

## POLICY BOND (Bharti AXA Life DreamLife Pension)

In this Policy, the Investment risk in the investment portfolio is borne by the Policyholder

### SECTION 1: DEFINITIONS

**Age** is the Age at last birthday in completed years.

**Allocation** means the creation of Units in the applicable Investment Fund/s at the prevailing Unit Price.

**Annualised Regular Premium** is equal to the aggregate of the premiums for the basic plan payable by You in a Policy Year, according to the mode of payment chosen by You. It also includes any change in Annualised Regular Premium during Policy Benefit Period due to the accumulator option chosen by Policyholder as mentioned in Section 4.

**Death Benefit** is the benefit payable on death of the Life Insured mentioned in Section 3.1 herein.

**Investment Fund** is a specific and separate fund managed for the exclusive interest of all Policyholders sharing the same Investment Fund option. The Company offers a number of Investment Funds from time to time earmarked for its unit linked business and each of these Investment Funds have an asset Allocation mix of various financial instruments.

**Investment Fund Allocation Instruction** is Your instruction for Allocation of the premiums net of all relevant Premium Allocation Charge for purchase of Units in the Investment Fund as specified by You.

**Life Insured** is the person named in the Policy Specifications and whose life is covered under the Policy.

**Vesting Date** is the date on which the Policy Benefit Period concludes and is shown as such in the Policy Specifications.

**Nominee** is the person nominated under the Policy to receive the benefits under the Policy in the event of death of the Life Insured.

**Policy** means and includes the Policy Bond, the copy of proposal for insurance submitted by You, the Policy Specifications, the benefit illustration signed by You and any attached endorsements or supplements together with all the addendums provided by The Company from time to time and any other document called for by The Company and submitted by You to enable it to process Your proposal.

**Policyholder** is the owner of the Policy who is mentioned in the proposal form and may be a person other than the Life Insured.

**Policy Date** is the month, day and year the Policy comes into effect and is shown in the Policy Specifications.

**Policy Year** is measured from the Policy Date and is a period of twelve consecutive calendar months.

**Policy Month** is measured from the Policy Date and is a corresponding date falling in the next calendar month.

**Policy Anniversary Date** is the date which periodically falls after every twelve months starting from the Policy Date whilst the Policy is in force.

**Policy Charges** are the charges associated with the Policy as detailed in Section 7 of the Policy Bond.

**Policy Fund Value** is the value of the aggregate of the number of outstanding units on any day in each Investment Fund allocated under the Policy multiplied by their respective Unit Prices applicable as on that day.

**Policy Benefit Period** is the number of Policy Years for which the Policy continues, starting from the Policy Date and ending on the Vesting Date and is mentioned in the Policy Specifications.

**Policy Specifications** is the cover page to the Policy containing amongst others, the brief description of the Policy, the Policyholder and forms a part of the Policy Bond.

**Single Premium** is the premium for the basic product and is payable by You in a lumpsum before the Policy comes into effect.

**Switch** is the facility allowing the Policyholder to change the investment pattern by moving from one Investment Fund to other Investment Fund(s) amongst the Investment Funds offered under the Policy.

**The Company** means Bharti AXA Life Insurance Company Limited.

**Top Up Premium** is the additional amount of premium payable by You whilst the Policy is in force and all Annualised Regular Premiums till date are paid by You.

**Unit** is a portion or a part of the underlying Investment Fund purchased from the Premiums under the Policies.

**Unit Price** is the value per unit of each Investment Fund calculated in accordance with Section 5.4.

**Valuation Date** is the date on which the Unit Price of the Investment Fund is determined in accordance with the Valuation provisions of the Policy as mentioned in Section 5.4

**You/Your/Yours** is and refers to the Policyholder as mentioned in the proposal form.

## **SECTION 2: GENERAL PROVISIONS**

### **2.1 Product Description**

"Bharti AXA Life DreamLife Pension" is the name of the unit linked pension product. Unit linked insurance products are different from traditional Insurance products.

This is a Non Participating Policy, ie: - the Policy does not provide for participation in the distribution of surplus or profits that may be declared by The Company.

The Benefits payable under the Policy are linked to the Investment Fund/s and the respective Investment Fund performance. Being a unit linked Policy the Policyholder has the option to allocate the Annualised Regular Premium/Single Premium and Top Up Premium, if any, among one or more of the Investment Fund(s) as per the conditions of the Policy. You may choose to allocate the premium among a maximum number of Investment Funds at any time during the Policy Benefit Period, which is currently limited to five.

Only a duly authorised officer of The Company has the power to change the Policy as per the request of the Policyholder. Neither an agent nor anyone other than a duly authorised officer of The Company has the power to waive any of the rights or requirements of the Policy.

The name of the product/investment fund(s) does not in any way indicate the quality/performance of the product/fund(s), its future prospects or returns.

### **2.2 Assignment**

The Policyholder can assign the Policy to another person and in that event the Policyholder will be referred to as Assignor and the person to whom the Policy is assigned will be referred to as the Assignee. Assignment of the Policy requires satisfactory written notice in the form specified by The Company accompanied by the original Policy Bond to be sent to The Company at its office. The assignment would either be endorsed upon the Policy Bond or documented by a separate instrument, signed in either case by the Assignor stating

specifically the fact of the assignment. The Company will not express any opinion on the validity or legality of the Assignment. Assignment can be done only for the entire Policy. Assignment shall automatically cancel a nomination.

### **2.3 Nomination**

Where the Policyholder is also the Life Insured, the Policyholder may at any time before the Vesting Date, nominate a person/(s) as a Nominee to receive the benefits under the Policy in the event of the death of the Life Insured before the Vesting Date. Where such Nominee is a minor, the Policyholder may also appoint any person who is a major (also referred to as "Appointee"), to so receive the benefits under the Policy while the Nominee is a minor. The Company will not recognize a nomination or a change in nomination of the Policy, until it receives a written notice of the nomination or change of nomination from the Policyholder at its office. The Company will not express any opinion on the validity or legality of the nomination. The Policyholder can make a nomination only with regard to the entire Policy. If no Nominee is alive at the time of death of the Life Insured, the Policyholder's estate shall be deemed to be the Nominee. Where the Policyholder and Life Insured are different persons, the Policyholder or Policyholder's estate as the case may be, shall be entitled to receive the Death Benefits in the event of death of the Life Insured.

### **2.4 Validity**

The Policyholder and the Life Insured under the Policy have an obligation to disclose every fact material to assessment of the risk of issuing the Policy. Failure to disclose or misrepresentation of a material fact, will allow The Company to deny any claim, subject to the provisions of Section 45 of the Insurance Act, 1938

As per Section 45, 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 The Company on the ground that the statement made in the proposal or in any report of a medical officer, or referee, or friend of the Life Insured, or in any document leading to the issue of the Policy, was inaccurate or false, unless The Company shows that such statement was on a material matter or suppressed facts which it was material to disclose and that it was fraudulently made by the Life Insured/Policyholder and that the Life Insured/Policyholder knew at the time of making it that the statement was false or that it suppressed facts which was material to disclose.

Provided that nothing in this section shall prevent The Company from calling for proof of Age at any time if it is entitled to do so, and no Policy shall be deemed to be called in question merely because the terms of the Policy are adjusted on subsequent proof that the Age of the Life Insured was incorrectly stated in the proposal.

### **2.5 Misstatement of age**

The charges payable under the Policy, more specifically mentioned under Section 7, have been calculated on the basis of the age of the Life Insured as declared in the proposal form.

Without prejudice to The Company's other rights and remedies including those under the Insurance Act, 1938, if the age of the Life Insured has been misstated or incorrectly mentioned, then The Company will determine the Policy Charges as described in Section 7, using the correct age. This may be done in any of the following manner:

- (a) If the correct age is higher than the age declared in the proposal form, the Policy Charges payable under the Policy shall be altered corresponding to the correct age of the Life Insured from the Policy Date and the Proposer / Life Insured shall pay to The Company, the difference between the Policy Charges charged at such lower rate (more specifically mentioned under Section 7) and such re-calculated higher rate retrospectively from the Policy Date.
- (b) If the correct age of the Life Insured is lower than the age declared in the proposal form, the Policy Charges payable under the Policy shall be altered corresponding to the correct age of the Life Insured

from the Policy Date and the Company may adjust the difference by adding Units corresponding to the difference between the Policy Charges charged at such higher rate and the Policy Charges chargeable at such re-calculated lower rate retrospectively from the Policy Date.

Notwithstanding the above the Company may terminate the Policy and refund the Surrender Value if the Life Insured's correct date of birth/age is such as would have made him/her uninsurable

## **2.6 Primary Claim documents**

The Company would require the following primary documents in support of a claim to enable processing of the claim under the Policy:

- For Surrender/Vesting Benefit: the original Policy Bond;
- For Death Benefit:
  - Original Policy Bond;
  - Death Certificate of the Life Insured; and
  - Claimant's Statement

The Company is entitled to call for additional documents based on the conditions among others the duration of the Policy and the circumstances of the death, accident or illness.

## **2.7 Notice**

Any notice to be given to You under the Policy will be issued by post or through electronic mail or telephone facsimile transmission to Your updated address/es in the records of The Company and is deemed to have been received by You within three business days after such dissemination. Any such notice will run from the time You are deemed to have received such notice.

## **2.8 Free look option**

If You disagree with any of the terms and conditions of the Policy, You have the option to return the original Policy Bond along with a letter stating reasons for the objection within 15 days of receipt of the Policy Bond ("the free look period"). The Policy will accordingly be cancelled and an amount equal to the sum of Premium Allocation Charge, Policy Administration Charge, deducted from the Policy and the Policy Fund Value less stamp duty and underwriting expenses incurred by The Company, will be refunded to the Policyholder. All the rights under the Policy shall stand extinguished immediately on the cancellation of the Policy under the Free Look Option.

## **SECTION 3: POLICY BENEFITS**

### **3.1 Death Benefit**

On admission of claim upon death of the Life Insured, during the Policy Benefit Period, Death Benefit payable to the Nominee will be the Policy Fund Value as on the date of intimation of death received by The Company.

The payment of Death Benefit is made by cancellation of the outstanding Units under the Policy. For the cancellation of Units, the applicable Unit Price would be computed in accordance with the provisions contained in Section 6.2

### **3.2 Vesting Benefit**

Subject to the Policy being in effect, the Policy shall vest on the Vesting Date and the Policyholder shall have the following options:

- a) To utilise the entire Policy Fund Value to purchase the then available annuity product of The Company or an annuity product of any other insurer (Open Market Option); or

- b) To utilise at least two-thirds of the Policy Fund Value, to purchase the then available annuity product of The Company or an annuity product of any other insurer (Open Market Option) and withdraw the balance amount.

The choice of any of the above options shall be intimated to The Company at least 90 days prior to the Vesting Date by the Policyholder. In the event the Policyholder exercises the option of purchasing an annuity product of another insurer, he/she shall intimate the decision to The Company. The Company shall then directly transfer the Vesting Benefit to the insurer chosen by the Policyholder.

### 3.3 Modification of the Vesting Date

The Policyholder has the option to modify the Vesting Date ('Modified Vesting Date') during the Policy Benefit Period. The Modified Vesting Date should however always fall within the Age of 45 and 80 years of the Policyholder and that the Policy should have completed a minimum of ten Policy Years as at the Modified Vesting Date.

Any change in the Vesting Date should be intimated by the Policyholder to The Company at least 90 days prior to the proposed Modified Vesting Date.

### 3.4 Special Additions

Subject to the Policy being in effect, Special Additions will be allocated to the Policy Fund Value on and from the tenth Policy Anniversary Date and on every Policy Anniversary Date thereafter, till the Vesting Date. This Allocation is done by creation of additional Units across the Investment Funds in the same proportion as the Investment Fund Allocation Instruction then in effect for the Policy. The Special Addition would be as follows:

On tenth Policy Anniversary Date and thereafter every Policy Anniversary Date till Vesting Date	0.10% of Average Policy Fund Value
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The Average Policy Fund Value is equal to the average of the Policy Fund Values as on the last date of each of the preceding 36 months.

### 3.5 Full Withdrawal of Units (Policy Surrender)

The Policyholder has the option to apply for the Surrender of the Policy at any time before the Vesting Date. Surrender of the Policy shall terminate the Policy and extinguish all Your rights, benefits and interests in the Policy.

On seeking surrender of the Policy, the Surrender Value is payable to You. Surrender Value is at all times equal to the Policy Fund Value less Surrender Charge applicable for the Policy Year on the date of request of surrender. Please refer Section 7.5 for Surrender Charges.

If the Policy is surrendered before the completion of three Policy Years then the surrender value calculated as at the date of request of such surrender by the Policyholder shall be frozen and shall become payable after the completion of three Policy Years.

### 3.6 Change in the Investment Fund Allocation (Premium Redirection)

The Investment Fund Allocation as chosen by You at the time of inception of the Policy can be modified only after the first Policy Year by submitting the Investment Fund Allocation Instruction. Units will be created in each of the prevalent Investment Funds for all the future premiums as per the modified Investment Fund Allocation Instruction.

The Investment Fund Allocation Instruction is subject to a minimum Allocation percentage in a chosen Investment Fund/s, which is currently 5%. Currently, the number of Investment Funds for Allocation are five. The change in the Investment Fund Allocation will be effective from the next premium due date.

## SECTION 4: POLICY PREMIUMS

- 4.1** Annualised Regular Premium (as per the applicable payment mode i.e. monthly/quarterly/half yearly /annual) and as mentioned in the Policy Specifications, is payable by the Policyholder on the due dates, which shall in no case be later than 30 days from the due date ('Grace Period').
- 4.2** Option of increasing the Annualised Regular Premium through Accumulator option: The Accumulator option can be availed by the Policyholder at the inception of the Policy whereby the Annualised Regular Premium payable by the Policyholder can be increased by a rate, compounded annually, as specified in the Policy Specifications (Accumulator Premium). The Policyholder is entitled to stop the 'Accumulator option' at any time during the Policy Benefit Period by giving written instruction to that effect to The Company, at least 2 months prior to the due date. In such an event, the Annualised Regular Premium paid on the last Policy Anniversary Date would be payable for the subsequent Policy Years. 'Accumulator option' cannot be availed again after it is discontinued by the Policyholder.
- 4.3** Single Premium or Annualised Regular Premium received by The Company (net of the relevant Premium Allocation Charge) will be used to create Units in the relevant Investment Funds for Allocation to the Policy Fund in accordance with the Fund Allocation Instruction then in effect under the Policy. The Units will be created on the Valuation Dates of the relevant Investment Fund/s as per the provisions of the section 6 contained herein.
- 4.4** Top Up Premium: At any time during the Policy Benefit Period after the completion of first Policy Year, You may in addition to Your Annualised Regular Premium or Single Premium, apply for payment of Top Up Premium, subject to the following conditions:
- The Policy is in effect; and
  - Annualised Regular Premium due till the date of the application has been paid in full;

As per the applicable administrative rules of The Company, the minimum amount of Top Up Premium permissible is Rs.2500.

The creation of Units for the Top Up Premium (net of the relevant Premium Allocation Charge) in the relevant Investment Funds will be made in accordance with the Investment Fund Allocation Instructions for that particular Top Up Premium. The Units will be created on the Valuation Dates of the relevant Investment Funds as per the provisions mentioned in Section 6 herein.

Where the instruction for the Investment Fund Allocations is not received for the Top Up Premium, the investment Allocation shall be made in accordance with the Investment Fund Allocation Instruction then in effect under the Policy for the Annualised Regular Premium. No withdrawals can be made for the Top Up Premium paid during the Policy Benefit Period.

- 4.5** Change in Annualised Regular Premium: You may apply for change of the Annualised Regular Premium of the basic product from the one stated by You in the proposal form after the completion of two Policy Years, provided the Policy is in effect and change in the Annualised Regular Premium is in multiples of Rs.1, 000. Such a change will be allowed with effect from the Policy Anniversary immediately succeeding the receipt of Your application.

During the **3rd policy year**, the Annualised Regular Premium can be reduced such that the revised Annualised Regular Premium is at least higher of:

- **75%** of first year Annualised Regular Premium, or
- Minimum Annualised Regular Premium.

However from 4<sup>th</sup> Policy Year onwards the reduction in Annualised Regular Premium of the basic plan shall be subject to the administrative rules of minimum Annualised Regular Premium. The current limit on the minimum Annualised Regular Premium is Rs.12, 000.

## **4.6 Discontinuance of Premium**

### **a. Discontinuance of premium within three Policy Years**

If any premium due within the first three Policy Years remains unpaid even after the grace period of 30 days from the date of such unpaid Premium ('Lapse Date') the Policy will lapse.

Death Benefit (as in section 3.1) payable during the grace period will be reduced by the outstanding Policy Charges.

**Reinstatement of the Policy:** The Policyholder can apply for reinstatement of the lapsed Policy within two years from the date of the first unpaid premium ("Reinstatement Period"). Such reinstatement shall be subject to payment in full of an amount equal to all the premiums due but unpaid till the Effective Date of reinstatement.

The Effective Date of Reinstatement is the date on which the above requirements are met and approved by The Company. On this date, all outstanding Policy Charges shall be deducted from the above payment for the period between the Lapse Date and the Effective Date of Reinstatement.

In case of surrender of the Policy during the Reinstatement Period, the Policy Fund Value as on the date of Surrender net of Surrender Charge and all relevant outstanding charges applicable on the Lapse Date shall be payable on the date of request of the Surrender or at the completion of the third Policy Year, whichever is later.

In case of death of the Life Insured during the time allowed for Reinstatement of a lapsed Policy, the Policy Fund Value will be paid and the policy will cease to exist.

If the Policy is not reinstated during the Reinstatement Period, the Policy will stand terminated and the Policy Fund Value as at the expiry of Reinstatement Period net of Surrender Charge as on the Lapse Date shall be payable at the completion of the third Policy Year or at the end of the Reinstatement Period, whichever is later.

### **b. Discontinuance of premium after three Policy Years**

If all the due premiums have been paid for atleast three consecutive Policy Years from the Policy Date and subsequent premiums are unpaid, You may reinstate the Policy within two years from the date of first unpaid premium. Such reinstatement can only be made by paying all the unpaid premiums and the appropriate Premium Allocation Charge shall be deducted from the abovementioned payment. During the period allowed for reinstatement, the Policy shall continue to be in effect by levying applicable Policy Charges. At the end of the allowed period for reinstatement, if the Policy is not reinstated the Policy shall be terminated by paying the Surrender Value. In the event of death during the allowed period of reinstatement, the benefits payable shall be as per section 3.1, and the Policy will thereafter cease to exist.

Where the Policy Fund Value falls to the level of an amount equal to the sum of one Annualised Regular Premium of the Basic Plan and applicable Surrender Charge, the Policy shall stand terminated on such date and only Surrender Value shall be paid.

## **SECTION 5: INVESTMENT FUNDS**

**5.1** The Company holds legal and beneficial interests in the assets of each Investment Fund and has sole discretion on the investment and the management of each Investment Fund within the defined asset portfolio Allocation as set out under section 5.2. The five Investment Funds currently offered under the Policy by The Company are – Growth Opportunities Pension Fund, Grow Money Pension Fund, Save'n'grow Money Pension Fund, Steady Money Pension Fund and Safe Money Pension Fund.

**5.2** The Company will manage the investment mix of each of the Investment Fund according to the following indicative schedule:

	Investment Fund Options				
	Growth Opportunities Pension Fund	Grow Money Pension Fund	Steady Money Pension Fund	Save'n'grow Money Pension Fund	Safe Money Pension Fund
Listed equities	80%-100%	80%-100%	N.A.	0%-60%	N.A.
Government bonds and securities	N.A.	N.A.	20%-80%	0%-40%	0%-60%
Corporate bonds rated AA or above or any other equivalent rating by CRISIL or any other approved rating agency and Bank Deposits	N.A.	N.A.	20%-80%	0%-50%	0-60%
Cash and money market securities	0 – 40%	0%-40%	0%-40%	0%-40%	0-40%

### 5.3 Investment Objectives of the Investment Funds

Investment Fund	Objective	Risk Profile
Grow Money Pension Fund	To provide long term capital appreciation through investing across a diversified high quality equity portfolio	High
Save'n'grow Money Pension Fund	To provide steady accumulation of income in medium to long term by investing in high quality debt papers and government securities and a limited opportunity of capital appreciation. This would be more of a defensively managed fund	Moderate
Steady Money Pension Fund	To provide steady accumulation of income in medium to long term by investing in high quality debt papers and government securities	Low
Growth Opportunities Pension Fund	To provide long term capital appreciation through investing in stocks across all market capitalization ranges (Large, Mid or small)	High
Safe Money Pension Fund	To provide capital protection through investments in low-risk money-market & short-term debt instruments with maturity of 1 year or lesser	Low

**Note:**

- Growth Opportunities Pension Fund, Grow Money Pension Fund, Save'n'grow Money Pension Fund, Steady Money Pension Fund and Safe Money Pension Fund are the names of the Investment Funds and do not in any manner indicate the quality of the Investment Funds, their future prospects or returns.
- Investments in the Investment Funds are subject to market and other risks and the achievement of the Objective of any of the Investment Funds cannot be assured.
- The Company may from time to time change the asset portfolio Allocation in the existing Investment Funds with the approval of the Insurance Regulatory and Development Authority.



## 5.4 Investment Fund Valuation

The valuation of assets under each Investment Fund will be done in accordance with the regulations issued by the Insurance Regulatory and Development Authority ('IRDA') in that regard (and is subject to change in accordance with the changes in regulations) and the internal rules of The Company.

The Unit Price shall be computed based on whether The Company is purchasing (appropriation price) or selling (expropriation price) the assets in order to meet the day to day transactions of Unit Allocations and Unit redemptions i.e. The Company shall be required to sell/purchase the assets if Unit redemptions/Allocations exceed Unit Allocations/redemptions at the Valuation Date.

The Appropriation price shall apply in a situation when The Company is required to purchase the assets to allocate the Units at the Valuation Date. This shall be the amount of money that The Company should put into the fund in respect of each Unit it allocates in order to preserve the interests of the existing Policyholders. The Unit Price will be computed as follows: Market value of investment held by the 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 Charge less the value of any current liabilities less provisions, if any. This gives the net asset value of the Fund. Dividing it by the number of Units existing at the Valuation Date (before any new Units are allocated), gives the Unit Price of the fund under consideration.

The Expropriation price shall apply in a situation when The Company is required to sell assets to redeem the Units at the Valuation Date. This shall be the amount of money that The Company should take out of the fund in respect of each Unit it cancels in order to preserve the interests of the continuing Policyholders. The Unit Price will be computed as follows: Market Value of investment held by the Investment Fund less the expenses incurred in the 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 net asset value of the fund. Dividing it by the number of Units existing at the Valuation Date (before any Units are redeemed), gives the Unit Price of the fund under consideration.

The Company is aiming to value the Investment Funds on each day the financial markets are open. The Company however, reserves the right to value less frequently in extreme circumstances, where the value of the assets may be too uncertain. In such circumstances The Company may defer valuation of assets until normalcy returns. Examples of such circumstances are:

- a) When one or more stock exchanges which provide a basis for valuation for a substantial portion of the assets of the fund are closed other than for ordinary holidays.
- b) When, as a result of political, economic, monetary or any circumstances out of the control of The Company, the disposal of the assets of the Investment Fund is not reasonable or would not reasonably be practicable without being detrimental to the interests of the remaining Policyholders who have invested in the Investment Fund;
- c) During periods of extreme volatility of markets during which surrenders and switches would, in the opinion of The Company, be detrimental to the interests of the existing Policyholders invested in the Investment Fund;
- d) In case of natural calamities, strikes, war, civil unrest, riots and bandhs;
- e) In event of any force majeure or disaster that affects our normal functioning;
- f) If so advised by the Insurance Regulatory and Development Authority.

## 5.5 Investment Fund Addition

The Company may from time to time create and add new Investment Funds with different fees/ charges with the approval of the Insurance Regulatory and Development Authority and consequently, new Investment Funds may be made available to You. All provisions of the Policy will apply to such new Investment Funds unless stated otherwise.

## 5.6 Investment Fund Closure

The Company reserves the right to close any Investment Fund at any time by giving a three month written notice of its intention to close an Investment Fund and from the date of such closure The Company will cease

to create or cancel Units in the said Investment Fund ('Closing Investment Fund').

Closure of an Investment Fund will be on the happening of an event which in the sole opinion of The Company requires the said Investment Fund to be closed and such closure of an Investment Fund shall be subject to prior approval of Insurance Regulatory and Development Authority. The Company will require the Policyholder who has invested in the Closing Investment Fund to replace it with another Investment Fund/s ('Replacing Investment Fund') in the form specified by The Company and before the date specified in the written notice of The Company. Upon receiving Your notification, Units in the Closing Investment Fund allocated to this Policy will be cancelled on the last Valuation Date of the Closing Investment Fund. The Company will replace the Closing Investment Fund with the Replacing Investment Fund/s chosen by You, by creating Units in the Replacing Investment Fund/s, with proceeds from the cancellation of Units in the Closing Investment Fund on the last Valuation Date of the Closing Investment Fund.

If The Company has not received valid notice from You for modification of Your Investment Fund Allocation by the time of closure of the Closing Investment Fund, The Company will:

- switch Your funds from the Closing Investment Fund to the most conservative Investment Fund then available; and
- change Your Investment Fund Allocation in such a way that the percentage allocated to the Closing Investment Fund is added to the percentage allocated to the most conservative Investment Fund option then available. Currently the most conservative Investment Fund option is Safe Money Pension Fund. The Company would however declare the most conservative Investment Fund option from time to time depending upon its then current Investment profile.

## **5.7 Switch amongst Investment Funds**

You can apply for Switch of Your Investment Fund/s from one Investment Fund to another through a Switch Application Form specified by The Company. The facility of Switch would be subject to the administrative rules of The Company, existing at the time of Your Switch application. Switch of funds will be effected at a Unit Price declared on the date Your Switch application is received and accepted by The Company before 3.00 p.m. and on the next day's Unit Price declared if the application is received and accepted at The Company after 3.00 p.m. You are entitled to make four Switches per Policy Year free of charge. Every additional Switch in a Policy Year would be subject to a charge as mentioned in Section 7. Unutilised switches of any Policy Year cannot be carried forward to the succeeding Policy Years. The minimum amount of a switch transaction should be Rs.2, 500.

## **5.8 Risks of investments**

Investments in any of the Investment Funds are subject to the following, amongst other risks:

- The premium paid in Unit Linked 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 and the insured is responsible for his/her decisions.
- The past performance of these or other Investment Funds of The Company do not indicate the future performance of these Investment Funds.
- The investment risk in investment portfolio is borne by the Policyholder.

## **SECTION 6: UNITS**

### **6.1 Creation of Units**

The Units shall be created based on the Unit Price.

Units will be created in the Investment Fund/s on receipt by The Company of the premium / Single Premium along with a local cheque/demand draft payable at par at the place where the premium/application for switch is received on the following basis:

- the same day's closing Unit Price shall be applicable if received by 3.00 p.m.
- the next day's closing Unit Price shall be applicable if received after 3.00 p.m.

In respect of premiums received with outstation cheques/demand drafts at the place where the premium is received, the closing Unit Price of the day on which cheques/demand draft is realised shall be applicable. In case the premium is paid in advance, Units will be created only on the due date. No interest shall be payable on premium paid in advance.

## 6.2 Cancellation of Units

Units will be cancelled from the Investment Funds, wherein an application (including claims, surrender, Policy closure, switch request, partial withdrawal) is received by The Company:

- by 3.00 p.m.: the same day's closing Unit Price shall be applicable.
- after 3.00 p.m.: the next day's closing Unit Price shall be applicable.

Under extraordinary circumstances, such as extreme volatility of the value of the investments of the Investment Funds The Company may delay cancellation of Units from an Investment Fund if it is necessary to do so in order to maintain fairness and equity between Policyholders remaining in that Investment Fund and the Policyholders leaving that Investment Fund. Where this applies, The Company may delay cancellation of all or part of the Investment Funds for upto 30 days. If The Company delays the cancellation, The Company will use the Unit Prices that apply on the day on which the cancellation actually takes place.

## SECTION 7: POLICY CHARGES

### 7.1 Premium Allocation Charge

The Premium Allocation Charge is a charge levied at the time of receipt of premium. This charge is recovered as a percentage of the Annualised Regular Premium/ Single Premium of the basic product received by The Company. The balance, known as Allocation amount, is utilised to purchase Units for the Policy in accordance with the Investment Fund Allocation mentioned by You.

#### a) Annualised Regular Premium

Premium Allocation Charge shall be applied as per the following matrix:

Premium band (1)	Policy Year/ Annualised Regular Premium (excluding Accumulator Premium) (2)	<sup>st</sup> 1 Year (3)	<sup>nd</sup> 2 year (4)	<sup>rd</sup> 3 year (5)	<sup>th</sup> <sup>th</sup> 4 -5 year (6)	<sup>th</sup> 6 year onwards (7)
Band 1	Rs.12000 – Rs.24999	21%	10%	8%	1%	0
Band 2	Rs 25000 – 49999	17%	10%	8%	1%	0
Band 3	Greater than or equal to Rs 50000	15%	10%	8%	1%	0

#### b) Premium Allocation Charge where Accumulator Option is opted

The Allocation charges for the additional premium will be as per the premium band applicable to the Annualised Regular Premium paid in the first Policy Year.

For the purpose of levying the Allocation Charge, every increase in Annualised Regular Premium over and above the previous year's Annualised Regular Premium shall be treated like a new Policy and shall follow the Premium Allocation Charge structure as per the table above.

**c) Single Premium:**

Policy Year / Single Premium	1st Year
Rs 25,000 – 99,999	6%
>= Rs100,000	2.5%

**d) Top Up Premium Allocation Charge: 2%.**

Service tax including cess and surcharge will be applicable on all Premium Allocation Charges as per the prevailing rates and will be deducted from the Annualised Regular Premium/ Single Premium/Top Up Premium.

**7.2 Policy Administration Charge**

The Policy Administration Charge will be deducted by cancellation of Units at the prevailing Unit Price on the corresponding Policy Date in each Policy Month. This charge in any Policy Year shall not be more than an amount equal to the compounded value of current charge at a rate of 5% (applicable from December 2007). The current Policy administrative charge is Rs.30 per month. Service tax including cess and surcharge will be applicable on the Policy Administration Charge as per the prevailing rates and will be deducted by cancellation of Units from the Policy Fund Value.

**7.3 Fund Management Charge**

The Fund Management Charge is levied at the time of computation of Unit Price and is levied at the rate of 1.75% per annum for the Growth Opportunities Pension Fund, 1.50% per annum for the Grow Money Pension Fund, 1.25% per annum for the Save'n'grow Money Pension Fund, 1.00% per annum for the Steady Money Pension Fund and 1.00% per annum for the Safe Money Pension Fund. The Fund Management Charge will be charged by adjustment of the Units Prices on each Valuation Date. This charge shall not exceed 2.50% per annum for the Growth Opportunities Pension Fund & the Grow Money Pension Fund, 2.00% for Save'n'grow Money Pension Fund and 1.75% for Steady Money Pension Fund and Safe Money Pension Fund. Service tax including cess and surcharge will be applicable on the Fund Management charge as per the prevailing rates and will be levied at the time of computation of Unit Price and adjusted in the Unit Price calculation.

**7.4 Surrender Charge**

The Surrender Charge to be levied may vary based on the duration of the Policy and is levied as a percentage of the Policy Fund Value, at the time of surrender. The Surrender Charges are as follows:

Policy Year	Surrender Charge (Annualised Regular Premium)	Surrender Charge (Single Premium)
1 <sup>st</sup> year	100% of the Policy Fund Value	NA
2 <sup>nd</sup> year	25% of the Policy Fund Value	NA
3 <sup>rd</sup> year	12% of the Policy Fund Value	NA
4 <sup>th</sup> year	8% of the Policy Fund Value	2% of the Policy Fund Value
5 <sup>th</sup> year	5% of the Policy Fund Value	1% of the Policy Fund Value
6 <sup>th</sup> year onwards	NIL (Policy Fund Value is the surrender value)	NIL (Policy Fund Value is the surrender value)

In case of Single Premium, the Policy acquires a Surrender Value from the second Policy Year. If the Policyholder surrenders the Policy during the second or third Policy Year, then a Surrender Value equal to the Policy Fund Value as on date of surrender will be payable at the beginning of the fourth Policy Year, after deduction of Surrender Charge applicable for the fourth Policy Year.

Service tax including cess and surcharge will be applicable on the Surrender Charge as per the prevailing rates (only at the time of surrender of the Policy) and will be deducted from the Policy Fund Value on the date when Surrender Value is paid

### **7.5 Switch Charge**

Four Switches amongst Investment Funds are free of charge per Policy Year. Every additional Switch in a Policy Year would be subject to a charge which is currently at Rs.100/per switch; the same shall however not exceed Rs.300/per switch. Service tax including cess and surcharge will be applicable on the Switch Charge as per the prevailing rates.

## **SECTION 8: TERMINATION OF THE POLICY**

The Policy will terminate on the earliest of the following:

- The date The Company receives Your application for Surrender of the Policy;
- The Vesting Date of the Policy as per Section 3.2;
- The date of intimation of the death of the Life Insured;
- The date of happening of the event/s as mentioned in Section 4.6;
- The date on which the Policy Fund Value becomes inadequate for the deduction of the relevant Policy Charges or becomes equal to the sum of one year's Annualised Regular Premium of the basic plan and applicable Surrender Charge whichever happens earlier

## **SECTION 9: OTHER PROVISIONS**

### **9.1 Taxation**

The tax benefits on the Policy would be as per the prevailing tax law provisions in India. If required by the relevant legislations prevailing from time to time, The Company will withhold taxes from the benefits payable under the Policy.

The Company reserves the right to recover statutory levies including service tax by way of adjustment of the premiums paid by You or make necessary recoveries from the Policy Fund Value. As per the current laws, Service Tax including cess and surcharge at prevailing rates will be levied on all charges and any amount that is not allocated to Investment Funds in this Policy.

### **9.2 Currency and Place of Payment**

All payments to or by The Company will be in Indian rupees and shall be in accordance with the prevailing Exchange Control regulations and other relevant laws of India.

### **9.3 Unit Statement**

Unit Statement is a statement of Units held under the Policy and shall be issued as on every Policy Anniversary Date and as and when transactions such as switch of Investment Funds, Top Up Premium or Partial Withdrawal are affected.

### **9.4 Customer Service**

You can seek clarification or assistance on the Policy from the following:

- The Agent from whom the Policy was bought
- The Customer Service Representative of The Company at toll free no. 1800 102 4444
- SMS "SERVICE" to 56677
- Email: [service@bharti-axalife.com](mailto:service@bharti-axalife.com)
- Mail to: Customer Service  
Bharti AXA Life Insurance Company Ltd.  
Unit no 601 & 602, 6th floor Raheja Titanium,  
Off Western Express Highway,  
Goregaon (E), Mumbai-400 063

## 9.5 Grievance Redressal

1. In case you have any query or complaint/grievance, you may approach our office at the following address:

Bharti AXA Life Insurance Company Ltd.  
Unit No. 601 & 602, 6th floor, Raheja Titanium,  
Off Western Express Highway,  
Goregaon (E), Mumbai-400 063

Contact No: Toll Free no.: 1800 102 4444  
Email ID: complaints.unit@bharti-axalife.com  
www.bharti-axalife.com

2. In case you are not satisfied with the decision of the above office, or have not received any response within 10 days, you may contact the following official for resolution:

Complaint Redressal Officer

Contact No: Toll Free no.: 1800 102 4444  
Email ID: cro@bharti-axalife.com

3. In case you are not satisfied with the decision/resolution of the Company, you may approach the Insurance Ombudsman at the address given below if your grievance pertains to:

- Insurance claim that has been rejected or dispute of a claim on legal construction of the policy
- Delay in settlement of claim
- Dispute with regard to premium
- Non-receipt of your insurance document

Address of the Insurance Ombudsman:

Office of the Insurance Ombudsman,  
Jeevan Seva Annexe, 3<sup>rd</sup> Floor, S.V.Road, Santacruz (W),  
MUMBAI – 400 054

Contact No: 022 - 26106928  
Email ID: ombudsman@vsnl.net

4. The complaint should be made in writing duly signed by the complainant or by his legal heirs with full details of the complaint and the contact information of complainant.
5. As per provision 13(3) of the Redressal of Public Grievances Rules 1998, the complaint to the Ombudsman can be made
- only if the grievance has been rejected by the Grievance Redressal Machinery of the Insurer
  - within a period of one year from the date of rejection by the insurer
  - if it is not simultaneously under any litigation.

A detailed list of all ombudsmen is also mentioned below:

Office of the Ombudsman	Name of the Ombudsmen	Contact Details	Areas of Jurisdiction
AHMEDABAD	Shri Amitabh	Insurance Ombudsman Office of the Insurance Ombudsman 2 nd floor, Ambica House Nr. C.U.Shah College 5, Navyug Colony, Ashram Road, <b>AHMEDABAD – 380 014</b>	Gujarat , UT of Dadra & Nagar Haveli, Daman and Diu

		Tel.079- 27546150 Fax:079-27546142 E-mail:insombahd@rediffmail.com	
BHOPAL	Shri N.A.Khan	Insurance Ombudsman Office of the Insurance Ombudsman Janak Vihar Complex, 2 nd floor Malviya Nagar, <b>BHOPAL</b>  Tel. 0755-2769201/02 Fax:0755-2769203 E-mail: bimalokpalbhopal@airtelbroadband.in	Madhya Pradesh & Chhattisgarh
BHUBANESHWAR	Shri S.K.Dhal	Insurance Ombudsman Office of the Insurance Ombudsman 62, Forest Park <b>BHUBANESHWAR – 751 009</b>  Tel.0674-2596461(Direct) Secretary No.:0674-2596455 Tele Fax - 0674-2596429 E-mail: ioobbsr@dataone.in	Orissa
CHANDIGARH	Shri K.M.Chadha	Insurance Ombudsman Office of the Insurance Ombudsman S.C.O. No.101, 102 & 103 2 nd floor, Batra Building Sector 17-D , <b>CHANDIGARH – 160 017</b>  Tel.: 0172-2706196 Fax: 0172-2708274 E-mail: ombchd@yahoo.co.in	Punjab , Haryana, Himachal Pradesh, Jammu & Kashmir , UT of Chandigarh
CHENNAI	Shri K.Sridhar	Insurance Ombudsman Office of the Insurance Ombudsman Fatima Akhtar Court , 4th floor, 453 (old 312) Anna Salai, Teynampet, <b>CHENNAI – 600 018</b>  Tel. 044-24333678 Fax: 044-24333664 E-mail: insombud@md4.vsnl.net.in	Tamil Nadu, UT –Pondicherry Town and Karaikal (which are part of UT of Pondicherry)
NEW DELHI	Sri P.K.Mishra	Insurance Ombudsman Office of the Insurance Ombudsman 2/2 A, Universal Insurance Bldg. Asaf Ali Road <b>NEW DELHI – 110 002</b>  Tel. 011-23239611 Fax: 011-23230858 E-mail: iobdelraj@rediffmail.com	Delhi & Rajashthan
GUWAHATI	Shri Sarat Chandra Sarma	Insurance Ombudsman Office of the Insurance Ombudsman Jeevan Nivesh, 5th floor Nr. Panbazar Overbridge , S.S. Road <b>GUWAHATI – 781 001</b>  Tel. : 0361-2131307 Fax:0361-2732937 E-mail: omb_ghy@sify.com	Assam , Meghalaya, Manipur, Mizoram, Arunachal Pradesh, Nagaland and Tripura
HYDERABAD	Shri P.A.Chowdary	Insurance Ombudsman Office of the Insurance Ombudsman 6-2-46 , 1 st floor, Moin Court Lane Opp. Saleem Function Palace, A.C.Guards, Lakdi-Ka-Pool <b>HYDERABAD – 500 004</b>  Tel. 040-23325325 Fax: 040-23376599 E-mail: hyd2_insombud@sancharnet.in	Andhra Pradesh, Karnataka and UT of Yanam – a part of the UT of Pondicherry

ERNAKULAM	Shri James Muricken	Insurance Ombudsman Office of the Insurance Ombudsman 2 ND Floor, CC 27/2603, Pulinat Building , Opp. Cochin Shipyard, M.G. Road , <b>ERNAKULAM – 682 015</b> Tel: 0484-2358734 Fax:0484-2359336 E-mail: iokochi@asianetglobal.com	Kerala , UT of (a) Lakshadweep , (b) Mahe – a part of UT of Pondicherry
KOLKATA	Shri K.Rangabhashyam	Insurance Ombudsman Office of the Insurance Ombudsman North British Bldg. 29, N.S. Road , 3 rd floor, <b>KOLKATA – 700 001</b> Tel.:033-22134869 Fax: 033-22134868 E-mail : iombkol@vsnl.net	West Bengal , Bihar , Jharkhand and UT of Andaman & Nicobar Islands , Sikkim
LUCKNOW	Shri M.S.Pratap	Insurance Ombudsman Office of the Insurance Ombudsman Jeevan Bhawan, Phase 2, 6 th floor, Nawal Kishore Rd. Hazratganj, <b>LUCKNOW – 226 001</b> Tel.:0522-2201188 Fax: 0522-2231310 E-mail: ioblko@sancharnet.in	Uttar Pradesh and Uttaranchal
MUMBAI	Shri R.K.Vashishtha	Insurance Ombudsman Office of the Insurance Ombudsman, Jeevan Seva Annexe, 3 rd floor, S.V.Road, Santacruz(W), <b>MUMBAI – 400 054</b> PBX: 022-26106928 Fax: 022-26106052 E-mail: ombudsman@vsnl.net	Maharashtra , Goa