinued policies. The current minimum rate of interest defined by the IRDA is the interest rate on savings bank account of State Bank of India. The interest rate applicable will be the interest rate given on standard savings bank accounts. A Fund Management Charge of 0.50% p.a., charged daily, will be levied on the 'Discontinued Policy Fund'. This may be subject to change as notified by IRDA from time to time.

If the surrender is after the first five years of the policy, then the surrender value, as described above in this provision, will be payable as per the prevailing regulations.

If there is an outstanding policy loan taken from us against the policy, then the outstanding loan amount including any accrued interest will be deducted from the Unit Fund Value either before the Unit Fund Value is moved to the 'Discontinued Policy Fund' or before the surrender benefit is paid.

The amount allocated to the Discontinued Policy Fund, with accrued interest, will be available to purchase the annuity, on completion of the Lock-in Period.

Subject to the prevailing regulations, part of this surrender value can be taken in the form of a cash lump sum and the rest converted to an immediate annuity at the rate then offered by HDFC Standard Life Insurance Company Limited. Alternatively, if it is permitted by the prevailing regulations, the proceeds net of any cash lump sum can be used to buy an immediate annuity with any other insurance company who will accept such business. The current maximum limit for any cash lump sum is one-third of the Vesting Benefit.

If you die before the surrender payment has been made we will make the surrender payment immediately on receipt of all relevant documents in support of the claim. The year on year minimum guaranteed rate, as described in Provision 3(i)(a) will not apply for such benefits.

Once any surrender payment has been made, the Policy terminates and no further benefits are payable.

6. Investment Linked Funds

- (i) There is only one Fund, called the Pension Guarantee Fund 1, available under this policy.
- (ii) The Fund is divided into units. All units will be of equal value. You will not hold the units directly and the assets of the Fund will belong to us.
- (iii) The assets the Fund invests in will be chosen by us at our sole discretion at all times.
- (iv) We may close, withdraw, modify or split the Fund or introduce new Funds with prior approval from the Insurance Regulatory and Development Authority. '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.
- (v) Where we close the Fund, we will notify you, three months in advance that, we will switch any existing units in that Fund to another Fund that has, in our opinion, the closest investment objectives to the original Fund. Any charges, which are normally deducted for a switch of Funds, as outlined in Provision 11 (Charges) will not be deducted in these circumstances.
- (vi) We will not allocate units in the 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 the Fund (except to meet the deductions described in section (viii) of this Provision) unless units equivalent to those assets are cancelled at the same time. Units will only be cancelled in the Fund under the terms of Provision 11 (Charges), and assets equivalent to the cancelled units will be withdrawn from the Fund at the same time.
- (vii) We will add the income from the assets of the investment linked Fund into the Fund.
- (viii) We can deduct from the assets of the investment linked Fund any amount that we decide are appropriate to cover:
 - expenses, taxes and statutory duties due to the buying and selling of assets:
 - part or all of any tax, statutory levy or other statutory/regulatory charge on us allocated to the Fund; and
 - the management charges described in Provision 8 (Management Charges on Investment Linked Funds) and Investment Guarantee Charge described in Provision 11(Charges).

7. Valuation of Investment Linked Fund

- (i) At such intervals as we may decide, but usually each day all 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 9 (Unit Prices).
- (ii) The maximum and minimum value of the Fund are based on the maximum and minimum value 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 6(viii), allowance for investment transactions made but not yet settled and allowing for the expenses of purchasing or selling assets.
- (iii) 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.
- (iv) 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.
- (v) 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.
- (vi) We will always make best endeavour to value the assets on each day all 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:
 - 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.
 - When, as a result of political, economic, monetary or any circumstances out of our control, the disposal or valuation 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.
 - 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.
 - In the case of natural calamities, strikes, war, civil unrest, riots and 'bandhs'.
 - In the event of any force majeure or disaster that affects our normal functioning.
 - If so directed by the IRDA or any applicable regulator.

8. Management Charges on Investment Linked Fund

We will take the appropriate Fund Management Charge as specified in the Schedule of Charges, from the Fund. This Charge will be taken on a daily basis and incorporated into the Unit Prices for the Fund. This Charge will be determined by us at our sole discretion from time to time with prior approval from the Insurance Regulatory and Development Authority, subject to the maximum as stated in the Schedule of Charges.

9. Unit Prices

- (i) We will calculate the unit price of the fund as per the Unit Linked Guidelines. The relevant section from the Unit Linked Guidelines is reproduced in the Appendix-1 to the Policy Schedule. The resulting price will be rounded to the nearest Rs. 0.0001. This price will be published on our company's website.
- (ii) For the purposes of Provision 4 (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.
- (iii) 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 and provided we have not acted upon your instructions. If amendment instructions are received after the Cut-off time for that Premium they will not be acted upon.
- (iv) For the purpose e 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.
- (v) For the purpose of paying the Vesting benefit under your Policy described in Provision 3(i)(a) (Vesting Benefit) we will use the Unit prices set at the next Valuation from the Vesting Date to determine the Unit Fund Value. The higher of this Unit Fund Value and the accumulated value of the Single Premium at the minimum guaranteed rate as defined in Provision 3(i)(a), will be available to purchase pension benefits.

The Vesting Benefit payment will be available to purchase the annuity only after we receive all necessary documentation to allow the benefit payment to be processed.

- (vi) For the purpose of paying the death benefit under your Policy described in Provision 3(i)(b) (Death Benefit) if we receive instructions to pay the benefit under your Policy and we receive those instructions and all necessary

documentation to allow the benefit payment to be processed, before the Cut-off time for the next Valuation then we will use the Unit price set at the next Valuation to cancel units from your Policy. If we receive those instructions and all necessary documentation to allow the benefit payment to be processed, after the Cut-off time for the next Valuation then we will use the Unit price set at the Valuation after the next one.

- (vii) For the purpose of Surrendering your Policy described in Provision 5, if you instruct us to Surrender your Policy and we receive those instructions and all necessary documentation to allow the Surrender to be processed, before the Cut-off time for the next Valuation then we will use the Unit price set at the next Valuation to cancel units from your Policy. If we receive those instructions and all necessary documentation to allow the Surrender to be processed, after the Cut-off time for the next Valuation then we will use the Unit price set at the Valuation after the next one.
- (viii) Where you instruct us to Surrender your Policy in accordance with (vii) of this Provision at 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 payment, subject to the Cut-off time rules defined above. If you wish to amend any future dated Surrender instructions you may do so until the Cut-off time for that payment and provided we have not acted upon your instructions. If amendment instructions are received after the Cut-off time for that payment they will not be acted upon.
- (ix) For the purpose of monitoring the Fund Value in accordance with Provision 13 (Loans), we will use the latest available Unit price to determine the value of the fund in your Policy.

If we cancel your Policy in accordance with Provision 13 (Loans), we will use the latest available Unit price to cancel units from your Policy.

- (x) Details of our current unit valuation processes and Cut-off times are shown in Provision 7 (Valuation of Investment Linked Funds) and in the Appendix-1 to the Policy Schedule respectively and they may change as and when directed by the Insurance Regulatory and Development Authority.

10. How we allocate and cancel units

(i) How we allocate units to your Policy

- Units will be allocated to the Pension Guarantee Fund 1 Fund.
- The amount used to allocate units will be rounded to the nearest paise.
- The number of units allocated in the Fund and account is rounded to the nearest 1/100000th of a Unit.
- We will retain any money left over after rounding.

(ii) How we will cancel units from your Policy

- Where units are cancelled to make cash payment from the Policy in line with Provision 3 (Benefits), all units in the Policy will be cancelled on the date of the benefit payment.

- Where units are cancelled to collect a charge from the Policy in line with Provision 11 (Charges) we will cancel units on the date of deduction of the charge.
- Where units are cancelled due to the cancellation or termination of the Policy, for whatever reason, all units in the Policy will be cancelled on the date of cancellation or termination of the Policy.
- Where units are cancelled due to the Surrender of the Policy, all units in the Policy will be cancelled on the date of Surrender of the Policy.
- The number of units cancelled from the Fund, and account, will be rounded up to the nearest 1/100000th of a Unit.
- We will retain any money left over after rounding.

11. Charges

- (i) We shall levy a charge using the Premium Allocation Charge specified in the Schedule of Charges and described in Provision 4(iii).
- (ii) We shall levy the Policy Administration Charge as specified in the Schedule of Charges. This charge percentage will be multiplied by the original single premium and rounded to the paisa. This charge will be deducted from your Policy by a cancellation of units in accordance with Provision 10 (How we allocate and cancel units). The charge will be taken following allocation of the first Premium into units, and then on each Monthly Renewal Date.
- (iii) We shall levy the Fund Management Charge as specified in the Schedule of Charges and described in Provision 8 (Management Charges on Investment Linked Funds). This Charge will be determined by us at our sole discretion from time to time, subject to the maximum as stated in the Schedule of Charges.
- (iv) We shall take the Investment Guarantee Charge as specified in the Schedule of Charges. This Charge will be taken on a daily basis and incorporated into the Unit Prices of the Pension Guarantee Fund 1 Fund. This Charge will be determined by us at our sole discretion from time to time with prior approval from the Insurance Regulatory and Development Authority, subject to the maximum as stated in the Schedule of Charges.
- (v) We may levy the Additional Servicing Charge as specified in the Schedule of Charges for any of the services listed below and applicable to this Policy. The Additional Servicing Charge will be deducted from your Policy by a cancellation of units in accordance with Provision 10. This Charge will be determined by us at our sole discretion from time to time, subject to the maximum as stated in the Schedule of Charges.

The following lists the services on which Additional Servicing Charge is applicable. This is a generic list across all our product range, and hence some of the services may not be available or applicable to your policy. The applicability of below services for your policy is stated in other relevant sections of this policy document and in case of any doubt, please contact us.

- Fund Switch
- Partial Withdrawal
- Premium Redirection
- Revival
- Revival of Discontinued Policies
- Premium payment via outstation cheques.
- Change in Frequency
- Change in Premium Paying Term
- Change in Frequency
- Change in Premium Paying Term
- Change in Date of Birth
- Issue of Duplicate Policy Document on request from client
- Change of Nominee / Beneficiary / Appointee
- Request for Ad-hoc Unit statement
- Cheque bounce/cancellation of Cheque
- Cancellation / Failure/ Fresh request of ECS / SI mandate on behalf of the client
- Dispatch of Returned Policy Document - due to client giving incorrect /outdated address
- Change in contact details
- Change in the name of Life Assured (Please note: a change in Life Assured not allowed)
- Change of Policyholder's name
- Change of Assignee (especially as security for loans)
- Change of name of nominee / Beneficiary / Appointee
- Request for additional Annual Unit Statement
- Request for additional Renewal premium reminder notice (more than one reminders)
- Request for additional annual premium receipt
- Change of servicing agent on client's request
- Changing the instalment amount during the settlement period
- Retrieving / cancelling cheque issued by us to the client due to client request / error
- Client preference to have fund transfer instead of cheques on claims
- Change in bank details
- Invalid / Fraudulent claims submitted by the policyholder

(vi) We shall levy the Service Tax and Education Cess where applicable as specified in the Schedule of Charges based on each of the applicable charges deducted in accordance with Provision 11 (i) to (v). The determination of whether this tax applies on a particular charge is determined based on the prevailing legislation at the time of deduction of the charge. This tax, for all applicable charges other than the Fund Management Charge will be deducted from your Policy by a cancellation of units in accordance with Provision 8. The tax levied on the Fund Management Charge will be incorporated into the Unit Prices for each Fund. The tax will be taken at the same time and the same method as the charge on which the tax is being levied. This Tax will be determined by the Government in accordance with legislation applicable at the time of providing service.

- (vii) Any additional statutory levy or charges, including any tax, may be charged to you either now or in future by the Company.
- (viii) Any changes to the above mentioned charges will apply only with prior approval from the Insurance Regulatory and Development Authority.

12. Special Rules for Large Transactions

- (i) 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, 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.
- (ii) 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.
- (iii) 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.

13. Loans

Subject to the prevailing taxation and applicable rules and regulations, your Policy provides the facility to avail a loan from us against this policy. Please note that this is a facility and not a right. Based on our internal appraisal process we reserve the right of refusal to grant a loan against your policy without stating any reason. The current terms and conditions are as specified below. However we reserve the right to modify the terms and conditions, at any time without prior notice, at our sole discretion.

- The loan will only be given on an in-force policy.
- The Policyholder should be at least 18 years of age at the time of requesting for a loan.
- The loan amount will be subject to a maximum of up to 33% of the surrender value.
- When processing the Loan, the Unit Prices set at the next valuation date is used. As this price is not known at the time of the estimate of Loan eligibility or determining the maximum Loan amount, we will use the latest known Unit Prices and therefore a small margin over and above the maximum loan eligibility is kept to ensure that the regulation stating the maximum loan amount is not violated. Currently this margin is 2% of your Surrender Value, thus limiting your loan eligibility to 31% of the Surrender Value. We may change this margin at our sole discretion without prior notification or approval from you.
- If your policy with an outstanding loan gets surrendered, then the fund value after deduction of the Discontinuance Charge will be reduced by the loan amount plus the accrued interest on the loan, before it is moved to the Discontinued Policy Fund or a payout is made to you.
- Before any final payout is made from the policy, the final payout will be reduced by any outstanding loan amount plus the accrued interest on the loan.
- The loan amount payable to you will be determined by us at our sole discretion.

At any point of time when we monitor the fund, if the Fund Value falls below 110% of the loan outstanding including accrued interest then your policy will be in cancelled status without any prior written notice, the loan outstanding plus the accrued interest will be taken and any remaining fund value will be returned to the policyholder. On cancellation, the units will be cancelled in accordance with the Provision 9(ix).

14. Incorrect information and non-disclosure

- (i) Your Policy is based on the application and declaration which you have made to us and other information provided by you/on your behalf. However, if any of the information provided is incomplete or incorrect, notwithstanding any other Provisions under the Policy, 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 from commencement and we will not be under contractual or any other obligation to honour such a contract. In such cases we may decide to pay nothing or pay the surrender value or only refund a proportion of the premiums paid. The amount payable will be determined at our sole discretion. In all such cases, the Policy will terminate immediately and no further benefits will be payable.
- (ii) For your benefit, Section 45 of the Insurance Act, 1938 is reproduced below:

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 statement made in the proposal 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 policy-holder and that the policy-holder 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 he 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.

15. Insurance legislation

This Policy is subject to the Insurance Act 1938, as amended by the Insurance Regulatory and Development Authority Act, 1999, such amendments, modifications as may be made from time to time and such other relevant regulations, rules, laws and enactments as may be introduced thereunder from time to time by that Authority.

It is required to obtain prior approval from the Insurance Regulatory and Development Authority or any successor body before making any material changes to these Provisions.

16. Assignments

This policy cannot be assigned. However, if the policyholder avails loan against this policy (in accordance with Provision 13) from us , then we will place a lien on the proceeds of this policy, to the extent of the outstanding loan amount with interest.

Any notice of change in nomination must be notified in writing to us at our Correspondence Address noted in your Policy Schedule.