



STANDARD TERMS & CONDITIONS

Base Plan - LifeSaver

Article 1 General Provisions

The Insurance provided by Aviva Life Insurance Company India Private Limited (hereinafter called the "Company") is based upon the signed, dated and completed Proposal (hereinafter the "Proposal") and is as detailed in the Policy Document, which comprises the Standard Terms and Conditions, the Special Terms and Conditions appearing in Riders (if any), the Rules for the Investment Funds, the Schedule, and the Proposal.

Article 2 Definitions

The terms defined below have the meanings ascribed to them wherever they appear in this Policy Document and, where appropriate, references to the singular include references to the plural; references to the male include the female, and references to any statutory enactment includes references to amendments to the same:

Policyholder	An adult as named in the Schedule who has concluded the Insurance with the Company or the adult as named in the Schedule who owns the Insurance.
Insured	A person as named in the Schedule whose life is the object of the Insurance.
Nominee	(Where applicable) a person whose name has been nominated in writing to the company by the Insured Policyholder who is entitled to receive a benefit upon the death of the Insured in accordance with Section 39 of Insurance Act 1938.
Claimant	The Policyholder, Nominee or any other legally interested person (for example, the heir or personal representative of a deceased Insured) who wishes to make a claim for payment of any benefits under the Insurance.
Schedule	The schedule and any endorsements thereto issued by the Company to evidence the Insurance, and, if more than one, then the latest in time.
Sum Insured	The minimum guaranteed benefit payable upon death of the Insured as specified in the Schedule, subject to the payment of Regular Premium.
Premium Payment Term	The period between the Commencement Date and the Maturity Date as shown in the Schedule.
Maturity Date	The date as shown in the Schedule on which the benefits become payable

	provided the Insured is still living.
Regular Premium	Premiums payable by the Policyholder in regular instalments in the amounts, in the manner, at the intervals and in the method specified in the Schedule.
Additional Regular Premium	An increase to the Regular Premium payable by the Policyholder other than as a result of Indexation.
Additional Single Premium	Premium paid by the Policyholder in the form of a single payment separately from and in addition to the required Regular Premium.
Unit Linked Fund	An internal Investment Fund established for the express purpose of this Insurance and run according to Articles 27,28, 29and 30.
With Profits Fund	An internal Investment Fund established for the express purpose of this Insurance and run according to Article 31.
Unit	A proportionate part of an Investment Fund solely for the purpose of establishing the benefits under this Insurance
Initial Unit	A Unit allocated in respect of payment of Regular Premiums during the first two years of the Insurance or during the first two years of an Indexation or any other increase to the Regular Premium.
Accumulation Unit	A Unit allocated in respect of payment of Regular Premiums after the first two years of the Insurance or after the first two years of an Indexation or any other increase to the Regular Premium or by payment of an Additional Single Premium.
Unit Account	An individual account administered by the Company for a given Insurance and consisting of Units of individual Investment Funds allocated in respect of Regular Premiums, Additional Regular Premiums, and any Additional Single Premiums paid.
Early Redemption Charge	A deduction to the Policy Value based on the number of Initial Units in the Unit Account on termination of the Insurance or on conversion to a Paid Up Insurance before the end of the Premium Payment Term.
Purchase Price	The price at which the Company allocates Units in the Investment Fund on that day.
Selling Price	The price at which the Company cancels Units in the Investment Fund on that day.
Policy Value	The total number of Initial and Accumulation Units held in the Unit Account multiplied by their respective Selling Price.
Commencement Date	The commencement date of the Insurance as specified in the Schedule.
Anniversary	The annual anniversary of the Commencement Date.
Policy Year	The year commencing on the Commencement Date or an Anniversary thereof.

Rider	An additional insurance attached to and forming part of the Insurance.
Valuation Date	The date on which the assets to which the Investment Fund is referenced are valued and the date on which the Purchase and Selling Prices of Units are determined.
Age:	Age last birthday.

Article 3 Medical Evidence

- 3.1 The Company reserves the right to obtain additional medical or other evidence including medical examinations or tests in order to assess the condition of the health of the person to be Insured under the Insurance.
- 3.2 All medical information provided in connection with the proposal for Insurance will be used confidentially by the Company for the assessment of any risk.

Article 4 Regular Premium

- 4.1 It is a condition precedent to the Company's liability to make payment under this Insurance that there has been payment of Regular Premium by the Policyholder. If the Regular Premium is not paid in the manner or amount or at the time provided for, then the Company will allow a period of grace of thirty days from the date upon which the Regular Premium should have been paid within which the default shall be rectified, and if not rectified then the provisions of Article 7 below shall apply.

Article 5 Additional Regular Premium

- 5.1 Notwithstanding the provisions of Article 12 the Policyholder has the right to increase the level of the Regular Premium subject to the minimum required amount and procedures established by the Company.
- 5.2 If the Company's agreement to Additional Regular Premium would have the effect of increasing the Sum Insured, then such proposed increase to the Sum Insured will be subject to the requirements set out in Article 38.1 .
- 5.3 Any agreed changes to the amount of the Regular Premium become effective on the next following Anniversary subject to the condition that the written request is delivered to the Company at least thirty days before the Anniversary.

Article 6 Additional Single Premiums

- 6.1 Additional Single Premiums may be paid at any time during the Premium Payment Term provided that no Regular Premium payments are outstanding. The Additional Single

Premium must be paid in accordance with procedures established by the Company and may not be less than the minimum Additional Single Premium required by the Company at the date of payment.

- 6.2 The payment of Additional Single Premium does not discharge the obligation of the Policyholder to make Regular Premium payments.
- 6.3 The payment of Additional Single Premiums does not affect the amount of Sum Insured or any attached Riders.
- 6.4 All Additional Single Premiums payable to the Company must be paid to the Company in a payment method approved by the Company and received at the Company's address as stated in the Schedule.

Article 7 Non Payment of the Premium and Non-Forfeiture Provisions

- 7.1 If an instalment of Regular Premium is not paid within the period of grace from its due date as defined in Article 4.1 and the due date is less than 24 months from the Commencement Date then the Insurance will be deemed to have immediately lapsed without value. If any Additional Single Premium has been paid the surrender value of all Units held in the Unit Account in respect of the Additional Single Premium at the date the Insurance lapsed will be paid subject to Article 13.
- 7.2 If the due date of the Regular Premium is more than 24 months from the Commencement Date then at the end of the period of grace provided the value of Units in the Unit Account in respect of Regular Premiums is higher than the minimum amount established by the Company, the Insurance will be converted to a paid up insurance where the Sum Insured is maintained as specified in the default provision in Article 14.3.
- 7.3 If at the end of the period of grace the value of Units in the Unit Account in respect of Regular Premiums is less than the minimum amount determined by the Company, the Insurance will lapse and a surrender value as specified in Article 13 will be paid.
- 7.4 During the period of grace and after (where Article 7.2 is in operation) the charges described in Articles 18.8, 18.9 and 18.10 will continue to be made.

Article 8 Incorrect Information and Misrepresentation

- 8.1 The Company agrees not to exercise its right to avoid this Insurance where it is alleged that there has been non-disclosure or misrepresentation of facts or untrue statements in the Proposal provided always that the Policyholder shall establish to the Company's satisfaction that such alleged non-disclosure, misrepresentation or untrue statement was free of any dishonesty, fraudulent intent or intent to deceive. If the Policyholder is able to establish to the Company's satisfaction that there was no dishonesty, fraudulent intent or intent to deceive, then the actual level of any and all benefits or part thereof payable hereunder shall be reduced to the level that the Company specifies would have existed but for the non-disclosure, misrepresentation or untrue statement.

Article 9 Benefits

9.1 Subject to admission of the claim by the Company and to Article 16, upon the death of the Insured in the case of a single life and upon the first death of the joint Insured in the case of a joint life before the Maturity Date, the Company will be liable to pay no more than the value as at the date of notification of death of Accumulation Units accruing from the payment of any Additional Single Premium (if any), and, provided Regular Premium has been paid, the greater of:

9.1.1 the Sum Insured, and

9.1.2 the Policy Value (excluding any Accumulation Units accruing from the payment of any Additional Single Premium) as at the date of notification of death.

Upon the death of the Insured in the case of a single life and upon the first death of the joint Insured in the case of a joint life before the Maturity Date there shall be no right to payment under Article 9.2.

9.2 Subject to Article 16, if the life Insured in the case of a single life or both of the lives Insured in the case of joint life is living on the Maturity Date, the Company will be liable to pay only the current Policy Value in respect of Regular Premiums, Additional Regular Premiums and Additional Single Premiums, if any. Alternatively, the Policyholder may elect to retain the Policy Value in a Paid Up Insurance in which case he may avail of the Policy Value as and when he desires subject to Articles 31.10 and 31.11.

Article 10 Nominees

10.1 Where the Insured is also the Policyholder, he or she has the right to the benefits under the Insurance but may nominate one or more Nominees for the death benefit in accordance with Section 39 of the Insurance Act 1938. This Article shall not apply when the Policyholder and the Insured are different persons.

10.2 The Policyholder has the right to change the nominated Nominees.

10.3 A nomination or a change to the nomination must be incorporated in or endorsed on the Policy Document. Such nomination or change of nomination will only become effective when it has been communicated to and registered by the Company.

10.4 Where a nominated Nominee dies prior to the death benefit becoming payable then benefits shall be paid to the Insured's other Nominees (in proportion to their designated shares of the death benefit), or if no other Nominees have been designated, to the Insured's successors in accordance with applicable Indian law.

10.5 A transfer or assignment of the Insurance shall automatically cancel all nominations.

10.6 Payment of benefits made before the Company receives written notice of a valid claim by another person releases the Company from further obligation.

Article 11 Exclusions

- 11.1 If the Insured's death is due to suicide during the first twelve months from the Commencement Date the Company will only pay the surrender value at the date of death calculated in accordance with Article 13.

Article 12 Indexation

- 12.1 At each Anniversary up to three years before the end of the Premium Payment Term or twenty-seventh Anniversary whichever is earlier the Regular Premium, the Sum Insured and all attached Riders will be increased by an inflation adjustment as determined by the Company. No evidence of health shall be required.
- 12.2 The Company will notify the Policyholder in writing, before the Anniversary, about the amount of the increased Sum Insured and Regular Premium.
- 12.3 The Policyholder has the right to decline to increase the Regular Premium at any given Anniversary in which event the Sum Insured and any attached Riders will not be increased. This decision must be delivered to the Company not later than 5 days before the Anniversary. Any later notification will not be valid. Where the Regular Premium is increased the Sum Insured and all attached Riders will be increased in the same proportion.
- 12.4 The right to future Indexation increases will not be lost if an increase is declined but no inflation adjustment beyond that for the policy year immediately prior to the Anniversary will be allowed.

Article 13 Full Surrender

- 13.1 Subject to Article 16, with effect from the commencement of the third Policy Year the Policyholder is entitled to receive a surrender value upon termination of the Insurance for any reason other than death of the Insured, provided that Regular Premiums have been paid for at least two full Policy Years.
- 13.2 The surrender value is equal to the surrender value of initial units, which is equal to the value of all initial units less an Early Redemption Charge determined at the time of surrender, and the value of all Accumulation Units in respect of Regular Premium.

- 13.3 In addition, on full surrender, the value of all Accumulation Units in respect of any Additional Single Premium will be paid subject to Article 13.4 below.
- 13.4 A surrender penalty deduction in accordance with the Company's Surrender Penalty Chart as published from time to time will be applied to the value of Units allocated in respect of Additional Single Premiums where they are surrendered within three years of the respective date of allocation .
- 13.5 Subject to Article 16, upon the termination of the Insurance prior to the second Anniversary, the Policyholder is entitled only to the value of current Units held in the Unit Account in respect of any Additional Single Premium subject to the surrender penalty deduction as described in Article 13.4.
- 13.6 The Company has a right to charge a fee to cover the administrative costs of processing the surrender.

Article 14 Paid Up Insurance and Reinstatement

- 14.1 Subject to Article 16, with effect from the commencement of the third Policy Year the Policyholder is entitled to convert the Insurance into a Paid Up Insurance, provided that the value of Units in respect of Regular Premiums, at the time of conversion, exceeds the minimum amount determined by the Company.
- 14.2 On conversion to a Paid Up Insurance all Initial Units held in the Unit Account are surrendered in accordance with Article 13.2 and any surrender value is used to purchase Accumulation Units at their Selling Price, which are then allocated to the Unit Account in respect of Regular Premiums.
- 14.3 On conversion to a Paid Up Insurance the Policyholder may elect to reduce the Sum Insured to zero and all Riders will be terminated and all charges as specified in Article 18 with the exception of the monthly charge for administration expenses (Article 18.8) and monthly charge for investment management (Article 18.9) will be terminated. If no such election is made or at the direction of the Policyholder the Sum Insured will be maintained at its current level and all charges will continue to be made till Policy Value in respect of Regular Premiums reduces to zero at which time the policy will terminate.
- 14.4 The monthly administration charge as described in Article 18.8 will continue to be deducted from the Units in the Unit account in respect of Regular Premiums but may be at a reduced level as determined by the Company.
- 14.5 Notwithstanding the above provisions of this Article, within six months from the deemed date of lapse (Article 7.1) or from the date of conversion into a Paid Up Insurance without

reduction of Sum Insured to zero, the Policyholder has the option to reinstate the Insurance and recommence paying Regular Premiums subject to the minimum required amount established by the Company at the time.

- 14.6 The Company reserves the right to obtain additional information before reinstating a Paid Up or lapsed Insurance, or any attached Riders. The Company reserves the right to decline to reinstate the death benefit and any attached Riders.
- 14.7 The Company has the right to charge a fee to cover the administrative costs of processing the reinstatement.

Article 15 Partial Surrender

- 15.1 Subject to Article 16, with effect from the commencement of the fourth Policy Year the Policyholder may cancel a portion of Accumulation Units held in the Unit Account in respect of the Regular Premiums, any number of times subject to a minimum value of Units to be surrendered, and subject to the procedures established by the Company including the minimum value of Accumulation Units as specified by the Company that must remain in the Unit Account in respect of the Regular Premiums.
- 15.2 The Company reserves the right to reduce the Sum Insured accordingly after the partial surrender.
- 15.3 The Policyholder may cancel a portion of Accumulation Units held in the Unit Account in respect of any Additional Single Premium any number of times, subject to a minimum amount established by the Company. A surrender penalty as specified in Article 13.4 will be applied to the partial surrender.
- 15.4 The Company has the right to charge a fee to cover the administrative costs of processing the partial surrender.
- 15.5 The partial surrender will be processed using the Selling Price at the time of cancellation of Units.
- 15.6 No partial surrender shall be permissible after the date of death of the Insured in case of a single life and upon the first death of the joint Insured in the case of a joint life. If a partial surrender is made after the date of death, then the Company shall be entitled to deduct the value of the same from any death benefit payable under Article 9 above.

Article 16 Payment of Benefits and Dealings with the Insurance

- 16.1 It is a condition precedent to the Company's liability to make payment of any benefits:
- 16.1.1 in respect of the death of the Insured that it receives immediate written notice and in any event within three months of such death, and is provided with the opportunity of establishing to its satisfaction the date, circumstances and cause of the Insured's death, and
- 16.1.2 in respect of the payment of any other benefit that the Company receives written notice.
- 16.2 The Company shall be entitled to call for and the Claimant shall be obliged to provide the Company with such evidence, medical, legal or otherwise, as it may request in order to admit any claim under Articles 9, 13, or 15.

- 16.3 At the request of the Company, the Claimant shall provide such evidence in support of the claim to the Company at the expense of the Claimant.
- 16.4 The Company shall be entitled to investigate any claim and obtain all documents relating to the circumstances of the claim and the entitlement of the Claimant before payment of any benefits under or alterations to the Insurance and shall be entitled to receive all co-operation and assistance from the Claimant.
- 16.5 The Company shall be under no obligation to make any payment under this Policy until such time as the Claimant shall have provided it with all information and documentation requested by the Company in relation to both the claim and the Claimant's entitlement.
- 16.6 In particular, before any benefits under the Insurance are paid, the following (where applicable) must be submitted to the Company:
- The Policy Document
 - Proof as may be required by the Company of payment of all Regular Premiums due to date.
 - The evidence of date of birth.
 - The original or legalised copy of the death certificate and a medical report showing the cause of death and details of the commencement and development of any illness or medical condition that led to the death of the Insured.
 - The Company's claim form duly completed.
 - Any other document required by the Company in order to admit the claim and/or prove the entitlement of the Claimant.
- 16.7 The Company reserves the right to decrease the amount payable under any claim occurs during the period of grace by the amount of any unpaid premiums.

Article 17 Loss of the Policy Document

- 17.1 If the Policy Document is lost or destroyed, (subject to Article 17.3) at the request of the Policyholder the Company will issue a copy Policy Document duly endorsed to show that it is issued following the loss or destruction of the original document. The Company has the right to charge a fee for the issue of a copy Policy Document.
- 17.2 Upon the issue of a copy Policy Document the original Policy Document will cease to have any legal effect.
- 17.3 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 expense of the Policyholder, as it considers necessary before issuing a copy Policy Document.

Article 18 Unit Account and Charges

- 18.1 On the Commencement Date of the Insurance the Company shall open the Unit Account and on receipt of each premium shall notionally allocate to the Unit Account the number of Units, including parts of Units secured by the premium (after deduction of premium or

- any other applicable tax, if any) after adjusting for allocation rate at the next available Purchase Price of the Unit. Units will be allocated in the Investment Fund as specified in the Schedule.
- 18.2 All Regular Premiums due in the first two years from the Commencement Date will be used to allocate Initial Units.
- 18.3 All increases to the Regular Premium as a result of Indexation or an Additional Regular Premium due in the first two years from the commencement of such an increase to the Regular Premium will be used to allocate Initial Units.
- 18.4 All other Regular Premiums not covered by the provisions of Articles 18.2 and 18.3 above will be used to allocate Accumulation Units.
- 18.5 All Additional Single Premiums irrespective of the payment date will be used to allocate Accumulation Units.
- 18.6 No Units will be allocated before the Commencement Date of the Insurance or until the Regular Premium or Additional Single Premium has been received by the Company.
- 18.7 Each Policy Year a fixed percentage of Initial Units allocated to the Unit Account as determined by the Company will be cancelled as an initial management charge to recover the Company's initial expenses in issuing the Insurance. Initial Units will be cancelled monthly at their Selling Price for a period determined by the Company but not exceeding the thirtieth Policy Year or the earlier termination of the Insurance.
- 18.8 Each month an appropriate number of Accumulation Units including parts of Units allocated to the Unit Account in respect of Regular Premiums will be cancelled by the Company at their Selling Price such that the cash value of the cancelled Units is equal to the monthly charge to meet administration expenses, as determined by the Company. The amount of the monthly charge will be reviewed and adjusted annually by the Company having regard to expense inflation and any changes experienced by the Company in the cost of administration of policies. Any annual increase will be limited to 15% of the previous level of the charge.
- 18.9 Each month a fixed percentage equivalent to 1% per annum, of Units allocated to the Unit Account will be cancelled as a regular management charge towards the charge for the management of the investments. This charge will be subject to review and change at any time having regard to any changes experienced by the Company in the cost of administration of funds subject to a maximum of 2% per annum. Any increase will be made with prior approval from the Insurance Regulatory and Development authority.
- 18.10 Each month an appropriate number of Accumulation Units, including parts of units allocated to the Unit Account in respect of Regular Premiums will be cancelled by the Company at their Selling Price for an amount equal to the charge for the life insurance and any additional Riders that have been effected, as determined by the Company. Accumulation Units purchased by the payment of Additional Single Premium will be excluded from this charge.
- 18.11 If there are no Accumulation Units, or the number of Accumulation Units in the Unit Account is not sufficient to cover the charges as specified in Articles 18.8 and 18.10, then provided that the Insurance has not been converted into a Paid Up Insurance in accordance with Article 14 the charges are carried forward as a Unit Account debt and

an equivalent number of Accumulation Units will be deducted from the Unit Account when possible.

- 18.12 The Company reserves the right to review and increase or decrease any charges payable in respect of the Insurance. Any increase may only be made when in the opinion of the appointed actuary of the Company it is necessary to do so in order to cover the expenses of the company or reasonable to do so in all the circumstances with particular regard to prevailing market conditions. The Company shall give one month's notice of any such increase or decrease to the Policyholder.

Article 19 Power of Delay of Cancellation

- 19.1 The Company shall have the right at its absolute discretion, upon giving notice in writing to the Policyholder, to delay any cancellation of Units for the period up to one month, or six months if any of the Units to be cancelled are in an Investment Fund, which holds investments based on property or land.

Article 20 Rounding Rules

- 20.1 All Premium payments paid by the Policyholder to the Company and all benefits paid by the Company are expressed in whole currency units.

Article 21 Taxation

- 21.1 The Company is entitled to make such deductions, which in its opinion are necessary and appropriate, from any of the benefits receivable under the Insurance on account of any tax or other payment which may be imposed by any legislation, order, regulation or otherwise upon the Company, Policyholder or Nominee.

Article 22 Status of Agent

- 22.1 The insurance agent is only authorised by the Company to arrange completion and submission of the proposal form. The insurance agent is not authorised to act as the Company's legal representative or act in any other way on behalf of the Company. Information given to the insurance agent should not be considered as having been given to the Company.

Article 23 Correspondence

- 23.1 All instructions and notifications in respect of the Insurance must be given in writing and signed by the Policyholder and sent to the Company's address specified in the Schedule. The Company will not act upon any such instruction, notification or request until it is received at the appointed address.
- 23.2 The Policyholder should notify the Company of any change of address also involving the Insured and Nominee under the Insurance. In the event that a change of address is not

notified to the Company then correspondence sent to the last recorded address shall be legally effective.

Article 24 Notices

- 24.1 All notices of transfers or assignments or of any other legal transactions affecting ownership of the Insurance or entitlement to benefits under the Insurance must be given in writing to the Company at its address specified in the Schedule.
- 24.2 All notices of nominations under Article 10 and pursuant to Section 39 of the Insurance Act 1938 must be given in writing to the Company at its address specified in the Schedule.
- 24.3 Any transfer, assignment, nomination or other transaction affecting ownership of the Insurance or entitlement to benefits under the Insurance shall be ineffectual and void against the Company unless and until notice is served in accordance with Articles 24.1 and 24.2 before the payment of benefits.
- 24.4 In registering any notice pursuant to Articles 24.1 and 24.2 the Company does not accept any responsibility or express any opinion as to its validity or legal effect.

Article 25 Currency

- 25.1 All premiums and benefits under this Insurance are payable in the currency of the Insurance as specified in the Schedule.

Article 26 Law

- 26.1 This Insurance and the applicable terms and conditions are subject to the law of India.

RULES FOR THE INVESTMENT FUNDS

Article 27 Unit Linked Fund

- 27.1 Each Unit Linked Fund is referenced to separate and identifiable assets of the Company.
- 27.2 The Company reserves the rights to establish further Unit Linked Funds or to consolidate, sub-divide or close existing Unit Linked Funds. The Policyholder will be given written notice of any such consolidation, sub-division or closure.
- 27.3 Income received from assets referenced to a Unit Linked Fund will be added to these assets. The amount after allowing for tax will increase the value of each existing Unit of the respective Unit Linked Fund.
- 27.4 Units may only be created in a Unit Linked Fund when assets equal in value to the Units created are added to the portfolio of assets to which the respective Unit Linked Fund is referenced.

- 27.5 Assets may only be withdrawn from the portfolio of assets to which a Unit Linked Fund is referenced, except as provided in Article 29.4 and 29.5 if Units equal in value to those assets are cancelled in the Unit Linked Fund.
- 27.6 Due to the nature of the Unit Linked Fund, the Company does not guarantee the price of the Units of each Unit Linked Fund.

Article 28 Limitation of Interest in a Unit Linked Fund

- 28.1 The allocation of the Units to the Unit Account shall be notional and shall operate solely for the purpose of determining the value of benefits under the Insurance.
- 28.2 The assets to which the Unit Linked Fund are referenced and any income arising from these assets shall remain the property of the Company at all times. Accordingly, the Insurance does not confer any title to or any beneficial interest in any assets of the Company, or to any income from these assets including but not limited to any assets to which any Unit Linked Fund is referenced or income therefrom.

Article 29 Valuation of the Unit Linked Fund and Charges

- 29.1 The assets to which the Unit Linked Fund are referenced will be valued at a frequency to be determined upon the discretion of the Company, but at minimum once per month.
- 29.2 The maximum value of a Unit Linked Fund will be determined by the Company and will be based on the value of the assets to which the Unit Linked Fund is referenced at the market price at which they could be purchased, plus the costs of buying the assets, less a deduction to cover expenses, taxes or any other payments in connection with the Unit Linked Fund which are an actual or potential liability on the assets, less any borrowings in connection with the Unit Linked Fund.
- 29.3 The minimum value of a Unit Linked Fund will be determined by the Company and will be based on the value of the assets to which the Unit Linked Fund is referenced at the market price at which they could be sold, less the costs of selling the assets, less a deduction to cover expenses, taxes or any other payments in connection with the Unit Linked Fund which are an actual or potential liability on the assets, less any borrowings in connection with the Unit Linked Fund.
- 29.4 The Company is entitled to deduct from the assets to which the Unit Linked Fund is referenced all expenses, duties and other charges incurred in connection with running of the Unit Linked Fund, including the costs of purchase, sale, valuation and maintenance of the assets.
- 29.5 The Company is entitled to reduce the value of the assets to which the Unit Linked Fund is referenced by any taxes in respect of the assets and any other payments in connection with the Unit Linked Fund which the Company considers to be an actual or potential liability on the assets and by interest on any money borrowed in connection with the Unit Linked Fund.
- 29.6 The Company will make all decisions about the selection and valuation of the assets to which a Unit Linked Fund is referenced and about the appointment of the portfolio manager to manage the assets.

Article 30 Calculation of Unit Prices of a Unit Linked Fund

- 30.1 The Company will determine the Purchase Price and the Selling Price of Units of a Unit Linked Fund on each Valuation Date. The difference between the Purchase Price and Selling Price will be 5% as calculated under Article 30.2 and 30.3.
- 30.2 The Purchase Price of Units of a Unit Linked Fund will not be higher than the maximum value of the Unit Linked Fund multiplied by a factor 100/95 and then divided by the total number of Units in the Unit Linked Fund at that time, with the result being rounded up by not more than 1%.
- 30.3 The Selling Price of Units of a Unit Linked Fund will not be lower than the minimum value of the Unit Linked Fund divided by the total number of Units in the Unit Linked Fund at that time, with the result being rounded down by not more than 1%.

Article 31 With Profits Fund and Charges

- 31.1 Each Unit of With Profits Fund has a Purchase Price and a Selling Price determined by the Company. The Selling Price is guaranteed by the Company never to decrease. This guarantee is subject to the Market Value Reduction in Article 31.10 in the limited circumstances in which this deduction applies.
- 31.2 The Company reserves the right to establish further With Profits Funds or to consolidate, sub-divide close or change the investment pattern of existing With Profits Funds. The Policyholder will be given written notice of any such consolidation, sub-division or closure.
- 31.3 The allocation of Units in the With Profits Fund to the Unit Account shall be notional and shall operate solely for the purpose of determining the value of benefits under this Insurance. The Insurance does not confer any title to or any beneficial interest in any assets of the Company.
- 31.4 The Company may deduct the charges referred to in Article 29 from the With Profits Fund but this will not affect the guarantee in Article 31.1.
- 31.5 The With Profits Fund participates in the profits of the Company's life insurance fund in respect of this fund. Profits are attributed to policyholders by means of (i) regular bonuses and (ii) final bonus.
- 31.6 Each Unit of the With Profits Fund will have a Selling Price and Purchase Price which will be determined by the Company normally on each working day but in any event at least once in every month. The Selling Price will increase as a result of the application of regular bonus rate additions since the Selling Price was previously determined. For this purpose, the annual regular bonus rate announced by the Company will be converted to an equivalent daily rate in accordance with the formula set out below. The equivalent daily rate will then be applied on a daily compound interest basis.

Formula:-

equivalent daily rate = $(1 + \text{annual regular bonus rate})^{1/365} - 1$

The Purchase Price will be the Selling Price multiplied by 100/95.

- 31.7 The Company may at any time consolidate or sub-divide Units as it deems necessary provided the total value of the Units allocated to the Insurance is not reduced.
- 31.8 Regular bonuses are attributed by means of regular increases in the price of Units in accordance with the regular bonus rates, if any, announced by the Company at least once a year. The latest regular bonus rates to be announced will continue to be applied until superseded by a further announcement by the Company.
- 31.9 On cancellation of Units in the With Profits Fund for making benefit payments, the Company may pay a final bonus in accordance with the final bonus scales, if any, applicable at the date of cancellation. Final bonus scales will be announced by the Company at least once a year.
- 31.10 In order to ensure fairness of treatment between policyholders, on the cancellation of Units in the With Profits Fund under Articles 13, 14 and 15, the Company may reduce the Selling Price by the application of a Market Value Reduction ("MVR"). The MVR will only be applied where the actual investment return of the With Profits Fund from the date of allocation of that Units to the Unit Account to the date of cancellation of the Units is less than that credited to the Units by the Company by means of increases in the price of Units and by the application of the terminal bonus scale. When applying the MVR, the reduction in the Selling Price will never exceed the difference between the actual investment return of the With Profits Fund and the investment return of the With Profits Fund credited to the Units by the Company between those dates. The Company will give the Policyholder notice where the MVR is to be applied.
- 31.11 No MVR will be applied in the following circumstances:
- (i) On the payment of benefit on death or in accordance with any Rider.
 - (ii) On the payment of the maturity benefit at maturity date

Article 32 Change to the Standard Policy Conditions

- 32.1 The Company reserves the right to change these Standard Terms and Conditions, the Rules for the Investment Funds and the benefits conferred by the Insurance if there is a change in the law, legislation or taxation affecting the Company, the Investment Funds or the Insurance, or if there is a change in circumstances which makes it impossible or impracticable for the Company to follow these Standard Terms and Conditions.
- 32.2 None of these Standard Terms and Conditions or Rules for the Investment Funds may be waived or modified except by an endorsement issued by the Company and signed by an authorised official thereof, except where otherwise stated in these Standard Terms and Conditions.
- 32.3 The Company will notify the Policyholder about any changes to the Standard Terms and Conditions, Rules for the Investment Funds and the benefits within four weeks from the date of the change. If the Policyholder does not agree with the change and does not so

notify the Company within four weeks after the Company has sent notification thereof, he will be deemed to have accepted the change.

Article 33 Entire Contract

33.1 This Policy Document constitutes the complete contract of insurance. No change or alteration to this Policy Document shall be valid or effective unless approved in writing by the Company, which approval shall be evidenced by the Company's endorsement on the Schedule.

Article 34 Premium Holiday

34.1 If this Insurance has been in force for a continuous and uninterrupted period of five years from the Commencement Date and if all instalments of Regular Premium have been paid, then the Policy holder may thereafter (but only up to 4 times during the Premium Payment Term) defer the payment of Regular Premium for a continuous period of upto six months provided that written notice of the Policyholder's intention to defer the payment of Regular Premium is received by the Company at least thirty days before the entitlement to defer has arisen.

34.2 The Insurance will remain in force during the period of deferral of payment of Regular Premium and all charges that would have been incurred but for the deferral will continue to be deducted from the Unit Account in respect of Regular Premium.

34.3 At the expiry of the deferral period the Policyholder shall resume the payment of Regular Premium and shall with the first instalment of Regular Premium after the expiry of the deferral period, ensure that the amount of Regular Premium deferred is also paid to the Company, failing which the provisions of Article 14 shall automatically apply.

Article 35 Arbitration

35.1 Any and all disputes or differences which may arise under, out of, or in connection with or in relation to this Insurance, or to its existence, validity or termination or to the determination of the amount or any amounts payable, shall be determined by arbitration in accordance with the provisions of the Arbitration and Conciliation Act 1996.

Article 36 Due Observance

36.1 The Due Observance of and compliance with the terms, provisions and conditions of the Policy Document insofar as they relate to anything to be done or complied with by the Insured and/ or the Policyholder and/or any other Claimant shall be a condition precedent to the liability of the Company.

Article 37 Fraud

37.1 If the Insured and/or the Policyholder and/or any other Claimant shall make or advance any claim under or in respect of this Insurance knowing the same to be false or

fraudulent as regards amount or otherwise, this Insurance shall be void and any benefits hereunder shall be forfeited.

Article 38 Changes of the Sum Insured

- 38.1 Notwithstanding the provisions of Article 12 the Policyholder has the right to propose an increase in the Sum Insured up to three years before the end of the Premium Payment Term or twenty seventh policy Anniversary whichever is earlier within the limits established by the Company provided that no Regular Premium payments are outstanding and the Insurance has not been converted into a Paid Up Insurance in accordance with Article 14. Any increase will be subject to the production of satisfactory evidence of health and in any event the Company reserves the right to decline an increase to the Sum Insured. An increase to the Sum Insured will result in an increase to the Regular Premium.
- 38.2 The change of the Sum Insured is effective on the next following Anniversary subject to the condition that the written request is received by the Company 30 days prior to the Anniversary.
- 38.3 If any Riders are in force the Rider Sum Insured for respective Riders will be adjusted in proportion with the Sum Insured unless specified otherwise by the Company.

Article 39 Investment Funds

- 39.1 The Company shall apply the Regular Premium, Additional Regular Premium and Additional Single Premium (if any) received to allocate Units (at the allocation rate and in accordance with the allocation proportion specified in the Schedule) in the Investment Funds, which are either:
- 39.1.1 The With Profits Fund (which is established and run according to Article 31), or
- 39.1.2 The Unit Linked Funds (consisting of the Secure Fund, the Balanced Fund and the Growth Fund; as provided for in Article 27.2. and which are established and run according to Articles 27 to 30)
- 39.2 The value of Units in the Investment Funds will fluctuate depending upon the performance of the assets held and the values are not guaranteed by the Company. The investment objective of each of the Investment Funds is as follows:
- 39.2.1 With Profits Fund: The investment objective of the With Profits Fund is to provide stable and sustained growth. The normal range of assets in equities is 0% to 20%, in debt securities 70% to 100% and in the money market 0% to 10%. The Company may change the above asset mix depending upon the investment conditions. Each Unit of the With Profits Fund has a Purchase Price and a Selling Price determined by the

Company. The Selling Price is guaranteed by the Company never to decrease (subject to Article 31).

39.2.2 **Secure Fund:** The investment objective of the Secure Fund is to provide progressive capital growth with relatively lower investment risks. The Secure Fund will aim to invest in equities to the extent of 0% to 20%, debt securities to the extent of 60% to 100% and money market and cash to the extent of 0% to 20% in order to achieve the investment objective of this Unit Linked Fund.

39.2.3 **Balanced Fund:** The investment objective of the Balanced Fund is to provide progressive capital growth with relatively lower asset value fluctuations. The Balanced Fund will aim to invest in equities to the extent of 0% to 45%, debt securities to the extent of 50% to 90% and money market and cash to the extent of 0% to 10% in order to achieve the investment objective of this Unit Linked Fund.

39.2.4 **Growth Fund:** The investment objective of the Growth Fund is to provide progressive capital growth by investing a larger proportion in equities. The Growth Fund will aim to invest in equities to the extent of 30% to 85%, debt securities to the extent of 0% to 50% and money market and cash to the extent of 0% to 20% in order to achieve the investment objective of this Unit Linked Fund.

39.3 The Company does not guarantee the price of the Units of the Investment Funds. Depending on market risk and the performance of the Investment Funds to which the Units are referenced, the value of Units may fall, rise or remain unchanged. There can be and is no assurance that the objectives of any of the Investment Funds will be achieved and the Company gives no such assurance and assumes no liability for the achievement of the Fund objectives. The Company's maximum liability to make any payment under this Policy (other than the Riders) shall at all times be limited to the Policy Value.

39.4 The Company reserves the right to amend the investment objective of any Investment Fund and to add new funds.

Article 40 Amendment of Allocation Proportion

40.1 At the written request of the Policyholder, and provided that the Policyholder has not opted for the With Profits Fund (as evidenced by the Schedule), the Company will amend the allocation proportion referred to at Article 39.1 whereafter the previous allocation proportion will become ineffective and the amended allocation proportion will be applicable from the date of the Company's acceptance of the request. The charges

described in Article 18 shall be deducted from the Unit Linked Funds in the allocation proportion or the amended allocation proportion as the case may be.

- 40.2 The Company will not allow a request for an amendment to the allocation proportion more than two times in a Policy Year.
- 40.3 The minimum and maximum allocation proportion in each of the Unit Linked Funds selected may be any figure between 10% and 100%.

Article 41 Unit Switches

- 41.1 At the written request of the Policyholder to switch Units from one Unit Linked Fund to another, and provided that the Policyholder has not opted for the With Profits Fund (as evidenced by the Schedule), the Company will cancel Units of an equal amount from the Unit Linked Fund in which the Units are to be cancelled at the Selling Price of Units of that Unit Linked Fund and will replace them with Units of the Unit Linked Fund in which the Units are to be created at the Selling Price of Units of that Unit Linked Fund.
- 41.2 The first Unit switch in each Policy Year will be processed with no fee. Subsequent Unit switches will be processed by the Company at a fee of 0.5% applied to the value of the Units switched at their respective Selling Price. The fee for Unit switches will be recovered by way of the cancellation of Units in the Unit Linked Fund where Units have been purchased following a Unit switch.
- 41.3 The value of Units in a Unit Linked Fund after the cancellation of Units as a result of a Unit switch must not be less than Rs.5,000, unless the Policyholder wishes to switch 100% to another Unit Linked Fund.
- 41.4 Unit switches will only be permitted in those Unit Linked Funds available for investment under this Insurance.
- 41.5 The Unit switch request will be effected as soon as reasonably practicable following the receipt of a request at the Company's address mentioned in the Schedule.
- 41.6 The right to switch Units from one Unit Linked Fund to another Unit Linked Fund shall immediately and automatically terminate if, at any time, the Insurance has become paid up in accordance with Article 14.