

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

Canara HSBC Oriental Bank of Commerce Life Stay Smart Plan

UIN –136L012V01

TERMS AND CONDITIONS

1 DEFINITIONS AND INTERPRETATION

1.1 Definitions

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

Age means age at last birthday;

Appointee means the person named as such in the Policy Schedule, to receive the Death Benefit and give a valid discharge to the Company on behalf of the Nominee, in the event of death of the Life Assured during the minority of the Nominee;

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

Benefit means the Death Benefit, Maturity Benefit, Rider Benefits, or any other benefit, as may be applicable under this Policy referred to collectively;

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

Claimant means the Policyholder or the assignees, the Appointee, Nominee or the legal heirs of the Policyholder who are entitled to claim the Benefits under this Policy;

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

Financial Year means a period of twelve (12) months commencing from April 01 each year and ending with March 31 of the following year;

Fund Value means at any point of time, the value of the Units held by the Policyholder, represented by the number of Units held in the Policyholder's unit account multiplied by their respective unit prices;

Life Assured means the person named as such in the Policy Schedule on whose life this Policy has been effected;

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

Minor means a person who has not completed the Age of eighteen (18) years;

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

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

Policy means this Canara HSBC Oriental Bank of Commerce Life Stay Smart Plan, comprising, the Proposal, these terms and conditions, the Policy Schedule and any annexure attached to it (including any unit account statements or other correspondence issued by the Company), all of which shall form an integral part of the Policy;

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

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

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

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

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

Policyholder means the person named as such in the Policy Schedule unless the Policy has been assigned as per Clause 17.1 in which case the assignee shall be the Policyholder;

Premium means the Regular Premium payable & Top-up premium paid if any;

Premium Payment Term means the period specified in the Policy Schedule indicating the number of years for which the Policyholder is required to pay Regular Premium under this Policy;

Proposal means the signed and completed proposal form provided by the Policyholder to the Company, along with all supporting information/documents enclosed therewith and which forms the basis upon which this Policy has been issued to the Policyholder by the Company;

Redirection means the facility allowing the Policyholder to modify the allocation of future Premium into the Unit Linked Funds in a different investment pattern from the option exercised previously, as specified in Clause 14;

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

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

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

Rider Benefits means the benefits payable under the Riders;

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

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

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

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

Unit means a notional interest of the Policyholder representing a portion or a part of the Unit Linked Fund consisting of one (1) undivided share in the assets of the relevant Unit Linked Fund;

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

1.2 Interpretation

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

2. BENEFITS

Subject to the provisions contained herein and fulfillment of the terms and conditions of this Policy, the Company agrees to pay to the Claimant, the following Benefits on the happening of the events mentioned against each Benefit during the Policy Term.

2.1 Death Benefit

2.1.1 Subject to the Policy remaining in force, if the death of the Life Assured occurs on or after the Risk Commencement Date but before the Maturity Date, the Company shall pay the higher of the Fund Value and the Sum Assured.

2.1.2 If the Life Assured is a Minor as at the Policy Commencement Date and death occurs prior to the Risk Commencement Date while the Policy is in force, the Company shall pay the Fund Value.

2.1.3 The Policy shall automatically terminate upon the payment of a Death Benefit under Clause 2.1.1 or Clause 2.1.2.

2.1.4 In case of a death claim of the Life Assured registered at the Office of the Company prior to 3.00 PM on any Business day, the closing NAV of the same day will be applied for computation of the Fund Value. In case of a death claim of the Life Assured registered at the Office of the Company post 3.00 PM on any Business day, the NAV declared on the next Business Day shall be applied for computation of the Fund Value.

2.2 Maturity Benefit

If the Life Assured survives the Maturity Date and the Policy is in force on such date, the Company shall pay the Maturity Benefit to the Claimant which shall be equivalent to the Fund Value computed on the basis of the closing NAV of the Maturity Date. On payment of the Maturity Benefit, this Policy shall terminate with immediate effect.

2.3 Requirements for Maturity Benefit and Death Benefit Claims

In the event of a claim for Benefits arising under this Policy, the Claimant shall within sixty (60) days of the claim event, make a written intimation to the Company with the following documents:

2.3.1 In case of a claim for Maturity Benefit

- a) Claim Intimation form;
- b) Policy document in original; and
- c) Duly signed discharge voucher

2.3.2 In case of a claim for Death Benefit

Claimant's statement, original Policy document, hospital treatment certificate, death certificate, attending physician's statement, employer's certificate, FIR, post mortem report, Claimant's ID proof and such other documents as required by the Company at the time of claim.

2.4 Special Features applicable to the Benefits

2.4.1 Loyalty Additions

The Company shall credit the additional units in the Policyholder's unit account in the form of Loyalty Additions twice during the Policy Term on the following dates:

- (i) At the end of 08th policy year = 8% * First year annualized Premium;
- (ii) At the end of 20th policy year = 20% * First year annualized Premium.

The Loyalty Additions shall be credited subject to:

a) The Company has received all Regular Premiums due under this Policy as on the date of each respective Loyalty Addition; and

b) No Partial Withdrawal has been made by the Policyholder from the unit account.

2.4.2 Increase / Decrease of the Sum Assured

The Policyholder may at any time during the Policy Term, by making an application in writing to the Company at least 2 (Two) months prior to the next Policy Anniversary, request the Company to increase/decrease the Sum Assured under this Policy without effecting any change to the Regular Premium payable provided:

- a) The Policy has completed three (3) Policy Years and the Company has received all due Regular Premiums till the date of such request;
- b) For increase in Sum Assured, the Life Assured should not be a Minor or aged above fifty (50) years (last birthday), at the time of such request;
- c) Such increase /decrease in accordance with the applicable Regulations, and subject to underwriting acceptance;
- d) The Company being entitled to deduct from the Fund Value, medical expenses (if any subject to a maximum of Rs.3,000/-) on account of an increase in the Sum Assured;
- e) Such increase/decrease in the Sum Assured can be exercised once in a Policy Year, subject to a total of three times during the Policy Term.

2.5 Mode of payment of Benefits

2.5.1 All Benefits and other sums under this Policy shall be subject to the admission of the claim and shall be payable in the manner and currency permitted under the Regulations.

2.5.2 Discharge

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

2.6 Death during Grace Period

A grace period of thirty (30) days commencing from the due date of each Regular Premium due, during which the Policyholder may make payment of unpaid Regular Premium to keep the Policy and all the Benefits in force. The Death Benefit mentioned in Clause 2.1 shall be payable subject to deduction of applicable Mortality Charge due as on the date of death of the Life Assured.

3. REGULAR PREMIUM AND EFFECT OF DISCONTINUANCE OF PAYMENT OF REGULAR PREMIUM

3.1 Payment of Regular Premium

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

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

3.2.1 If any due installment of Regular Premium is not paid within the Grace Period after paying the Regular Premium due for at least three consecutive Policy Years, the Policyholder may exercise any of the following options:

a) Revive the Policy

The Policyholder may, revive the Policy by paying all due unpaid installments of Regular Premium, during the Revival Period. During the Revival Period all Benefits (except the Loyalty Additions) under this Policy shall continue to apply and

all the Charges shall continue to be deducted. The effective date of revival is the date when all the requirements under the Policy for revival are met, the application for revival is accepted and the same is communicated in writing by the Company to the Policyholder.

b) Surrender the Policy

The Policyholder may surrender the Policy. On surrender, the Surrender Value as on the date of the surrender shall be paid and the Policy shall stand terminated.

c) Auto Cover Continuance

The Policyholder may opt to continue the Policy without paying further Regular Premium ("**Auto Cover Continuance**") by providing a written notice in this regard to the Company prior to expiry of the Revival Period. Where the Company has received a written request from the Policyholder opting for the Auto Cover Continuance option as mentioned in this Clause, then subject to Clause 3.4 hereof, the Policy shall remain in force for all the Benefits and options except Loyalty Additions.

3.2.2 If the Policyholder does not exercise any of the above options by the end of the Revival Period, the Policy shall terminate as at the end of the Revival Period and the Surrender Value as on such date shall be payable.

3.2.3 The Company shall continue levying all Charges as mentioned in Annexure 1 hereto, during the Revival Period, and during the Auto Cover Continuance period if opted for by the Policyholder.

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

3.3.1 If any due installment of Regular Premium is not paid within the Grace Period during the first three years from the Policy Commencement Date, the risk cover under the Policy shall cease immediately. The Policy in such case shall continue without any Benefits including Death Benefit and Loyalty Additions till the expiry of the Revival Period. During the Revival Period, all Charges (except the Mortality Charge) shall continue to be deducted by the Company.

3.3.2 Options available to the Policyholder after the Grace Period has elapsed during the Revival Period:

a) Revive the Policy

The Policyholder may, revive the Policy by paying all due unpaid installments of Regular Premium, during the Revival Period. The effective date of revival shall be the date when all the requirements under the Policy are met, accepted and communicated by the Company in writing. In the event of death of the Life Assured during the Revival Period, only the Fund Value as on the date of registration of the death claim of the Life Assured shall be payable.

b) Surrender the Policy

The Policyholder may surrender the Policy at anytime subject to Clause 12 provided that the Surrender Value shall only be payable after the end of the third (3rd) Policy Year. On Surrender, the Policy will terminate and cannot be revived thereafter.

3.3.3 If the Policyholder does not exercise either of the above options by the end of the Revival Period, the Policy shall terminate as at the end of the Revival Period and the Surrender Value as on such date shall be payable.

3.4 Auto termination of Policy

Notwithstanding any other Clause in this Policy and provided the Policyholder has paid Regular Premium due for the first three (3) Policy Years, if the Fund Value at anytime during the Policy Term, falls below the equivalent of one (1) Annual Premium, this Policy shall terminate automatically and the Fund Value as on the date of such termination shall be payable to the Policyholder.

4. REVIVAL OF POLICY

4.1 The Revival Period is 2 (Two) years from the due date of the first unpaid installment of Regular Premium.

4.2 Subject to the approval of the Company and the prevailing rules of the Company pertaining to revival, the Policy may be revived within the earlier of (i) end of the Revival Period or (ii) the Maturity Date or (iii) the termination of the Policy as per the terms and conditions, provided:

(i) No claim for Benefits has arisen under the Policy;

(ii) A written application for revival is received from the Policyholder by the Company, together with the revival charge as specified in Annexure 1 and other documentation as may be requested by the Company;

(iii) All due installments of unpaid Regular Premium to revive this Policy are received by the Company in full;

4.3 Notwithstanding anything to the contrary contained elsewhere in this Policy, the Company reserves the right to revive the Policy either on its original terms and conditions or on such other or modified terms and conditions as the Company deems fit, or to reject the revival. The decision of the Company in this regard shall be final and binding on the Policyholder. The revival shall be effective from the date when the Company specifically communicates the same in writing to the Policyholder.

4.4 Units against Premium received for revival shall be allocated on the basis of the NAV applicable on the later of the following two (2) dates (i) date of acceptance of the revival application by the Company's underwriters; and (ii) date of realization of all the due installments of Premium paid for revival to the Company.

5. TOP-UP PREMIUM

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

5.1.1 The maximum amount of Top-up Premium which can be paid during a Policy Year and the total amount of the Top-up Premium paid under the Policy shall not exceed 25% of the total amount of Regular Premiums paid till the date of payment of Top-up Premium.

5.1.2 The receipt of Top-up Premium by the Company will not alter the Sum Assured.

5.1.3 All due installments of Regular Premium till the date of the payment of the Top-up Premium have been received in full by the Company.

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

6. UNIT ACCOUNT, UNIT STATEMENT AND ANNUAL STATEMENT

6.1 Unit Account: For the purpose of this Policy, the Company will maintain an account called the Unit Account, to which the Premiums received under this Policy shall be credited in the respective Unit Linked Funds in the proportion as chosen by the Policyholder, net of applicable Charges. The amount so credited shall be utilized for purchase of Units at the applicable NAV in the Unit Linked Fund offered by the Company under this Policy.

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

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

7. CHARGES

7.1 Subject to the other terms and conditions mentioned herein, during the Policy Term, the Company shall levy the Charges as detailed in Annexure 1. The Company reserves the right to revise the Charges, with the prior approval of the Authority, subject to the maximum limits mentioned against each Charge

in Annexure 1 hereto. All Charges mentioned herein are subject to applicable taxes and levies (present or future), including service tax, which shall be borne by the Policyholder.

- 7.2** All Charges, other than the Fund Management Charges and the Premium Allocation Charges, shall be recovered by cancellation of required number of Units from the respective Unit Linked Fund on the date on which such Charges fall due. Fund Management Charge shall be recovered by adjusting the Unit Price. Premium Allocation Charge shall be recovered by deduction from the amount of the Premium or Top-up Premium received prior to allocation of the Premium into Units.

8. UNIT LINKED FUNDS

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

1. Equity II Fund

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

2. Growth II Fund

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

3. Balanced II Fund

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

4. Debt Fund

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

5. Liquid Fund

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

* Debt Securities in Liquid Fund shall comprise of only short term securities

- 8.2** Subject to investment norms and policies of the Company in effect from time to time and applicable Regulations, the Company shall have the discretion to select the investments and/or make the investments under each Unit Linked Fund, having regard to the investment objectives of the respective Unit Linked Fund. Subject to as aforesaid, the Company shall have absolute discretion to formulate its investment policies and make investments and to deal with all matters in relation to the Unit Linked Funds. The Company shall have absolute legal and beneficial ownership of all investments and assets of the Unit Linked Fund (s).

- 8.3** The Company may also at its discretion, subject to prior approval of the Authority and the Policyholder close or discontinue any of the Unit Linked Funds on the happening of events including but not limited to extreme volatility of markets, which in the opinion of the Company warrants such discontinuance or closure. In the event of closure or discontinuance of any Unit Linked Fund, the Company shall give the Policyholder prior notice stating the Company's intention to discontinue or close a Unit Linked Fund. In case of a discontinuance or closure of Unit Linked Funds as mentioned above, the Company shall provide the Policyholder the option of switching to other Unit Linked funds offered by the Company free of cost, and such options may be exercised by the Policyholder within the time limits provided by the Company. In the event of a Policyholder not exercising his option to switch to another Unit Linked Fund, the Company shall be entitled to switch the Funds to another Unit Linked Fund at its discretion, subject to prior approval from the Authority.

9. RISK FACTORS

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

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

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

10. UNITS

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

10.2 Allocation of Units

- (i) Units against the first Premium received by the Company shall be allocated on the Policy Commencement Date after deduction of applicable Charges.
- (ii) Allocation of Units against subsequent Regular Premium and Top-up Premium (if any) duly accompanied by a completed Top-up request application form, shall be made on the basis of the closing NAV of the following dates:
 - a) Closing NAV of the same day in case of payments by local cheques or demand drafts received at the Office of the Company at or before 3.00 PM on any Business Day.
 - b) Closing NAV of the subsequent Business Day in case of payments received by local cheques or demand drafts at the Office of the Company post 3.00 PM on any Business Day.

- c) Closing NAV of the date of realization by the Company in case of payments made by outstation cheques or through ECS, Standing Instructions and Auto Debits.

All requests for partial withdrawals, Surrenders and all intimations pertaining to claim of Benefits shall be in writing, submitted at any of the Company's Offices. In case of partial withdrawal or Surrender requests received at the Company's Office prior to 3.00 PM on any Business Day, the same would be processed based on the closing NAV of that day. The closing NAV of the next Business Day would be applied in case of all requests received at the Company's Offices after 3.00 PM on any Business Day.

- (iii) The above cut-off timings are as per regulations prevailing on the Policy Commencement Date, which can change from time to time subject to change in regulations.

10.3 Computation of Net Asset Value ("NAV")

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

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

10.4 Valuation of Unit Linked Funds

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

11. AGE ADMISSION

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

12. SURRENDER VALUE AND SURRENDER

- 12.1** The Policyholder may during the Policy Term, surrender this Policy at any time by giving a notice in writing to this effect to the Company. The Company shall on receipt of a duly signed request for Surrender:

- (i) if the request for Surrender is received before completion of the third (3rd) Policy Year, cancel the Units immediately, close the unit account and pay the Surrender Value, if any to the Policyholder at the end of the third (3rd) Policy Year. Once the Units are cancelled, the Surrender Value shall not thereafter vary based on the performance of the Unit Linked Fund and will remain constant till it is paid out;
- (ii) if the request for Surrender is received after completion of the third (3rd) Policy Year the Company shall terminate the Policy and pay the Surrender Value immediately.

- 12.2** On Surrender Value payment being made by the Company, the Policy shall terminate immediately and the Company will be relieved and discharged from all obligations under the Policy.

13. PARTIAL WITHDRAWAL

- 13.1** Subject to three (3) Policy Years to be completed and the Life Assured attaining 18 years of Age, the Policyholder shall have a right to make partial withdrawals from fourth (4th) Policy Year onwards. The minimum amount that may be partially withdrawn in any one transaction shall be Rupees Ten Thousand (Rs 10,000/-). Partial withdrawal at any time shall not result in the Fund Value after availing the partial withdrawal going below one hundred twenty percent (120%) of the Annual Premium payable under this Policy. Any Partial Withdrawal made shall be net of Partial Withdrawal Charges, as provided in Annexure 1. Unused free partial withdrawals in a Policy Year cannot be carried forward to the subsequent Policy Year(s).

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

14. REDIRECTION

- 14.1** The Policyholder shall have the option to redirect the allocation of future Regular Premium into one or more Unit Linked Funds available for investment in a different investment pattern from the option exercised previously. Redirection can be exercised from the second (2nd) Policy Year by the Policyholder only once during each Policy Year, and will be effected on the date of receipt of a written request from the Policyholder by the Company.

- 14.2** Requests for Redirection shall be made by duly completing the forms prescribed by the Company in this regard, and delivering the same at the Offices of the Company.

15. SWITCHING

- 15.1** The Policyholder may change the investment pattern of the available unit account by shifting from one Unit Linked Fund to another (in whole or in part).

- 15.2** The minimum amount requested to be switched or value of Units requested to be switched shall be Rupees Ten Thousand (Rs. 10,000/-). Requests for switching may indicate the percentage of Units in the respective funds to be switched or the amount representing the value of Units to be switched. Six (6) Switches per annum shall be availed free of cost and unused free Switches in a Policy Year cannot be carried forward to the next Policy Year.

- 15.3** Requests for switching shall be made by duly completing the forms prescribed by the Company in this regard, and delivering the same at the Offices of the Company.

16. OWNERSHIP OF THIS POLICY

- 16.1** All options, rights and obligations under this Policy vest with the Policyholder, and shall be discharged by the Policyholder.

- 16.2** If the Nominee named in the Policy Schedule predeceases the Life Assured during the Policy Term, the Policyholder shall name any other person as the Nominee under this Policy, and such person shall have the same rights in respect of this Policy as the Nominee originally named in the Policy Schedule.

- 16.3** The Policyholder shall also name an Appointee to receive the Benefits, if payable under this Policy on behalf of the Nominee during the minority of the Nominee and to give a discharge in respect of such Benefits to the Company.

17. ASSIGNMENT AND NOMINATION

- 17.1** An assignment of the Policy may be made by an endorsement upon the Policy itself or by a separate instrument signed in either case by the assignor specifically stating the fact of assignment and duly attested. Only the Policyholder may make the first assignment. Such assignment shall be effective, as against the Company, from and upon the service of a written notice upon the Company and the Company accepting and recording the assignment on the Policy. In case of assignment under this Policy, the assignee shall not be entitled to increase or decrease the Death Benefit. In registering an assignment, the Company does not accept any responsibility or express any opinion as to its validity or legal effect. An assignment of the Policy shall automatically cancel all nominations made under Clause 17.2 below.

17.2 Nomination

The Policyholder may, at any time during the currency of this Policy, make a nomination for the purpose of payment of the Death Benefits, in the event of the Life Assured's death. Any change of nomination, which may be effected before the termination of the Policy shall also be communicated to the Company. The change in nomination shall come into effect from the date on which the Company endorses such change as part of the Policy Schedule.

In the event of a Nominee dying prior to the Death Benefit becoming payable under this Policy, the Death Benefit shall be paid to the legal heirs of the deceased Policyholder in accordance with the applicable law. Any payment made by the Company in good faith to such surviving Nominees or the legal heirs of the deceased Life Assured shall discharge the Company fully of its liability to make payment of Death Benefit under this Policy.

18. GENERAL CONDITIONS

18.1 No Participation in surplus or profits

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

18.2 Review, revision

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

18.3 Suicide exclusion

If the Life Assured commits suicide for any reason, while sane or insane, within one (1) year from the Risk Commencement Date or within one (1) year from the date of revival of the Policy, no Death Benefit shall be payable under the Policy and only the Fund Value as on the date of registration of the death claim with the Company shall be payable.

18.4 Loans

No loans will be admissible under this Policy.

18.5 Forfeiture

In issuing this Policy, the Company has relied on the accuracy and completeness of information provided by the Policyholder and any other declarations or statements made or as may be made hereafter by the Policyholder in the Proposal form. Subject to the provisions of the applicable Regulations, including Section 45 of the Insurance Act, 1938, in the event any such information, declaration or statement is found to be false or incorrect or any material information is found to be withheld or misrepresented, the Company shall be entitled to terminate this Policy. The Company shall in such a case cease to be liable for payment of any Benefits under this Policy and may at its option forfeit the Fund Value under the Policy in its favour.

18.6 Release and discharge

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

18.7 Limitation of Liability

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

18.8 Grievance Redressal / Complaints

The contact details and procedure to be followed in case of any grievance in respect of this Policy is provided in the document titled as "Complaint Redressal" annexed herewith.

18.9 Vesting on attaining majority

If the Policy has been issued on the life of the minor, the Policy will automatically vest in him on his attaining age of majority (18 years) and thereafter the Life Assured would be the Policyholder and the Company shall deal directly with him. Any assignment or nomination of the Policy contrary to this provision would be null and void.

18.10 Taxes, duties and levies

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

18.11 Disclosure of Information

If the Policyholder or Nominee or anyone acting for any of them or with their knowledge makes any misleading, false or fraudulent claim then the Company shall be entitled to terminate this Policy forthwith and shall also be entitled to forfeit the Premiums paid, Fund Value and all Benefits payable hereunder in its favour.

18.12 Fraudulent Claims

If the Policyholder or Nominee anyone acting for any of them or with their knowledge makes any misleading, false or fraudulent claim then the Company shall be entitled to terminate this Policy forthwith and shall also be entitled to forfeit the Premiums paid, Fund Value and all Benefits payable hereunder in its favour.

18.13 Delivery of Policy Documents

The Company shall dispatch the Policy documents to the Policyholder at the address for correspondence provided by the Policyholder in the Proposal through courier or post (ordinary/registered/speed post), and the same shall be deemed to have been delivered to the Policyholder within 10 days from the date of dispatch by the Company, unless the same is returned undelivered to the Company for any reason. Pursuant to the above dispatch, on the Company receiving 'Proof of Delivery' purportedly signed by the Policyholder, the same shall be conclusive proof of delivery of the policy documents to the Policyholder. In case the policy documents are returned undelivered, the Company may attempt to have the same delivered to the Policyholder through such alternative means as it deems fit.

18.14 Loss of Policy Document – Issue of Duplicate

The Company will replace a lost Policy document when satisfied that it is lost. However, the Company reserves the right to make such investigations into and to call for such evidence of the loss of the Policy document, at the Policyholder's expense, as the Company considers necessary before issuing a duplicate Policy document. The Company has the right to charge a fee for the issue of a duplicate Policy. It is hereby understood and agreed that Policyholder will protect the Company and hold the Company harmless against any claims, costs, expenses, awards or judgments arising out of or howsoever connected with the original Policy or arising out of issuance of duplicate Policy.

18.15 Electronic Transactions

In conducting electronic transactions, for and in respect of this Policy, the Policyholder shall adhere to and comply with all such terms and conditions as prescribed by the Company. Such electronic transactions are legally valid and shall be binding on the Policyholder.

18.16 Entire Contract

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

18.17 Governing Law and Jurisdiction

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

18.18 Section 45 of the Act

No policy of life insurance effected before the commencement of this Act shall, after the expiry of two (2) years from the date of commencement of this Act and no policy of life insurance effected after the coming into force of this Act shall, after the expiry of two (2) years from the date on which it was effected, be called in question by an insurer on the ground that a statement made in the proposal for insurance or in any report of a medical officer, or referee, or friend of the insured, or in any other document leading to the issue of the Policy, was inaccurate or false, unless the insurer shows that such statement was on a material matter or suppressed facts which it was material to disclose and that it was fraudulently made by the Policyholder and that the Policyholder knew at the time of making it that the statement was false or that it suppressed facts which it was material to disclose. Provided that nothing in this section shall prevent the insurer from calling for proof of Age at any time if it is entitled to do so, and no policy shall be deemed to be called in question merely because the terms of the Policy are adjusted on subsequent proof that the Age of the Policyholder was incorrectly stated in the Proposal.

ANNEXURE 1: CHARGES

- (i) **Mortality Charge** shall be levied on monthly basis by way of cancellation of Units. The Mortality Charge shall apply on the sum at risk which shall be computed as follows:

Sum at risk = maximum of (Sum Assured – Fund Value, 0)

The rates of Mortality Charge applicable are shown in Annexure 2. These rates would remain unchanged during the entire Policy Term.

- (ii) **Premium Allocation Charge** is a percentage of the Premium received and is charged at the time of receipt of the Premium. Premium Allocation Charge is as follows, which shall remain unchanged during the entire Policy Term:

Policy Year	Premium Allocation Charge as a percentage of the Premium
1st Policy Year	25%
2nd to 4th Policy Year	8%
5th to 7th Policy Year	4%
8th Policy Year onwards	NIL
Top-up Premium Charges	
2% of the Top-up Premiums paid	

- (iii) **Fund Management Charge** is expressed as a percentage of Fund Value and is levied at the time of computation of the NAV by adjusting the Unit Price. Mentioned below is the current rates of Fund Management Charge for each of the Unit Linked Fund(s), which may be revised by the Company from time to time with the prior approval of the Authority, subject to a maximum of 1.35% per annum for each Unit Linked Fund:

Unit Linked Fund	Fund Management Charge
Equity II Fund	1.35% per annum
Growth II Fund	1.20% per annum
Balanced II Fund	1.10% per annum
Debt Fund	1.00% per annum
Liquid Fund	0.80% per annum

- (iv) **Policy Administration Charge** is expressed as a fixed amount and shall be charged on monthly basis during the Policy Term by cancellation of Units. The current Policy Administration Charge is as follows:

The Policy Administration Charge levied by the Company for the Financial Year 2009-10 shall be Rupees sixty (Rs. 60/-) per month. Policy Administration Charge levied by the Company shall increase at the rate of five percent (5%) on the existing charges effective April 1, each year. The rate of Policy Administration Charge prevailing on the Policy Commencement Date shall be applicable to a Policy during its first (1st) Policy Year. Thereafter the Policy Administration Charge at the increased rates shall be applicable to such Policy effective from each Policy Anniversary.

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

- (v) **Partial Withdrawal Charge** shall be deducted from the Fund Value by cancellation of Units at the time of partial withdrawals. Any Partial withdrawal made shall be net of Partial Withdrawal Charge mentioned as here under:

Policy Year	As a % of Partial Withdrawal amount
4 th	10%
5 th	5%
6 th onwards	NIL

In addition, to the Charges mentioned in the above table, a charge of Rs. 250 will be deducted from the fifth and subsequent Partial Withdrawals occurring in the same Policy Year.

- (vi) **Revival Charge** is levied by the Company at the time of Revival of the Policy. The Company shall Charge a sum of Rupees two hundred fifty (Rs.250/-) per revival, which may be revised by the Company with the prior approval of the Authority, up to a maximum of Rupees five hundred (Rs. 500/-) per revival.

- (vii) **Switching Charge** is levied on switching of Units from one Unit Linked Fund to another. The current rate of Switching Charge levied by the Company is as follows:

Number of Switches	Charge per Switch
0 to 6 in a Policy Year	Nil
Above 6 in a Policy Year	Rs. 250 per switch

Switching Charge may be revised by the Company with the prior approval of the Authority, up to a maximum of Rupees five hundred (Rs. 500/-) per Switch.

- (viii) **Surrender Charge** is expressed as a percentage of the Fund Value. Surrender Charge applicable to this Policy is as follows:

Particulars	Surrender Charge as % of Fund Value
If up to one full Policy Year's Premium has been paid	60%
If more than one full Policy Year's Premium but up to two full Policy Year's Premiums has been paid	30%
If more than two full Policy Year's Premiums but up to three full Policy Year's Premiums has been paid	20%
If more than three full Policy Year's Premiums but up to four full Policy Year's Premiums has been paid	10%
If more than four full Policy Year's Premiums but up to five full Policy Year's Premiums has been paid	5%

Notwithstanding what is mentioned in the table above, there shall not be any Surrender Charges for a surrender request received by the Company post completion of at least Five(5) Policy Years.

Taxes on the above Charges, as applicable from time to time, shall be borne by the Policyholder.

ANNEXURE 2 : MORTALITY CHARGES

**Mortality Charges are applicable as per the following table:
Canara HSBC Oriental Bank of Commerce Life Stay Smart Plan**

Age	Male	Female
7	0.4	0.47
8	0.4	0.42
9	0.4	0.38
10	0.38	0.4
11	0.45	0.4
12	0.53	0.4
13	0.65	0.38
14	0.71	0.45
15	0.77	0.53
16	0.82	0.65
17	0.87	0.71
18	0.92	0.77
19	0.96	0.82
20	1	0.87
21	1.03	0.92
22	1.06	0.96
23	1.09	1
24	1.11	1.03
25	1.13	1.06
26	1.15	1.09
27	1.16	1.11
28	1.17	1.13
29	1.17	1.15
30	1.17	1.16
31	1.17	1.17
32	1.2	1.17
33	1.25	1.17
34	1.31	1.17
35	1.39	1.2
36	1.48	1.25
37	1.59	1.31
38	1.72	1.39
39	1.87	1.48
40	2.05	1.59
41	2.25	1.72
42	2.42	1.87
43	2.6	2.05
44	2.83	2.25
45	3.11	2.42
46	3.44	2.6
47	3.82	2.83
48	4.24	3.11
49	4.72	3.44
50	5.24	3.82
51	5.82	4.24
52	6.44	4.72
53	7.12	5.24
54	7.84	5.82
55	8.61	6.44
56	9.43	7.12
57	10.29	7.84
58	11.03	8.61
59	11.95	9.43
60	13.07	10.29
61	14.39	11.03
62	15.9	11.95
63	17.61	13.07
64	19.52	14.39
65	21.62	15.9
66	22.72	17.61
67	25.62	19.52
68	28.82	21.62
69	32.37	22.72
70	36.29	25.62
71	40.62	28.82

Age	Male	Female
72	45.39	32.37
73	50.64	36.29
74	56.4	40.62
75	62.73	45.39
76	69.66	50.64
77	77.23	56.4
78	85.5	62.73
79	94.52	69.66
80	104.33	77.23
81	114.99	85.5
82	126.55	94.52
83	139.07	104.33
84	151.08	114.99
85	162.3	126.55
86	174.15	139.07
87	186.64	151.08
88	199.78	162.3
89	213.56	174.15
90	228	186.64
91	243.07	199.78
92	258.78	213.56
93	275.11	228
94	292.03	243.07
95	309.52	258.78
96	327.55	275.11
97	346.07	292.03
98	365.05	309.52
99	365.05	327.55

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