

## Ensure a better tomorrow for your child!



*Make the right choice with*

Canara HSBC Oriental Bank of Commerce Life Insurance

### **Future Smart Plan**

An Individual Linked Life Insurance cum Savings Plan

- ▶ **Premium Funding Benefit - future premium funded by the Company in your absence or in case of disability**
- ▶ **Flexible Premium Payment Term**

**For more information, Ask your Bank Branch Staff.**

Purchase of any insurance products by a bank's customer is purely voluntary and is not linked to avilment of any other facility from the bank.

The Unit Linked Insurance Products do not offer any liquidity during the first five years of the contract. The policyholder will not be able to surrender/withdraw the monies invested in Unit Linked Insurance Products completely or partially till the end of the fifth year.

## WHAT IS FUTURE SMART PLAN?

It is an Individual Linked Life Insurance cum Savings Plan that provides long-term investment opportunity to build a bright future for your child. Its comprehensive insurance cover (Sum Assured on death and Premium Funding on death or disability) ensures that your plan for your child's future continues unaffected, in any unfortunate event.

## WHAT ARE THE BENEFITS OF FUTURE SMART PLAN?

As a parent you want to be the pillar of strength and support for your child, making sure that his/her future plans remain undisturbed even when you are not around.

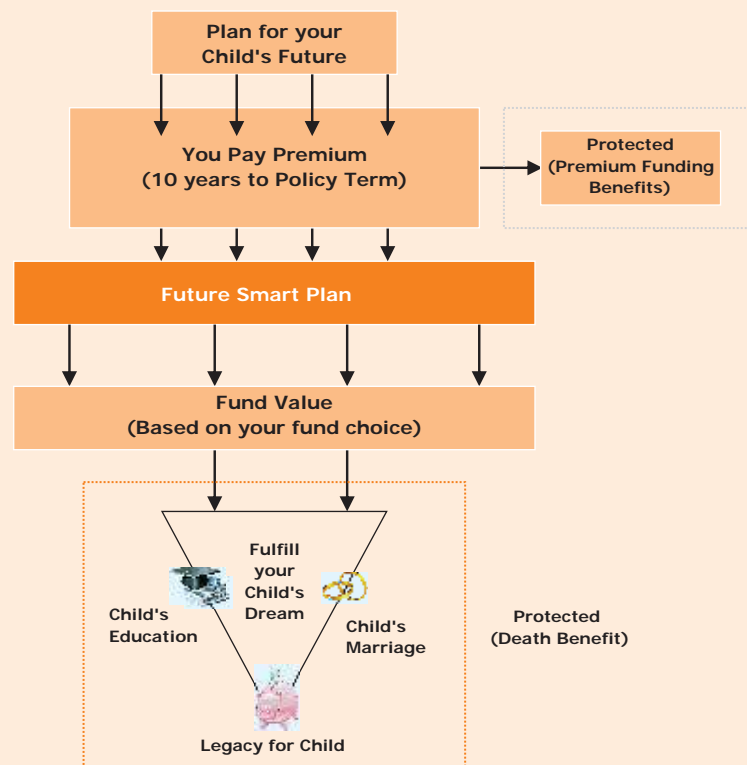
Our Future Smart plan is a specially designed customized solution that helps you fulfill your dreams for your child through its multiple features and options like:

- You can choose a Policy Term<sup>2</sup> such that the plan matures when your child completes his/her higher studies or is ready for marriage
- Depending on the financial requirements for your child's dreams, you can choose to pay premiums<sup>3</sup> for a limited period or for the entire policy term
- Keeping in mind the expenses for higher education, you can opt for Milestone Withdrawals<sup>4</sup>, wherein you will receive 15% of Fund Value in each of the last 5 years and the remaining on maturity.

Our aim is to help you remain at peace knowing that your child's immediate and future financial needs are taken care of even in case of your demise or disability as:

- Sum Assured is paid on death
- All future premiums are funded by the company as and when due, in case of death or disability<sup>5</sup> (if opted)
- Fund Value is paid at maturity

Here is how Future Smart works:



## 3 EASY STEPS TO OWN YOUR FUTURE SMART PLAN

### Step 1: Choose your policy term, the number of years you wish to pay premiums and the annual premium amount

You can choose the policy term of 10, 15, 20 or 25 years and pay your annual premiums for 10 years or more (up to the policy term). The minimum annual premium in this plan is ₹ 25,000 (₹ 50,000 for policy term of 10 years) while there is no maximum limit.

### Step 2: Choose your life cover (Sum Assured) and Premium Funding Benefit option

The minimum life cover that you can choose depends on your current age and policy term chosen:

- For ages below 45:
  - 10,15,20 years term: 10 x Annualized Premium
  - 25 year term : 12.5 x Annualized Premium
- For ages 45 & above: 7 x Annualized Premium

Annualized Premium means the amount of premium payable in a policy year that is selected by a Policyholder at the inception of the Policy.

For example, if your current age is 36 years and Annualized Premium is ₹ 1 lac, the minimum sum assured will be ₹ 10 lacs for policy term of 10, 15 or 20 years and ₹ 12.5 lacs for policy term of 25 years. However, if you are 45 years old, the minimum sum assured will be ₹ 7 lacs for all policy terms.

There is no maximum limit on life cover in this plan; however the life cover provided will depend on underwriting.

You can choose the Premium Funding Benefit at inception for:

Option 1: Death only

Option 2: Death or Total & Permanent Disability (TPD)

The option once chosen cannot be changed or opted out of later.

### Step 3: Choose your investment funds

You can choose from our 6 investment funds, which provide a range of equity exposure from 0% to 100% in any proportion.

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

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

You can own this plan provided you are between age 18 and 60 years and your child, the beneficiary<sup>6</sup> is less than 18 years.

### HOW IS MY CHILD'S FUTURE PROTECTED IN CASE OF AN UNFORTUNATE EVENT?

In case of your death<sup>7</sup>, the beneficiary (the child nominated to receive the benefits under the plan) will receive the Sum Assured and the policy will continue with all future premiums funded by the Company as and when due. This death benefit, under all circumstances, will not be less than 105% of all premiums<sup>8</sup> paid up to the date of death by you. Also, at maturity, the fund value will be paid.

If you have also opted for Premium Funding Benefit for disability, then in case of your Total & Permanent Disability, all future premiums will be funded by the company. The life cover will continue and Sum Assured will be payable on subsequent death. This death benefit, under all circumstances, will not be less than 105% of all premiums<sup>9</sup> paid up to the date of death, if any. Also, at maturity, the fund value will be paid.

Death benefit will be equivalent to the Proceeds of Discontinuance Policy Fund (DPF) in case your policy monies are moved to DPF due to Discontinuance. (For more details on Discontinuance, please refer section 15 of Key Terms & Conditions)

### WHAT ARE THE OTHER ADVANTAGES OF FUTURE SMART PLAN?

The plan offers many additional features and flexibilities as explained below:

a) **Auto Funds Rebalancing<sup>11</sup>**: If you wish to maintain allocation of your investments in a specific proportion across funds, irrespective of market movements, you can do so through Auto Funds Rebalancing. Once opted, after every 3 months, it automatically rebalances the allocation of your investments in various funds to the allocation proportions chosen by you.

For example, if you wish to stay invested in the ratio 50 : 25 : 25 in Growth Plus : Balanced Plus : Debt Plus, then after every 3 months, depending upon the Fund Value in these 3 funds due to market movements, your total fund will be re-allocated in the above mentioned ratio.

b) **Safety Switch Option<sup>12</sup>**: As your policy nears maturity, you may want to avoid market volatility and safeguard your funds. The Safety Switch Option enables you to move your funds systematically to a relatively low risk Liquid Fund in the last 3 years as follows:

Beginning of...	Allocation in Fund other than Liquid Fund	Allocation in Liquid Fund
Fourth last policy year	70%	30%
Third last policy year	40%	60%
Second last policy year	10%	90%
Last policy year	0%	100%

If you have allocated any money in Liquid Fund, it will not be impacted or considered for Safety Switch Option.

**Fund Switching:** You can switch some or all of your investments from one fund to another, any number of times during the Policy Term or in subsequent years during the Settlement Period. The minimum amount that you can switch is ₹ 10,000.

**Premium Redirection:** You can modify the allocation of future premiums once in a policy year. The revised allocation proportion will apply to your subsequent premiums.

**Change in sum assured<sup>13</sup>**: You can increase or decrease your sum assured from the 6<sup>th</sup> policy year, provided all due premiums are paid. This facility is available once every year subject to maximum of 3 times during the policy term. There will be no change in your annual premium as a result of change in sum assured.

**Milestone Withdrawal:** To ensure that your child gets the best quality preparation to realize his/her dreams e.g. best higher education, this plan offers Milestone Withdrawal feature. If you opt for this feature, you will receive 15% of the Fund value in each of the last 5 years of the policy. The remaining Fund value will be given to you at the time of plan maturity as chosen.

Please note that this facility is available only if you opt for 15/20/25 years policy term.

**Partial Withdrawal:** You can make partial withdrawal for any unforeseen contingency, from the 6<sup>th</sup> policy year. The minimum amount that you can withdraw is ₹ 10,000 and the maximum is such that the fund value after withdrawal does not fall below 120% of the annual premium.

For example, if your annual premium is ₹ 1 lac and the fund value at the time of withdrawal is ₹ 10 lacs, you can withdraw up to ₹ 8.8 lac. The policy will continue with the remaining fund value.

**Settlement Option<sup>14</sup>:**

- At maturity, you may avail the Settlement Option, wherein you can receive your money as structured payouts for a maximum period of 5 years.
- Switching is allowed during the Settlement Period subject to the conditions as mentioned in the above Section on "Fund Switching".
- During the Settlement Period, risk cover shall be maintained at 105% of the all the Premiums paid up to the date of death. However, where death of the Policyholder has occurred during the Policy Term, no risk cover shall be applicable during the Settlement Period.
- In the event of death of the Policyholder during the Settlement Period, higher of (Fund Value as on the date of intimation of death or 105% of all the Premiums paid up to the date of death) will be payable and the Policy will terminate.
- Fund Management Charges, Switching Charges and Mortality Charges will continue to be deducted, as applicable during the settlement period. There are no charges other than Fund Management Charges, Switching Charges and Mortality Charges during the Settlement Period.

**Tax Benefit<sup>15</sup>:** You may be entitled for tax benefits under Section 80C and Section 10(10D), as per the Income Tax Act, 1961.

**WHAT WILL I RECEIVE AT MATURITY?**

At the end of the policy term, you will receive the fund value that you can use to fulfill your dreams for your child.

**MAKE THE RIGHT CHOICE FOR SECURING YOUR CHILD'S FUTURE**

Empower your child to realize his/her goals by opting for this specially designed plan and take the first step towards securing your child's future.

**WHAT HAPPENS IN CASE PREMIUMS ARE NOT PAID OR THE POLICY IS SURRENDERED?**

Insurance plans are long-term by nature. Therefore you are expected to continue paying regular premiums for the premium paying term as chosen by you. If the policy is surrendered within the first 5 policy years, the surrender value (fund value less applicable surrender charges) will be transferred to the discontinued policy fund and will earn at least a minimum guaranteed interest rate of 4% or as decided by IRDAI from time to time. The proceeds of the discontinued policy will be paid to you only after completion of the 5th policy year.

If the policy is surrendered after completion of 5 policy years, the fund value will be paid immediately and the policy will be terminated and life cover ceases immediately upon surrender of the policy.

In case you are unable to continue paying premiums on your policy the treatment of such policy shall be as per section 16 of the Key Terms and conditions given below.

The investment and risk profile of discontinued policy fund will be as follows:

Fund Name	Fund Philosophy	Asset Allocation		Risk Profile
UL Discontinued Policy Fund <sup>^</sup>	To generate reasonable returns on funds from discontinued policies determined in accordance with the Regulations	Equity*	-	Low
		Govt. Securities*	60%-100%*	
		Money Market*	0%-40%*	

<sup>^</sup> Only available in case of discontinuance of a policy during the first five policy years.

\* These are subject to revision as guided by Regulator/Company policy as applicable from time to time

There will be no surrender/discontinuance charge if surrender request is received or policy is discontinued after completion of at least 5 policy years and the fund value will be paid immediately.

**WHAT ARE THE CHARGES UNDER FUTURE SMART PLAN?**

a) **Premium Allocation Charge** will be deducted upfront and will be levied through reduced premium allocation to the fund. Refer to the table given below:

Premium Payment Mode	Policy Year			
	1	2 & 3	4 to 10	11 & onwards
ECS/SI <sup>17</sup>	8.25%	6.30%	5.30%	0%
Other modes	8.40%	6.40%	5.40%	0%

b) **Fund Management Charge** of 1.35% p.a. will be charged on all funds except Liquid fund where the FMC will be 0.80% p.a. and Discontinued Policy Fund where the FMC will be 0.50% p.a. The FMC on Discontinued Policy Fund shall be declared by the Authority from time to time. Currently, the FMC for DPF shall not exceed 0.50% per annum. FMC for the Liquid Fund may be revised up to 1.35% p.a., subject to IRDAI approval. This charge is levied by adjustments to fund NAV on a daily basis.

c) **Policy Administration Charge** will be 0.05% per month on the annual premium during the first five policy years. Thereafter it will increase by 20% every five years. This charge will be deducted at monthly policy anniversary till the life of the policy. However, this charge cannot exceed ₹ 500 per month at any time.

d) **Switching Charge** will be Rs 250 per switch. However, first 6 switches in any given Policy Year or in any year during the Settlement Period will be free of charge. This charge can be revised to maximum ₹ 500, subject to IRDAI approval.

e) **Partial Withdrawal Charge** will be Rs 250 per withdrawal. However, first 4 withdrawals in a policy year are free of charge. This charge can be revised to maximum ₹ 500, subject to IRDAI approval.

f) **Mortality/Morbidity Charge** will be deducted every month by cancellation of units. The amount of the charge taken each month depends on life assured age, life cover and Premium Funding Benefit option chosen. Sample mortality rates applicable (₹ per annum Per 1,000 of Sum at Risk<sup>18</sup>) in this plan are as follows:

Age	30	40	50	60
Male	1.170	2.053	5.244	13.073
Female	1.159	1.593	3.816	10.294

In case, you have also opted for Premium Funding Benefit for Disability, an additional charge at 0.165 per annum per 1000 of TPD Sum at Risk will be levied, for all ages and across genders. However, the charge for TPD can be revised, subject to IRDAI approval.

g) **Miscellaneous Charge** will be recovered on account of medical expenses in case of increase of sum assured, subject to a maximum of ₹ 500.

**h) Surrender/ Discontinuance Charge** as per the table given below:

Surrendered/Discontinuance during the policy year	Surrender/Discontinuance charges with annual premium up to ₹25,000/-	Surrender/Discontinuance charges with annual premium above ₹25,000/-
1	Lower of 20% * (AP or FV) subject to maximum of ₹3,000/-	Lower of 6% * (AP or FV) subject to maximum of ₹6,000/-
2	Lower of 15% * (AP or FV) subject to maximum of ₹2,000/-	Lower of 4% * (AP or FV) subject to maximum of ₹5,000/-
3	Lower of 10% * (AP or FV) subject to maximum of ₹1,500/-	Lower of 3% * (AP or FV) subject to maximum of ₹4,000/-
4	Lower of 5% * (AP or FV) subject to maximum of ₹1,000/-	Lower of 2% * (AP or FV) subject to maximum of ₹2,000/-
5 and onwards	Nil	Nil

(AP – Annual premium; FV – Fund Value)

All charges are exclusive of Goods and Services Tax & applicable cess (es)/levy, if any, & applicable cess (es)/levy, if any, as applicable and amended from time to time which will be borne by the policyholder. All charges except mortality charges (and morbidity charges if applicable) continue to be deducted after death of Life Assured. Also, the Premium Allocation Charges, Policy Administration Charges and Mortality Charges mentioned above are guaranteed during the term of the plan.

Moreover all charges mentioned above except premium allocation & Fund Management charge will be deducted through cancellation of units.

#### ABOUT US

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

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

Our aim is to provide you with a transparent range of life insurance products backed by excellent customer service and thereby, making your life simpler.

#### KEY TERMS AND CONDITIONS

- In this plan, life assured and proposer are the same.
- You have an option to choose your policy term as 10, 15, 20 or 25 years, subject to the condition that your age at maturity cannot exceed 70 years.
- In this plan, only annual premium payment mode is allowed
- Milestone Withdrawals:** This is available only with policy terms 15, 20 and 25 years. This feature can be opted only by the life assured. Once chosen, this will be exercised even after death of the life assured and the payments will be made to you (if you are alive) or to the beneficiary (Appointee, if beneficiary is minor), post your death. The payment will be at the beginning of each year basis the Fund Value available as on date. These will be considered as normal partial withdrawal and all rules for partial withdrawal will be applicable. In case fund value after milestone withdrawal falls below 120% of Annualized Premium, Mile stone Withdrawal will not be allowed and this facility will cease to operate and exist. Also, you cannot choose this option in the last 5 policy years.
- Disability:** In this plan, disability refers to Total & Permanent Disability that shall mean the occurrence of any of the following conditions as a result of accidental bodily injury:
  - Total and irrecoverable loss of sight of both eyes. The blindness must be confirmed by an Ophthalmologist; OR
  - Loss by severance of two or more limbs at or above wrists or ankles

The above disability must have lasted, without interruption, for at least six (6) consecutive months and must, in the opinion of an appropriate medical practitioner appointed by the Company deemed permanent.

For the purpose of TPD, the following definitions are used:

  - "Accident"** refers to a sudden, unforeseen and involuntary event caused by external, violent and visible means which occurs while the relevant supplementary contract is in force.
  - "Accidental Injury"** means bodily injury of the insured caused solely, directly and independently of any other intervening causes from an accident (i.e. a traumatic event of violent, unexpected, external and visible nature)

Please note that the TPD benefit availability is subject to underwriting norms of the company and company's decision will be final. Further, TPD arising directly or indirectly from any one of the following are specifically excluded:

- Disability directly or indirectly, wholly or partly due to an Acquired Immuno- Deficiency Syndrome (AIDS) or infection by any Human Immunodeficiency Virus (HIV).
  - The life assured taking part in any hazardous sport or pastimes (including hunting, mountaineering, racing, steeple chasing, bungee jumping, etc)
  - The Life Assured flying in any kind of aircraft, other than as a bonafide passenger (whether fare-paying or not) on an aircraft of a licensed airline
  - Self-inflicted injury, suicide or attempted suicide-whether sane or insane
  - Under the influence or abuse of drugs, alcohol, narcotics or psychotropic substance not prescribed by a registered medical practitioner
  - Service in any military, air force, naval, police, paramilitary or similar organisation
  - War, civil commotion, invasion, terrorism, hostilities (whether war be declared or not)
  - The Life Assured taking part in any strike, industrial dispute, riot, etc.
  - The Life Assured taking part in any criminal or illegal activity
  - Nuclear reaction, radiation or nuclear or chemical contamination
- In this plan, beneficiary is also the nominee (the child nominated to receive the benefits under the plan). However, if beneficiary is minor then Appointee will have rights only to receive the money till beneficiary attains age 18. The beneficiary will be the child (natural or legally adopted) of the policyholder aged less than 18 years last birthday at the proposal stage. Further, beneficiary (and appointee during minority of the beneficiary) will also have limited rights only to change policy conditions i.e. while he/she can change contact address and contact number. He/ She will not be able to alter or opt out of any fund related options as chosen by you before death.

7. If the death of beneficiary happens after your death, the policy will continue till end of Premium Payment Term and will be terminated by giving proceeds to your legal heirs at the end of Premium Payment Term. If Premium Payment Term is over but Policy Term is still left, then the policy will be terminated immediately by giving proceeds to your legal heirs. In case of death of beneficiary while you are alive, you can select another child as the beneficiary. However, in absence of another child, you can choose any person with insurable interest in your life as the beneficiary.
8. In this plan, the death benefit payable will not be less than 105% of all premiums paid by you up to the date of death. "105% of all premiums paid up to the date of death" will be compared with "Sum Assured and Present value of all future premiums". If "SA + Present Value of future premiums" is lower than "105% of all premiums paid up to the date of death", we will pay "105% of all premiums paid by you up to the date of death adjusted with Present Value of Future Premiums" on death, and premium funding benefit will be exercised on premium due dates.
9. In case of death after starting of premium funding as a result of disability, higher of "Sum Assured" and "105% of all premiums paid by you up to the date of death" will be paid to the beneficiary.
10. **Benefit payable where the Policy is in the Reduced Paid-up state:** If the death of the policyholder occurs where the Policy is in Reduced Paid-up state, the death benefit shall be higher of (Paid-up Sum Assured or 105% of all Premiums paid up to the date of death) plus Fund Value as on date of intimation of death claim. On payment of such benefit, the Policy will terminate.  
Paid-up Sum Assured referred above is the amount calculated as Sum Assured multiplied by the total number of premiums paid divided by the total number of premiums payable during the Policy Term.  
The premium funding and TPD benefit shall cease immediately when the Policy enters Discontinuance or Reduced Paid-up state until it is revived and no charges for the ceased benefits shall be deducted.  
Reduced Paid-up state is the state of the policy attained due to non-payment of due premium after the completion of Lock-in Period, wherein the policy continues in this state till the end of the revival period unless revived, with the risk cover and charges continuing as per the terms and conditions of the Policy.
11. **Auto Funds Rebalancing:** This feature can be opted only by the life assured. You can choose this option at inception or anytime later in the policy. Any exercise of opting in or opting out after policy issuance will be considered a switch, and prescribed charges will be applicable. Auto Funds rebalancing will cease to exist in case a manual switch or redirection facility is exercised. In case you want to continue with Auto Funds Rebalancing, you will be required to submit a request for opting in. If you opt for partial withdrawal (incl. milestone withdrawal), auto fund rebalancing will be done on the balance remaining funds. Further, auto rebalancing and safety switch will not be exercisable simultaneously. Hence, auto rebalancing will cease to exist once Safety Switch is operational- in last 3 policy years.
12. **Safety Switch Option:** This feature can be opted only by the life assured. You can choose this option at inception or anytime later in the policy. Once chosen, this will be exercised even after death of the life assured. Any exercise of opting in or opting out after policy issuance will be considered a switch, and prescribed charges will be applicable. If you withdraw money partially, this option will be exercised on the balance remaining funds. Further, auto rebalancing and Safety Switch will not be exercisable simultaneously. Hence, auto rebalancing will cease to exist once the latter is operational. Also, you cannot choose this option in the last 3 policy years. While SSO is operational, it is advised that you do not switch/ redirect (For redirection, you would be required to opt out of SSO first). However, if you still feel the need for the same, your SSO option ceases to exist.
13. Request for any alteration in sum assured should be given at least 60 days prior to policy anniversary and will be effective only from the policy anniversary following the date on which you have made your request. Option to increase the Sum Assured is not available for persons above 50 years of age. Increase/decrease in sum assured is subject to underwriting acceptance and the minimum Sum Assured condition of the policy. Also, any medical expense due to increase in Sum Assured will be borne by you, subject to a maximum of ₹ 500.
14. **Settlement Option:** All investment risk related to unit price fluctuations will be borne by you. Further, FMC will continue to be levied during this period. No Redirection, Partial withdrawal, Auto rebalancing, Milestone withdrawal will be available during this period. You can choose to receive the payouts in Monthly, Quarterly, Half yearly or Yearly frequency.
15. **Tax Benefit:** Tax Benefits under the policy will be as per the prevailing Income Tax laws and are subject to amendments from time to time. For tax related queries, contact your independent tax advisor
16. **Discontinuance:** Discontinuance means the state of the Policy arising out of the surrender of the Policy or non-payment of the due Premium before the expiry of the Grace Period whichever is earlier.  
Provided that no Policy shall be treated as discontinued on non-payment of the said premium if, within the Grace Period, the Premium has not been paid due to the death of the Life Assured or upon the happening of any other contingency covered under the Policy  
**Lock-in period:** The period of five consecutive completed years from the date of commencement of the Policy, during which period the proceeds of the discontinued policies cannot be paid by the insurer to the Policyholder or to the Life Assured, as the case may be, except in the case of death or upon the happening of any other contingency covered under the Policy.  
**Minimum Guaranteed Interest Rate:** means the rate applicable to the discontinued policy fund as declared by the Authority from time to time. The current minimum guaranteed rate of interest applicable to the discontinued policy fund shall be 4 percent per annum.  
**Discontinued Policy Fund (DPF):** DPF means the segregated fund of the insurer that is set aside and is constituted by the fund value, as applicable, of all the policies discontinued during the Lock-in Period determined in accordance with IRDAI (Unit Linked Insurance Products) Regulations, 2019. The Company will levy only Fund Management Charge as mentioned in 'Charges' section. The amounts credited to the DPF will earn at least the Minimum Guaranteed Interest Rate. The excess income earned in the DPF over and above the Minimum Guaranteed Interest Rate will also be apportioned to the DPF in arriving at the proceeds of the discontinued policies and will not be apportioned to the shareholders of the Company.

#### A. Discontinuance of Premium/ Surrender during the Lock-in Period

If the due Premium is not received by the expiry of the Grace Period, the Fund Value less applicable Discontinuance Charges will be transferred to the DPF and the risk cover under the Policy will cease. On such Discontinuance, the Company shall communicate the status of the Policy within 3 months of the first unpaid premium, to the Policyholder and provide the option to revive the Policy within the Revival Period.

- i. In case the Policyholder opts to revive but does not revive the Policy during the Revival Period, the proceeds of the DPF shall be paid to the Policyholder at the end of the Revival Period or Lock-in Period whichever is later and the Policy will terminate upon such payment. In respect of Revival Period ending after Lock-in Period, the Policy will remain in DPF till the end of Revival Period. The FMC of the DPF will be applicable during this period and no other charges will be applied.
- ii. In case the Policyholder does not exercise the option as set out above, the Policy shall continue without any risk cover and the policy fund shall remain invested in the DPF. At the end of the Lock-in Period, the proceeds of the DPF shall be paid to the Policyholder and the Policy shall terminate.
- iii. However, the Policyholder has an option to surrender the Policy anytime and proceeds of the discontinued policy shall be payable at the end of Lock-in Period or date of surrender whichever is later.

Until the expiry of Grace Period, the Policy is deemed to be in-force with benefits and applicable charges continuing as per terms and conditions of the Policy.

For an in force Policy, if a surrender request is received within the first 5 policy years, the Fund Value after deduction of applicable Surrender Charges is transferred to the DPF and the proceeds of discontinued policy shall be refunded to the Policyholder only after completion of Lock-in Period.

On surrender, the Policy will be terminated and cannot be revived thereafter.

## **B. Discontinuance of Premium/ Surrender after the Lock-in Period:**

If the due Premium is not received by the expiry of the Grace Period, the Policy shall be converted into a Reduced Paid-up Policy with the Paid-up Sum Assured. The Policy shall continue to be in Reduced Paid-up status. All applicable charges as per terms and conditions of the Policy shall be deducted during the Revival Period. Upon such Discontinuance, the Company shall communicate the status of the policy within 3 months of the first unpaid premium, to the Policyholder and provide the following options:

- 1) Revive the Policy within the Revival Period;
- 2) Complete withdrawal of the Policy
- i. In case the Policyholder opts for B (1) above but does not revive the Policy during the Revival Period, the Fund Value shall be paid to the Policyholder at the end of the Revival Period or at the end of the Policy Term, whichever is earlier and the Policy will terminate upon such payment.
- ii. In case the Policyholder does not exercise any of the options as set out above, the Policy shall continue to be in Reduced Paid-up status. The Fund Value shall be paid to the Policyholder at the end of the Revival Period or at the end of the Policy Term, whichever is earlier and the Policy will terminate upon such payment.
- iii. However, the Policyholder has an option to surrender the Policy anytime and Fund Value shall be payable.

Until the expiry of Grace Period, the Policy is deemed to be in-force with benefits and applicable charges continuing as per terms and conditions of the Policy.

However, If you have informed a TPD claim, then the policy shall not be discontinued, till a decision is taken on the claim by the Company. No premium will be accepted by the company between the date of information of TPD and date of acceptance (or rejection as the case may be) of the TPD claim. During this period all charges will continue to be deducted from the fund including mortality and other risk charges. If the claim is rejected by the company and a premium is due the company will send a notice within a period of 15 days from the date rejection of the TPD claim to the policyholder to exercise the said options as applicable as per section A & B above within a period of 30 days of receipt of such notice

For an in force Policy, if a surrender request is received post 5 policy years, the Fund Value shall be payable.

On surrender, the Policy will be terminated and cannot be revived thereafter.

### **17. Revival:-**

In case of Discontinuance of the Policy due to non-payment of due premium(s), Policyholder can apply for revival of such a Policy by paying all due and unpaid Premiums, within the Revival Period. The Company can revive the Policy either on its original or modified terms and conditions as per underwriting decision.

**Revival Period:** Revival Period means the period of three consecutive complete years from the date of first unpaid premium during which period the Policyholder is entitled to revive the Policy which was discontinued due to the non-payment of Premium.

The policy shall be revived subject to the conditions mentioned below:

- A policy can be revived any time before the maturity date, if any, within the Revival Period.
- Revival shall be subject to the underwriting as per Company's board approved underwriting guidelines.
- The revival of the policy will be effective after company's approval is communicated.

### **Revival of a discontinued Policy during the Lock-in Period:**

If you choose to revive the discontinued policy, the policy can be revived by restoring the risk cover along with the investments made in the segregated funds as chosen by you, out of the discontinued policy fund, less the applicable charges.

At the time of revival, the company:

- shall collect all due and unpaid premiums without charging any interest or fee.
- shall levy policy administration charge and premium allocation charge as applicable during the discontinuance period. No other charges shall be levied.
- shall add back to the fund, the discontinuance charges deducted at the time of discontinuance of the policy.

### **Revival of a discontinued Policy after the Lock-in Period (Revival of a Reduced Paid-up Policy):**

If you choose to revive the Reduced Paid-up Policy, the policy can be revived restoring the original risk cover in accordance with the terms and conditions of the policy.

At the time of revival, the company:

- shall collect all due and unpaid premiums without charging any interest or fee.
- shall levy premium allocation charge as applicable during the discontinuance period. No other charges shall be levied.

18. Discount on allocation charges is available for renewal premium payment through ECS (Electronic Clearing System)/ SI (Standing instructions) mode.

19. Sum at Risk in this plan for an in-force policy will be calculated as higher of (Sum Assured Plus Present Value of Future Premiums) and 105% of all premiums paid by you. In case claim for TPD is accepted, Sum at Risk will be calculated as higher of Sum Assured and 105% of all premiums paid by you from the date of claim acceptance. However, for Reduced Paid-up Policy, SAR will be calculated as the higher of Paid-up Sum Assured and 105% of all premiums paid by you. During the Settlement Period SAR is computed as the higher of 105% of all Premiums paid less Fund Value; or Zero. However, where death has occurred during the Policy Term, SAR will be zero.

20. In this contract, the definition of age used is age last birthday.

21. Unused free partial withdrawals and switching cannot be carried forward to the next policy year.

22. Risk commencement date under this plan will be the later of (i) date of acceptance of risk by the Company and (ii) date of realization of proposal deposit by the Company.

23. Net Asset Value (NAV) calculation: NAV shall be calculated on all Business Days in accordance with the Authority's guidelines in force from time to time. As per the present guidelines in force, NAV is computed as follows:

$$\frac{\{ \text{Market Value of investment held by the fund} + \text{Value of Current Assets} \} - \text{Value of Current Liabilities \& provisions, if any}}{\text{Number of Units existing on Valuation Date (before creation/redemption of Units)}}$$

24. First premium will be allocated at the NAV of the date of commencement of the policy. In case of premium received by outstation cheques, the NAV of the realization date or due date, whichever is later, will be allocated.

25. Transaction requests (including renewal premiums, switches, partial withdrawals etc) received before the cutoff time of 3.00 P.M. will be allocated the same business day's NAV and the ones received after the cutoff time of 3.00 P.M. will be allocated next business day's NAV. The cutoff time will be as per IRDAI guidelines from time to time.
26. Collection of advance premium shall be allowed within the same financial year for the premium due in that financial year. However, where the premium due in a financial year is being collected in previous financial year, the premium may be collected for a maximum period of three months in advance of the due date of the premium. The premium so collected in advance shall only be adjusted on the due date of the premium. Such advance premium, if any, paid by the policyholder shall not carry any interest.
27. Assignment and Nomination are permitted under this policy as per Section 38 and Section 39 respectively of the Insurance Act, 1938 as amended from time to time. However, in this policy beneficiary will also be the nominee with limited rights.
28. Suicide exclusion: In case of death due to suicide within 12 months from the date of commencement of the Policy or from the date of the revival of the Policy, the nominee of the Policyholder shall be entitled to fund value, as available on the date of intimation of death. Further, any charges other than Fund Management Charges recovered subsequent to the date of death of the Life Assured shall be added back to the Fund Value as available on the date of intimation of death. The Policy will terminate upon payment of such benefit amount.
29. Free look period: The policyholder has the right to cancel the policy within 15 days from the date of receipt of the policy document, in case he/she does not agree with the terms and conditions of the policy. If the policyholder cancels the policy during free look period, the Company will refund the fund value on the date of cancellation plus the un-allocated premium (if any) plus any charge deducted by cancellation of units, after deducting proportionate risk charges (incl. TPD charges, if applicable) and expenses incurred on medicals and stamp duty
30. Auto termination: At any time after the policy completes five policy years, in case the fund value becomes equivalent to or falls below one year's regular premium due to poor market performance, the policy will automatically terminate and the Fund Value will be payable to the policyholder.

**Section 41 of the Insurance Act, 1938 as amended from time to time:**

- (1) No person shall allow or offer to allow, either directly or indirectly, as an inducement to any person to take out or renew or continue an insurance in respect of any kind of risk relating to lives or property in India, any rebate of the whole or part of the commission payable or any rebate of the premium shown on the policy, nor shall any person taking out or renewing or continuing a policy accept any rebate, except such rebate as may be allowed in accordance with the published prospectuses or tables of the insurer.
- (2) Any person making default in complying with the provisions of this section shall be liable for a penalty which may extend to ten lakh rupees.

**Section 45 of the Insurance Act, 1938 as amended from time to time will be applicable. For full text of the provisions of this Section, please contact the Insurance Company or refer to the policy contract of this product on our website [www.canarahsbclife.com](http://www.canarahsbclife.com)**

**DISCLOSURES AND RISK FACTORS:**

Unit Linked Insurance products are different from the traditional insurance products and are subject to the risk factors. The premium paid in 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 fund and factors influencing the capital market and the insured is responsible for his/her decisions. Past performance of the investment funds do not indicate the future performance of the same. Investors in the Scheme are not being offered any guaranteed/assured returns. Canara HSBC Oriental Bank of Commerce Life Insurance Company Limited is only the name of the insurance company and Canara HSBC Oriental Bank of Commerce Life Insurance Future Smart Plan is only the name of the unit linked insurance contract and does not in any way indicate the quality of the contract, its future prospects or returns. The various funds offered under this contract are the names of the funds and do not in any way indicate the quality of these plans, their future prospects and returns. The SFIN (Segregated Fund Index Number) for: India Multi-Cap Equity Fund is ULIF01816/08/16IMCAPEQFND136, Equity II Fund is ULIF00607/01/10EQUYIIFND136, Growth Plus Fund is ULIF00913/09/10GROWTPLFND136, Balanced Plus Fund is ULIF01013/09/10BLNCDPLFND136, Debt Plus Fund is ULIF01115/09/10DEBTPLFUND136, Liquid Fund is ULIF00514/07/08LIQUIDFUND136, & Discontinued Policy Fund is ULIF01319/09/11POLDISCFND136. Please know the associated risks and the applicable charges, from your insurance agent or the intermediary or policy document issued by the insurance company.

The policyholder can know the value of policy wise units as per the FORM D02 through a secured login on the Canara HSBC Oriental Bank of Commerce Life Insurance Company's website: [www.canarahsbclife.com](http://www.canarahsbclife.com)

This product brochure gives only the salient features of the plan and it is indicative of terms and conditions. This brochure should be read in conjunction with the benefit illustration and the Terms & Conditions for this plan available on our website. For further details on all the conditions and exclusions related to this plan, please contact your financial advisor/ branch manager.

Canara HSBC Oriental Bank of Commerce Life Insurance Future Smart Plan is an Individual Linked Life Insurance cum Savings Plan





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