

KEY TERMS

1. In this contract, Life Assured/Proposer Age is as per last birthday (l.b.d.).
2. **Grace period:** You have a period of 30 days from the due date to pay your premiums for all premium payment frequencies, during which your life insurance cover will continue.
3. The death benefit payable in the event of death of a minor Life Assured prior to Risk Commencement date will be equal to the Fund Value as on the date of intimation of death.
4. Unused free partial withdrawal options cannot be carried forward to the next policy year. Top-up premiums have a three year lock-in from first allocation, post which they are available for withdrawal. This lock-in is not applicable for Top-ups received in last three policy years.
5. There will be no Surrender Charge levied in case of Auto Termination of Policy. Refer pt. 20 for Auto Termination clause.
6. The tax benefits under the plan are as per the law prevailing on the date of issuance of this brochure, and are subject to change. For specific details, please contact your tax consultant.
7. The assumed rates of return (6% p.a. and 10% p.a.) shown in the benefit illustration are not guaranteed and they are not the upper or lower limits of what you might get back, as the value of your policy depends on a number of factors including future investment performance. The fund values at maturity shown in the illustration are net of Service Tax and applicable cess.
8. Top-up premiums do not alter your Sum Assured (life cover) and can be paid only when all due premiums are paid.
9. Request for any alteration in Sum Assured should be given at least 60 days prior to policy anniversary and will be effective only from the policy anniversary following the date on which you have made your request. Option to Increase the Sum Assured is not available for minors or persons above 50 years of age.
10.
 - a) If premium payment is discontinued before 3 policy years, all risk cover will cease and the death benefit will be the fund value. All charges except mortality and rider charges (if any) will continue to be deducted. No further premiums will be accepted. Revival facility is available only by payment of all due premiums. No partial withdrawal can be made during the revival period. The policy can be revived within 2 years from the date of the first unpaid premium, else the policy will terminate and the surrender value will be paid at the end of the revival period.
 - b) If premium payment is discontinued after 3 policy years, the policy will remain in force with full Sum Assured during the revival period of 2 years. All charges, including mortality, and rider (if any) charges will continue to be deducted. No further premiums will be accepted. Only revival facility by payment of all due premiums is available. Partial withdrawal can be made during the revival period, subject to partial withdrawal clause. The policy can be revived within 2 years from the date of first unpaid premium, else the policy shall terminate and the surrender value will be paid to you. With prior notice to the company, you have the option of Auto Cover Continuance to continue the policy with base cover without paying future premium till the surrender value is equal to first year premium, upon which the surrender value is paid and the policy terminates. Loyalty addition benefit will be forfeited in case you opt for Auto Cover Continuance.
11. Risk Commencement date under this plan shall be the later of (i) date of acceptance of risk by the company and (ii) date of realization of proposal deposit by the company. Risk Commencement in case of minor Life Assured will

be from the first day of the policy anniversary following the date on which the Life Assured attains the age of seven years.

12. **Net Asset Value (NAV) calculation:** When Appropriation/ Expropriation is applied, the NAV of a Unit Linked Life Insurance product shall be computed as, market value of investment held by the fund, plus / less the expenses incurred in the purchase / sale 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. This gives the NAV of the fund. Dividing by the number of units exiting at the valuation date (before any new units are allocated/redeemed), gives the unit price of the fund under consideration.
13. First premium will be allocated at the NAV of the date of commencement of the policy. The premium received by outstation cheques, the NAV of the clearance date or due date, whichever is later, will be allocated.
14. Transaction requests (including renewal premiums by way of local cheques, demand drafts, switches, partial withdrawals etc.) received before the cut-off time will be allocated the same day's NAV and the ones received after the cut-off time will be allocated next business day's NAV. The cut-off time will be as per IRDA guidelines from time to time, which is currently 3:00 pm.
15. The premium shall be adjusted on the due date even if it has been received in advance.
16. There is no provision of loan on the policy.
17. Nomination and Assignment are permitted under this policy.
18. **Suicide exclusion:** No benefit is payable except fund value as on the date of notification of death if death of Life Assured occurs due to suicide or attempted suicide within 12 months of the date of commencement or date of reinstatement of the policy.
19. **Free look period:** The policyholder has the right to review the policy terms and conditions within 15 days from the date of receipt of the policy document. If the policyholder cancels the policy during free look period, the company will refund the Fund Value on the date of cancellation plus the un-allocated premium (if any) plus any charge deducted by cancellation of units, after deducting proportionate risk charges and expenses incurred on medicals and stamp duty.
20. **Auto termination:** After the policyholder has paid the regular premium for three policy years, if the Fund Value at any time becomes equivalent to regular premium paid in the first policy year, the policy will automatically terminate and the Fund Value shall be payable to the policyholder.
21. In accordance with Section 41 of the Insurance Act, 1938, no person shall allow or offer to allow, either directly or indirectly, as an inducement to any person to take or renew or continue an insurance in respect of any kind of risk relating to lives or property in India, any rebate of the whole or part of the commission payable or any rebate of the premium shown on the policy. Nor shall any person taking out or renewing or continuing a policy accept any rebate, except such rebate as may be allowed in accordance with the published prospectuses or tables of the insurer.
22. In accordance with Section 45 of the Insurance Act, 1938, no policy of life insurance 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 policyholder and that the policyholder knew at the time of making it that the statement was false or that it suppressed facts which it was material to disclose.

DISCLOSURES AND RISK FACTORS

- ▶ Canara HSBC Oriental Bank of Commerce Life Insurance Company Limited is only the name of the Insurance Company and Canara HSBC Oriental Bank of Commerce Life Stay Smart Plan is only the name of the Unit Linked Life Insurance contract and does not in any way indicate the quality of the contract, its future prospects or returns.
- ▶ The various funds offered under this contract are the names of the funds and do not in any way indicate the quality of the contract, its future prospects and returns
- ▶ Please know the associated risks and the applicable charges, from your sales representative or the intermediary or policy document of the insurer.
- ▶ All Premiums are subject to taxes including Service tax that will be deducted from your Unit Account
- ▶ Unit Linked Life Insurance products are different from traditional insurance products and are subject to risk factors
- ▶ The premiums paid in Unit Linked Life Insurance policies are subject to investment risks associated with capital markets and the NAVs of the Units may go up or down based on the performance of the fund and factors influencing the capital market. The insured is responsible for his/her decision
- ▶ Unit Linked funds are subject to market risks and there is no assurance or guarantee that the objective of the investment fund will be achieved
- ▶ Past performance of the investment funds does not indicate the future performance of the same. Investors in the scheme are not being offered any guaranteed/ assured returns

The insurance products are offered and underwritten by Canara HSBC Oriental Bank of Commerce Life Insurance Company Limited (Regn.No.136) Centrum Plaza, Tower B, 5th Floor, Sector 53, Gurgaon 122002.



Canara HSBC Oriental Bank of Commerce Life Insurance Company Limited (Regn. No.: 136)
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UIN: 136L012V01

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Insurance is the subject matter of the solicitation
Canara HSBC Oriental Bank of Commerce Life Stay Smart Plan
is a Non-participating Plan

Promise
...growth at every step
Insuring your emotions



Canara HSBC
Oriental Bank of Commerce Life
Stay Smart Plan

- ▶ Ensuring a lifetime of happiness
- ▶ Flexibility to match your ever-changing needs
- ▶ Taking care of short-term as well as long-term financial requirements



IN THIS POLICY, THE INVESTMENT RISK IN INVESTMENT PORTFOLIO IS BORNE BY THE POLICYHOLDER.

Canara HSBC Oriental Bank of Commerce Life Stay Smart Plan

Life is a role-play. You play different roles in your lifetime—that of son/daughter, brother/sister, husband/wife, father/mother and so on. With different roles come different demands and responsibilities. These responsibilities are dynamic – not only do they change with time but also with changes in the life-stage.

Canara HSBC Oriental Bank of Commerce Life Stay Smart Plan is the solution that helps you take care of your multiple responsibilities. The plan offers an ideal balance between protection and investment for your changing needs through life's different stages.

Stay invested in our Stay Smart Plan and realize your and your loved ones' dreams throughout life.

ABOUT US

Canara HSBC Oriental Bank of Commerce Life Insurance Company Limited is a company formed jointly by three leading financial organizations - Canara Bank and Oriental Bank of Commerce, which are two of India's largest nationalized banks in terms of aggregate business, along with HSBC Insurance (Asia Pacific) Holdings Limited.

The shareholding pattern of the Joint Venture is: Canara Bank: 51%, HSBC Insurance (Asia Pacific) Holdings Limited: 26% and Oriental Bank of Commerce: 23%.

At Canara HSBC Oriental Bank of Commerce Life Insurance Company Limited, our aim is to provide you with a transparent range of life insurance products backed by excellent customer service and thereby, to make life simple for you.

KEY FEATURES OF THE STAY SMART PLAN

- Whole of Life Protection:** Life cover till age 99 years
- Pick a Premium Payment Term:** To suit your earning capacity
- Loyalty Additions at periodic intervals:** To boost the value of your investment
- Additional Flexibilities under the plan:**
 - Choose Life Cover:** Also increase or reduce your Sum Assured to match your requirements through the policy term
 - Investment Funds:** Choose from 5 funds – ranging from 0% to 100% equity exposure, to match your appetite towards investment risks and returns
 - Top Up:** Increase the value of your savings by contributing over and above your regular premiums
 - Switching / Redirection:** Between the available funds to take advantage of market movements or change in risk attitude
- Liquidity:** To meet your unplanned contingencies through Partial Withdrawals
- Tax Benefits⁶:** Enjoy tax benefits under Section 80C and Section 10(10D), as per the Income Tax Act, 1961

ELIGIBILITY CRITERIA

Particular	Minimum	Maximum
Entry Age ¹	31 days	65 years
Policy Term	Upto age 99 years	
Maturity Age ²	99 years of age	
Premium	Rs.25,000 p.a.	No Limit
Top-ups	Rs.2,000	25% of total cumulative premiums paid
Life Cover	5 x Annualized Premium	Based on underwriting limits
Premium Payment Term	Pick-a-Term	
	10 years	99 - age at entry

HOW THE PLAN WORKS

- Choose your premium and the number of years you want to pay, as per your protection cover and investment need
- You have 5 fund options to choose from, based on your risk appetite, in which the investible premium shall be invested in the market through the fund options chosen by you
- You can choose to pay your premiums annually, half yearly, quarterly or monthly³. You can opt to pay your premiums through cheque, demand draft, ECS, direct debit or standing instruction to your bank account
- You need to complete your proposal form and submit it with the initial premium and the necessary documents
- Once your proposal is accepted as per our underwriting requirements, the policy will be issued and sent to you
- You will be required to pay premiums every year for the premium payment term as chosen by you
- You can avail the flexibilities provided in the plan as per your need, after issuance of your Policy
- On periodic basis, the company shall notify you about your unit account summary

BENEFITS UNDER THE PLAN

- Insurance Cover Benefit**
 - In the unfortunate event of your death³, your nominee will receive the higher of the Sum Assured and the Fund Value (as on intimation date)
 - At maturity (at age 99), you will receive the entire Fund Value and the policy is terminated
- Loyalty Addition Benefit**

Reap additional benefits by staying invested for longer duration in this plan through Loyalty Addition Benefit, provided at periodic intervals. The Loyalty Additions are provided in the form of free extra allocation of units. The Loyalty Additions are a percentage of your regular Annualized Premium, and are illustrated below:

 - On 8th Policy Anniversary: 8% of Annualized Premium Equivalent
 - On 20th Policy Anniversary: 20% of Annualized Premium Equivalent

Loyalty Additions are paid provided all the due regular premiums are paid till date, the policy is in force, and no partial withdrawals are made till the Loyalty Addition payout date. Loyalty Additions due post date of death or surrender will not be payable, however those already credited will not be reversed.

Partial Withdrawal

To take care of any unforeseen liquidity crunch, make partial withdrawals⁴ from your policy without completely surrendering it. Partial withdrawals are allowed from 4th policy year. Partial Withdrawal charge is as detailed in 'Charges section' below.

The minimum withdrawal amount is Rs. 10,000 and the maximum is such that the fund value pertaining to regular premium after withdrawal is more than 120% of the first year premium. If the Life Assured is a minor, partial withdrawals are allowed from the first policy anniversary post attainment of 18 years of age.

Surrender

You have the option to surrender the policy, whereby the surrender value will be paid to you after deducting the applicable surrender charge (detailed in "Charges under the Plan" section) and thereafter the policy will terminate.

If the policy is surrendered within the first 3 policy years, the surrender value⁵ will be paid after completion of the 3 policy years, the Surrender Value as at the date of surrender will not vary based on the performance of Investment Funds and will remain constant till it is paid out. There will be no Surrender Charge if surrender request is received post completion of at least 5 Policy Years.

Tax Benefits⁶

Premiums paid under this Policy will be eligible for tax benefit under Section 80C

and any benefit amount paid to you will be eligible for tax benefits under Section 10(10D), of the Income Tax Act, 1961, subject to the conditions of the respective Sections.

Illustrative Example

If Mr. Singh of age 30 opts for annual premium option as mentioned in the table below, with a Sum Assured of 5 times the premium chosen and the premium paying term is till age 60 years - the table below shows maturity value at assumed rates of return on investment of Balanced II Fund @ 6% and 10% respectively:

Annual Premium (Rs.)	Sum Assured (Rs.)	Assuming Gross Investment Return (Rs.) at 99 years ⁷	
		6%	10%
48,000	2,40,000	1,75,41,967	15,78,04,864
70,000	3,50,000	2,60,98,920	23,28,51,283
1,00,000	5,00,000	3,77,67,492	33,51,87,308
2,50,000	12,50,000	9,61,10,351	84,68,67,436

FEATURES IN DETAIL

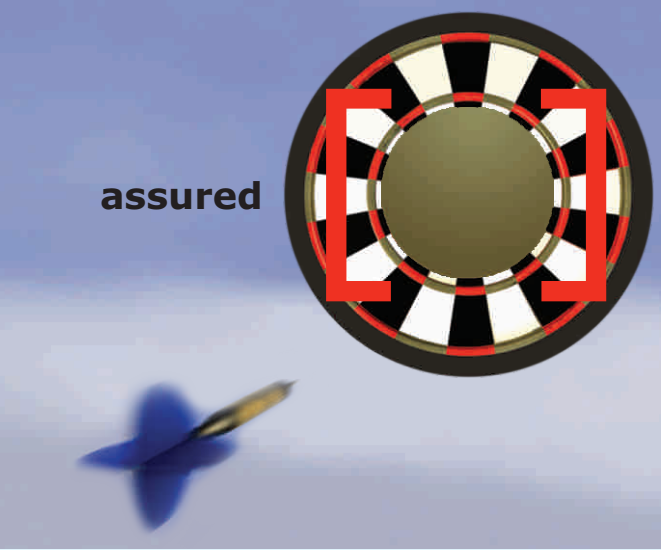
Investment funds available to you

You can choose from a range of 5 funds to cater to your investment needs. You can choose to allocate your premiums to any, all or a combination of the unit-linked funds as per your risk appetite.

The investment and risk profile of each fund is described below:

Fund Name	Fund Philosophy	Asset Allocation		Risk Profile
Equity II Fund	To generate long-term capital appreciation from active management of a portfolio invested in diversified equities.	Equity	60%-100%	High
		Debt Securities	–	
		Money Market	0%-40%	
Growth II Fund	To achieve capital appreciation by investing predominantly in equities, with limited investment in Fixed Income securities.	Equity	50%-90%	Medium to High
		Debt Securities	10%-50%	
		Money Market	0%-40%	
Balanced II Fund	To generate capital appreciation and current income, through a judicious mix of investments in equities and fixed income securities.	Equity	30%-70%	Medium
		Debt Securities	30%-70%	
		Money Market	0%-40%	
Debt Fund	To earn regular income by investing in high quality debt securities.	Equity	–	Low to Medium
		Debt Securities	60%-100%	
		Money Market	0%-40%	
Liquid Fund	To generate reasonable returns commensurate with low risk and a high degree of liquidity.	Equity	–	Low
		Debt Securities	0%-60%*	
		Money Market	40%-100%	

*Debt Securities under Liquid Fund will comprise only short-term securities.



Top-up Premiums

You can increase the value of your investment by investing any lump sum amount available with you as Top-ups over and above your annualized premiums subject to all due premiums being paid. The minimum Top-up⁸ amount is Rs. 2,000 and maximum limited to 25% of the total cumulative regular premiums paid till date.

Any amount towards Top-up premium will be eligible to be withdrawn post 3 years only, subject to other conditions as per Partial Withdrawal clause mentioned above.

Premium Redirection

You can opt to change the allocation proportion of your premiums from the 2nd policy year onwards. Redirection of premiums will be allowed only once in a policy year, which will be free of cost. In case this option is not availed, it cannot be carried forward to the next policy year. The revised allocation proportion will apply to your subsequent premiums.

Switch between Investment Funds

You can opt to switch your investments from one investment fund to another at any point of time. You can either switch a percentage of your investments or an absolute amount. The minimum amount that you can switch is Rs. 10,000. The first 6 switches in a policy year are free of charge. Any unutilized free switch, however, cannot be carried forward to the next policy year.

Increase/Decrease of Sum Assured

You can choose to alter your Sum Assured based on your changing life stage needs, from the 4th policy year onwards. This flexibility is available to you once in a policy year subject to a maximum of 3 times during a policy term, if all due premiums have been paid as on date of request. There will be no change in your annualized premium as a result of the Increase/Decrease⁹ in Sum Assured opted by you.

Auto Cover Continuation Option

If you are unable to pay premiums after the first 3 policy years' premiums are paid, you have the option to continue the policy with the full Sum Assured by availing the Auto Cover Continuation⁽¹⁰⁾ option before the end of the revival period (2 years from the due date of the first unpaid premium). The policy will continue till the surrender value reaches an amount equal to the first full year's premium, upon which the policy will be terminated and the surrender value will be paid to you.

CHARGES UNDER THE PLAN

Type of Charge	Charge Details		Description
Premium Allocation Charge (Levied through a reduced premium allocation to the fund)	The premium allocation charges under this product are as follows:		Allocation charge shall be deducted upfront on the premium prior to any other charge deduction and investment transaction.
	Policy Year	Allocation Charge	
	1st	25%	
	2nd - 4th	8%	
	5th - 7th	4%	
	8th till PPT	Nil	
Top-up Premium: 2%			
Fund Management Charge (FMC) p.a. (Applied on the fund while calculating NAV on a daily basis)	Equity II	1.35%	With prior approval from IRDA, FMC for each fund may be increased to 1.35% p.a. in each fund.
	Growth II	1.20%	
	Balanced II	1.10%	
	Debt	1.00%	
	Liquid	0.80%	
Policy Administration Charge (Levied by monthly cancellation of units from the policy unit account)	Rs. 60 per month for the financial year 2009-10. This will be increased by 5% p.a. on 1 st April of each subsequent year. First such increase shall be effective from 1 st April, 2010. However, for existing policyholders this increase will happen on each policy anniversary.		This charge will not exceed Rs. 5000 p.a.
Surrender Charge (As a % of Fund Value pertaining to premium)	Premiums Paid	As a % of Fund Value	Notwithstanding what is mentioned in the table, there shall not be any Surrender Charges for a surrender request received by the Company post completion of at least 5 Policy Years. Note – If the surrender request is made before the 3rd policy anniversary, the surrender value shall be calculated immediately but paid out at the end of 3rd policy anniversary, as per IRDA regulations.
	If up to 1 full PY's Premium has been paid	60%	
	If more than 1 full PY's Premium but up to 2 full PY's Premiums has been paid	30%	
	If more than 2 full PY's Premiums but up to 3 full PY's Premiums has been paid	20%	
	If more than 3 full PY's Premiums but up to 4 full PY's Premiums has been paid	10%	
	If more than 4 full PY's Premiums but up to 5 full PY's Premiums has been paid	5%	
	PY=Policy Year		
Mortality Charge (Levied by monthly cancellation of units from the policy unit account)	Female Mortality Charges are 3 years lower as compared to Male life.		Annual Mortality Charges are expressed in Rs. per 1000 Sum At Risk.
	Age	30 40 50 60	
	Male	1.17 2.05 5.24 13.07	
	Female	1.16 1.59 3.82 10.29	
	PY=Policy Year		
Partial Withdrawal Charge (Levied through cancellation of units in the fund)	In addition, a charge of Rs. 250 will be deducted from the 5th and subsequent withdrawal amounts occurring in the same policy year.		This additional charge may be increased by the Company subject to prior approval from IRDA but shall not exceed Rs. 500 per withdrawal.
	Policy Year	As a % of Partial Withdrawal Amount	
	4th	10%	
	5th	5%	
	6th +	Nil	
Switching Charge (Levied through cancellation of units in the fund)	A charge of Rs. 250 per switch in excess of 6 free switches in the same policy year.		This charge may be revised by the Company subject to prior approval from IRDA but shall not exceed Rs. 500 per switch.
Revival Charge	A charge of Rs. 250 will be levied on the revival of the policy, subject to fulfillment of all other requirements for policy revival.		This charge may be revised by the Company subject to prior approval from IRDA but shall not exceed Rs. 500 per revival.
Increase in Sum Assured Charge	The medical expenses will be recovered by cancellation of units up to a maximum of Rs. 3,000.		This charge may be increased by the Company subject to prior approval from IRDA but shall not exceed Rs.5000 per revival.

*All charges as mentioned above are exclusive of Service Tax and applicable cess, which will be borne by the policyholder.