

# Enjoy lifelong regular income with flexibility of payouts and whole life cover<sup>1</sup>.

## Introducing, **HDFC Life Sanchay Par Advantage**

A Non-Linked, Participating, Life Insurance Plan



Flexibility to choose  
Survival Benefit payouts



Whole life cover  
+ lifelong income<sup>1</sup>



Deferred Income option  
with guaranteed benefits<sup>2</sup>



Tax  
Benefits<sup>3</sup>

## **HDFC Life Sanchay Par Advantage**

A Non-Linked, Participating, Life Insurance Plan



*Sar utha ke jiyo!*

1. Applicable on choosing a policy term as (100 - age at entry) years.

2. Guaranteed Income is payable for a fixed period and starts after Premium Payment Term + 1 years, provided all due premiums have been paid and the policy is in force.

3. As per Income Tax Act, 1961. Tax benefits are subject to changes in tax laws.

\* Applicable on Immediate Income option.

As you approach different stages in life, there are dreams and aspirations that you set out for yourself and your family. More often than not, you make tough choices, sacrificing one dream for the other. You also have to take care of day to day responsibilities like running the family, paying for health expenses, children's school fees etc. With rising life uncertainties, it is important to secure a source of income to that takes care of these expenses, more so after your retirement or in case of unfortunate demise. A Life Insurance plan offers financial protection against such unforeseen events.

To help you achieve your goals, we present to you a life insurance solution which allows you to live an uncompromised life, whilst securing the future of your family and, ensuring you leave behind a legacy for them.

## PRESENTING, HDFC LIFE SANCHAY PAR ADVANTAGE

HDFC Life Sanchay Par Advantage is a participating life insurance plan that provides an option to avail cover for whole of life (till the age 100 years). The plan provides a holistic solution for you to generate a regular income and to build a corpus to achieve the planned goals and secure your loved one's future, without any compromises.

## KEY FEATURES OF HDFC LIFE SANCHAY PAR ADVANTAGE

- Live cover with protection upto as high as **age 100 years**
- Choose between **Immediate Income or Deferred Income** options as per your needs
- Flexibility to accrue the survival benefit payouts

## ELIGIBILITY

This plan can be taken only on a single life basis. The age limits for this plan are as follows:

Eligibility Criteria	Minimum	Maximum
Age at Entry (years)	0 years (30 days)^	<ul style="list-style-type: none"> <li>• Immediate Income - 65 years</li> <li>• Deferred Income:                             <ul style="list-style-type: none"> <li>▪ 55 years (for PPT 8 years)</li> <li>▪ 60 years (for PPT 10, 12 years)</li> </ul> </li> </ul>
Age at Maturity (years)	100 years (maximum)	
Premium Payment Term (years)	<ul style="list-style-type: none"> <li>• Immediate Income - 6, 8, 10, 12 years</li> <li>• Deferred Income - 8, 10, 12 years</li> </ul>	
Policy Term (years)	<ul style="list-style-type: none"> <li>• 100 minus Age at Entry or</li> <li>• A fixed policy term in the range of 30-40 years can be chosen</li> </ul>	
Minimum Sum Assured on Maturity (₹)	₹ 3,00,000	
Maximum Sum Assured on Maturity (₹)	No limit, subject to Board Approved Underwriting Policy (BAUP)	

All ages mentioned above are age last birthday.

^Risk commences from the first policy anniversary where age at entry is less than 1 year. For all other ages, risk commences from the date of inception of the contract.

In cases where Life Assured is a minor, the policy will automatically vest on him or her on attaining age 18 years. The Policyholder should ensure that while the Life Insured is still a minor, the Income Payouts are used for the benefits of the minor life.

## PLAN OPTIONS

- A. Immediate Income** - An option that provides regular income by way of cash bonuses (if declared), from 1<sup>st</sup> policy year and provides lump sum at maturity thereby creating a legacy for your loved one.
- B. Deferred Income** - An option that provides Guaranteed Income for a guarantee period<sup>1</sup>, and also provides regular income by way of cash bonuses (if declared) throughout the policy term. It helps create a legacy for your loved ones by providing a lump sum at maturity.

<sup>1</sup>Guaranteed Income starts after Premium Payment Term + 1 year, provided all due premiums have been paid and the policy is in force. Guaranteed Income and Cash Bonus payouts, if declared, start one year after the end of Premium Payment Term. Guarantee Period is a period which is lower of 25 years, or Policy Term minus (Premium Payment Term + 1) years.

The benefits offered by both the plan options are detailed below in "Benefits in detail" section.

## PREMIUMS

You can choose your premium as per your needs. You can choose to pay your premiums either annually, half yearly, quarterly or monthly.

The Premium limits are as specified below:

Frequency	Minimum Premium per Instalment
Annual	₹ 25,000
Half-Yearly	₹ 12,750
Quarterly	₹ 6,500
Monthly	₹ 2,188

## FOUR SIMPLE STEPS TO PURCHASE THE POLICY

**Step 1** Choose your Premium amount

**Step 2** Choose your Premium Payment Term

**Step 3** Choose your Plan option

**Step 4** Choose if you would like to defer survival benefits

## HOW DOES THIS PLAN WORK?

**1**

If you've chosen Immediate Income option, Discretionary Cash Bonus (if declared) will be payable every year from 1<sup>st</sup> policy year till end of the policy term or death or surrender, whichever occurs earlier.

**2**

If you've chosen Deferred Income option, Guaranteed Income will be payable every year after the end of Premium Paying term plus 1 Year for Guaranteed Period & Discretionary Cash Bonus (if declared) will be paid every year from one year after the end of Premium Payment Term till end of the policy term or death or surrender, whichever occurs earlier.

**3**

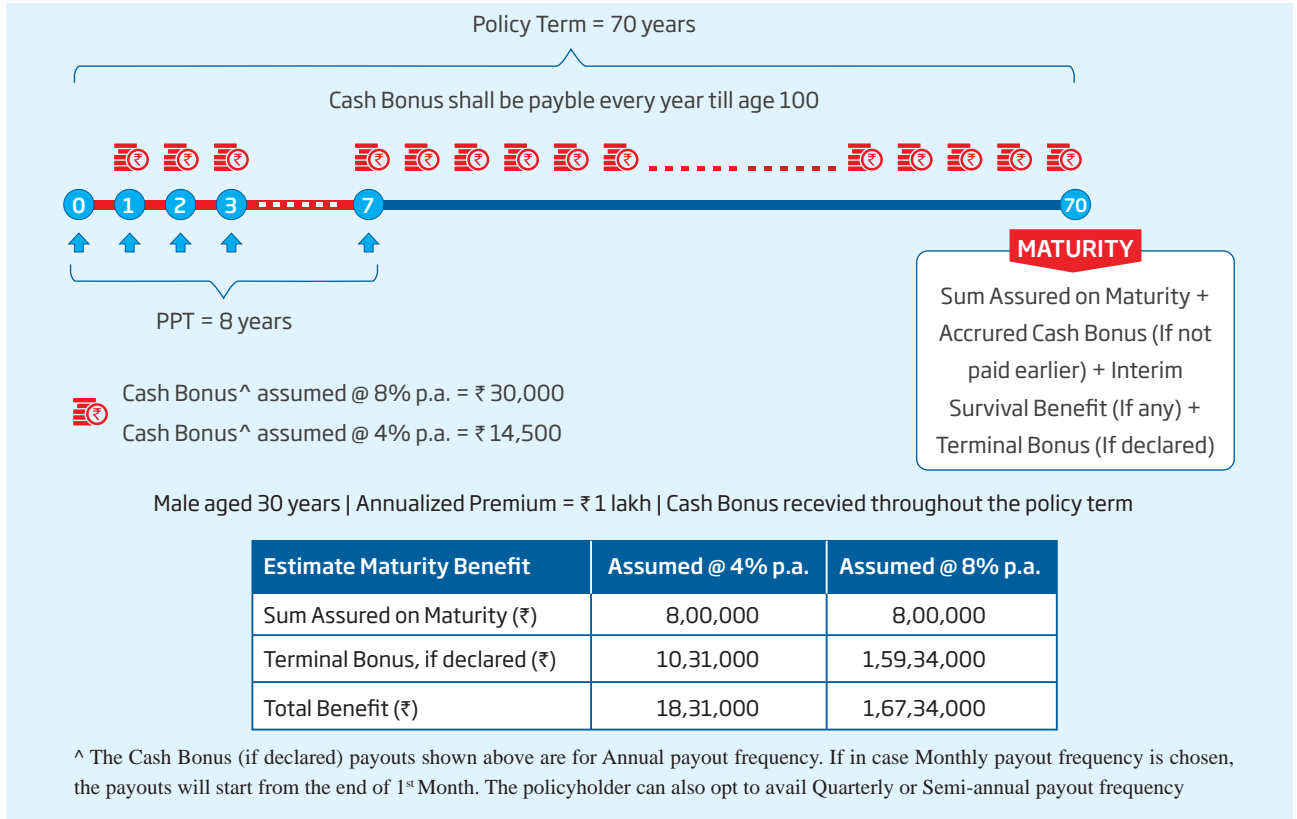
On Maturity, you will receive Sum Assured on Maturity, plus accrued Cash Bonuses (if not paid earlier), plus accrued Guaranteed Income (if not paid earlier), plus Interim Survival Benefit (if any), plus Terminal Bonus<sup>2</sup> (if declared)

You can choose to receive the future payouts either annually, half yearly, quarterly or monthly.

<sup>2</sup> Terminal bonus rates and cash bonus rates, if any, will be declared at the end of valuation period (currently end of financial year) and will be paid out to the eligible policyholders during the next year on policy termination date and as per the date chosen by the policyholder during the policy tenure respectively.

## BENEFITS IN DETAIL:

### A. IMMEDIATE INCOME OPTION



Note- 4% p.a. and 8% p.a. are only assumed investment returns and are not guaranteed.

Some benefits are guaranteed and some benefits are variable with returns based on the future performance of your insurer carrying on life insurance business. If your policy offers guaranteed benefits then these will be clearly marked "guaranteed" in the illustration table on this page. If your policy offers variable benefits then the illustrations on this page will show two different rates of assumed future investment returns. These assumed rates of return are not guaranteed and they are not the upper or lower limits of what you might get back, as the value of your policy is dependent on a number of factors including future investment performance.

#### a) Survival Benefit:

The policyholder would be eligible to receive Cash Bonus (if declared) at the end of each Policy Year and payable from the 1<sup>st</sup> policy year until death or end of policy term, whichever is earlier. Cash Bonus (if declared) would be expressed as:

$$\text{Cash Bonus payable} = \text{Cash Bonus Rate}^2 \times \text{Annualized Premium}^3$$

<sup>3</sup> Annualized Premium is the premium amount payable in a year chosen by the policyholder, excluding the taxes, rider premiums, underwriting extra premiums and loadings for modal premiums, if any.

**b) Maturity Benefit:**

For a policy where all due premiums have been paid, the maturity benefit payable at the end of the policy term is defined as:

1. Sum Assured on Maturity **plus**
2. Accrued Cash Bonuses, if not paid earlier **plus**
3. Interim Survival Benefit, if any **plus**
4. Terminal Bonus, (if declared)

Sum Assured on Maturity is total Annualized Premium payable under the policy during the premium payment term.

Where, Interim Survival Benefit = Interim Cash Bonus Rate \* Annualized Premium \* Months elapsed since last Survival Benefit payout date / 12

On payment of the Maturity Benefit, the policy will terminate and no more benefits will be payable.

**c) Death Benefit:**

On death of the life assured during the policy term, provided all due premiums are paid, death benefit equal to the following shall be payable as lump sum to the nominee:

- Sum Assured on Death plus
- Accrued Cash Bonuses, if not paid earlier plus
- Interim Survival Benefit (if any) plus
- Terminal Bonus (if declared)

The minimum Death Benefit shall be 105% of Total Premiums Paid<sup>4</sup> as on date of death.

Where, the Sum Assured on Death is the absolute amount of benefit which is guaranteed to become payable on death of the life assured. It shall be the highest of:

- 10 times the Annualized Premium
- Sum Assured on Maturity
- Death Multiple x Annualized Premium

Where, Interim Survival Benefit = Interim Cash Bonus Rate \* Annualized Premium \* Months elapsed since last Survival Benefit payout date / 12

The applicable Death Multiples are specified below.

On payment of Death Benefit during the policy term, the policy will terminate and no future payouts will be payable.

For minor lives where risk commences from the first policy anniversary and death of the Life Insured takes place prior to the risk commencement date, only the basic premiums paid to date (excluding taxes and levies, if any) shall be payable as the Death Benefit.

<sup>4</sup>Total Premiums Paid is the total of all the premiums received, excluding any extra premium, any rider premium and taxes.

Illustration for a Male aged 30 years, Annualized Premium: INR 1 lac, Premium Payment Term: 8 years, Sum Assured on Maturity: INR 8,00,000.

End of Policy Year	Age	Cash Bonus Payout/ Terminal Bonus (if declared)		Total Benefit		Sum Assured on Death
		Assumed Investment Return		Assumed Investment Return		
		@ 4% p.a.	@ 8% p.a.	@ 4% p.a.	@ 8% p.a.	
1	31	14,500	30,000	14,500	30,000	1,250,000
2	32	14,500	30,000	14,500	30,000	1,250,000
3	33	14,500	30,000	14,500	30,000	1,250,000
4	34	14,500	30,000	14,500	30,000	1,250,000
5	35	14,500	30,000	14,500	30,000	1,250,000
10	40	14,500	30,000	14,500	30,000	1,250,000
20	50	14,500	30,000	14,500	30,000	1,250,000
30	60	14,500	30,000	14,500	30,000	1,250,000
40	70	14,500	30,000	14,500	30,000	1,250,000
50	80	14,500	30,000	14,500	30,000	1,250,000
60	90	14,500	30,000	14,500	30,000	1,250,000
70*	100	1,031,000	15,934,000	1,831,000	16,734,000	1,250,000

\* Maturity Benefit payable at the end of policy term (70 years) = Sum Assured on Maturity Plus Terminal Bonus (if declared)

Sum Assured on Maturity: ₹ 8,00,000

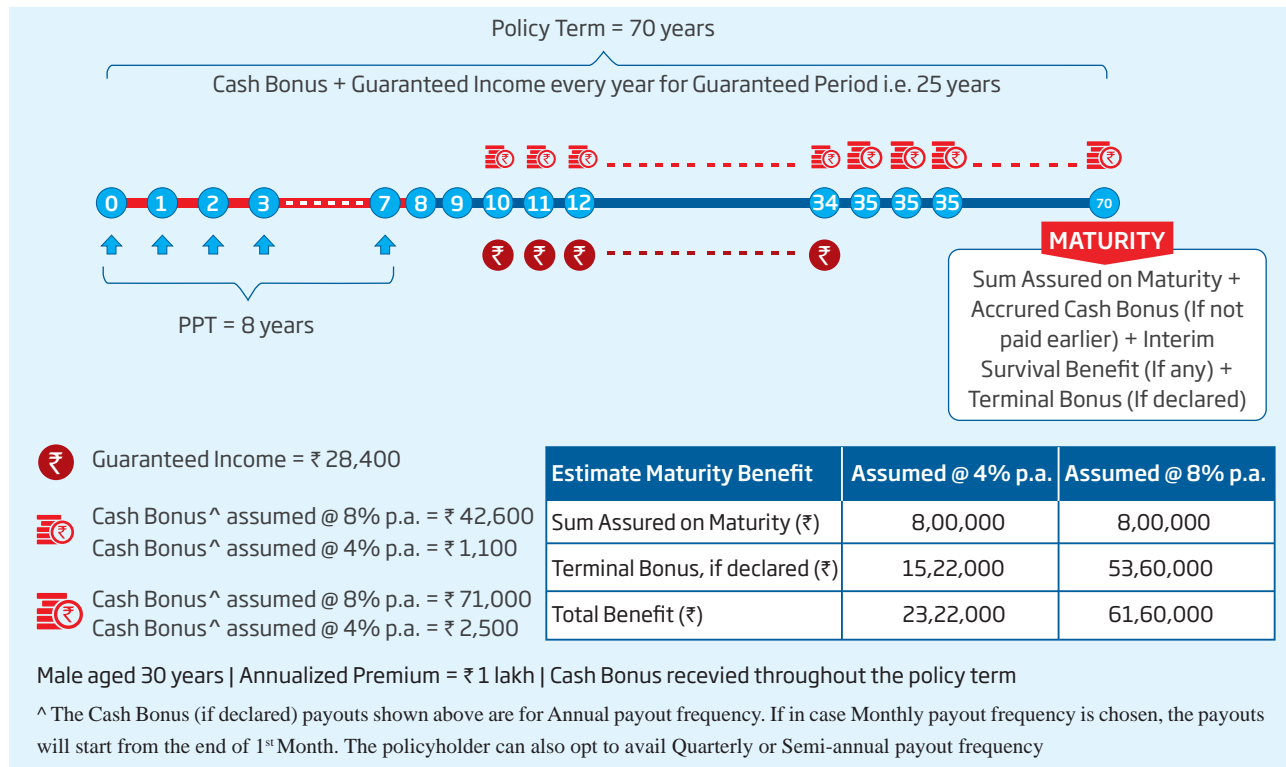
Terminal Bonus @ 4% p.a. = ₹ 10,31,000 & Terminal Bonus @ 8% p.a. = ₹ 1,59,34,000

The values shown are for illustrative purpose only. Please refer Benefit Illustration for details on benefits.

Note- 4% p.a. and 8% p.a. are only assumed investment returns and are not guaranteed.

Some benefits are guaranteed and some benefits are variable with returns based on the future performance of your insurer carrying on life insurance business. If your policy offers guaranteed benefits then these will be clearly marked "guaranteed" in the illustration table on this page. If your policy offers variable benefits then the illustrations on this page will show two different rates of assumed future investment returns. These assumed rates of return are not guaranteed and they are not the upper or lower limits of what you might get back, as the value of your policy is dependent on a number of factors including future investment performance.

## B. DEFERRED INCOME OPTION



Note- 4% p.a. and 8% p.a. are only assumed investment returns and are not guaranteed.

Some benefits are guaranteed and some benefits are variable with returns based on the future performance of your insurer carrying on life insurance business. If your policy offers guaranteed benefits then these will be clearly marked "guaranteed" in the illustration table on this page. If your policy offers variable benefits then the illustrations on this page will show two different rates of assumed future investment returns. These assumed rates of return are not guaranteed and they are not the upper or lower limits of what you might get back, as the value of your policy is dependent on a number of factors including future investment performance.

### a) Survival Benefit:

The policyholder will start receiving Guaranteed Income plus discretionary Cash Bonuses (if declared) in arrears one year after the end of Premium Payment Term.

Cash Bonus is expressed as  $\text{Cash Bonus Rate}^2 \times \text{Annualized Premium}$

### Guaranteed Income:

Guaranteed Income is expressed as  $\text{Guaranteed Income Rate} \times \text{Annualized Premium}$ .

### Guaranteed Income Rate:

Guaranteed Income Rate will depend on Age and Premium Payment Term. This guaranteed amount will be known to you at inception and would be payable for 25 years or Policy Term minus (Premium Payment Term + 1) years, whichever is lower, subject to your survival during this period.

Guaranteed Income Rate (as a % of Annualized Premium)			
Age at entry	Premium Payment Term (PPT)		
	8	10	12
Up to 25 years	28%	40%	50.8%
26 to 35 years	28%	40%	50%
36 to 40 years	28%	40%	50%
41 to 45 years	28%	40%	50%
46 to 50 years	28%	40%	50%
51 to 55 years	27.6%	40%	50%
56 years and above	NA	40%	50%

**Guarantee Period:**

Guarantee period is a period which is lower of [25 years, Policy Term less (Premium Payment Term + 1 year)] starting after Premium Payment Term + 1 years. This is applicable only for Deferred Income Option.

**b) Maturity Benefit:**

For a policy where all due premiums have been paid, the maturity benefit will be the aggregate of:

1. Sum Assured on Maturity plus
2. Accrued Guaranteed Income and Cash Bonuses (if declared), if not paid earlier plus
3. Interim Survival Benefit(if any) plus
4. Terminal Bonus, if declared

Sum Assured on Maturity is total Annualized Premium payable under the policy during the premium payment term.

Where, Interim Survival Benefit = (Interim Cash Bonus Rate \* Annualized Premium + Guaranteed Income) \* Months elapsed since last Survival Benefit payout date / 12

On payment of the Maturity Benefit, the policy will terminate and no more benefits will be payable.

**c) Death Benefit:**

On death of the life assured during the policy term, provided all due premiums are paid, death benefit equal to the following shall be payable as lump sum to the nominee:

- Sum Assured on Death plus
- Accrued Cash Bonuses and Guaranteed Income, if not paid earlier plus
- Interim Survival Benefit (if any) plus
- Terminal Bonus (if declared)

The minimum Death Benefit shall be 105% of Total Premiums Paid<sup>4</sup> as on date of death.

Where, the Sum Assured on Death is the absolute amount of benefit which is guaranteed to become payable on death of the life assured. It shall be the highest of:

- 10 times the Annualized Premium
- Sum Assured on Maturity
- Death Multiple x Annualized Premium



The applicable Death Multiples are specified below.

On death of the life assured during the Payout Period after Premium Payment Term, the Death Benefit payable shall not be reduced by the survival benefits already paid.

On payment of Death Benefit during the policy term, the policy will terminate and no future payouts will be payable.

For minor lives where risk commences from the first policy anniversary and death of the Life Insured takes place prior to the risk commencement date, only the basic premiums paid to date (excluding taxes and levies, if any) shall be payable as the Death Benefit.

Illustration for a Male aged 30 years, Annualized Premium: INR 1 lacs, Premium Payment Term: 8 years, Sum Assured on Maturity: INR 8,00,000.

End of Policy Year	Age	Guaranteed Payout	Cash Bonus Payout/ Terminal Bonus (if declared)		Total Benefit		Sum Assured on Death
			Assumed Investment Return		Assumed Investment Return		
			@ 4% p.a.	@ 8% p.a.	@ 4% p.a.	@ 8% p.a.	
1	31	0	0	0	0	0	1,250,000
2	32	0	0	0	0	0	1,250,000
3	33	0	0	0	0	0	1,250,000
4	34	0	0	0	0	0	1,250,000
5	35	0	0	0	0	0	1,250,000
10	40	28,400	1,100	42,600	29,500	71,000	1,250,000
20	50	28,400	1,100	42,600	29,500	71,000	1,250,000
30	60	28,400	1,100	42,600	29,500	71,000	1,250,000
40	70	0	2,500	71,000	2,500	71,000	1,250,000
50	80	0	2,500	71,000	2,500	71,000	1,250,000
60	90	0	2,500	71,000	2,500	71,000	1,250,000
70*	100	800,000	1,522,000	5,360,000	2,322,000	6,160,000	1,250,000

\* Maturity Benefit payable at the end of policy term (70 years) = Sum Assured on Maturity Plus Terminal Bonus (if declared)

Sum Assured on Maturity: ₹ 8,00,000

Terminal Bonus @ 4% p.a. = ₹ 15,22,000 & Terminal Bonus @ 8% p.a. = ₹ 53,60,000

The values shown are for illustrative purpose only. Please refer Benefit Illustration for details on benefits.

Note- 4% p.a. and 8% p.a. are only assumed investment returns and are not guaranteed.

Some benefits are guaranteed and some benefits are variable with returns based on the future performance of your insurer carrying on life insurance business. If your policy offers guaranteed benefits then these will be clearly marked "guaranteed" in the illustration table on this page. If your policy offers variable benefits then the illustrations on this page will show two different rates of assumed future investment returns. These assumed rates of return are not guaranteed and they are not the upper or lower limits of what you might get back, as the value of your policy is dependent on a number of factors including future investment performance.

**DEATH MULTIPLE (Applicable for both the plan options):**

Age at Entry	Death Multiple	Age at Entry	Death Multiple	Age at Entry	Death Multiple	Age at Entry	Death Multiple
<=5	15	19	13.6	33	12.2	47	10.8
6	14.9	20	13.5	34	12.1	48	10.7
7	14.8	21	13.4	35	12	49	10.6
8	14.7	22	13.3	36	11.9	50	10.5
9	14.6	23	13.2	37	11.8	51	10.45
10	14.5	24	13.1	38	11.7	52	10.4
11	14.4	25	13	39	11.6	53	10.35
12	14.3	26	12.9	40	11.5	54	10.3
13	14.2	27	12.8	41	11.4	55	10.25
14	14.1	28	12.7	42	11.3	56	10.2
15	14	29	12.6	43	11.2	57	10.15
16	13.9	30	12.5	44	11.1	58	10.1
17	13.8	31	12.4	45	11	59	10.05
18	13.7	32	12.3	46	10.9	>=60	10

Entry Age will be as of last birthday.

**BONUSES:**

The profits will be distributed in the form of Cash Bonus, and Terminal Bonus will be declared at the end of financial year. If declared, all eligible policies shall receive the terminal bonus on maturity or on exit due to death or surrender based on the terminal bonus rates declared by the company. The cash bonus, interim cash bonus, if any and terminal bonus shall be payable to the eligible policies in the year following the declaration (for cash bonus) or the time of exit by surrender or maturity or death (for interim cash bonus and terminal bonus) in the year following the declaration.

## FLEXIBILITIES AVAILABLE UNDER THE PRODUCT:

### A. DEFERRAL OF SURVIVAL BENEFITS:

At any point during the policy term, the policyholder shall have an option to defer the Survival Benefit(s), arising out of declared Cash Bonuses and/ or Guaranteed Income and accrue them instead.

The accrued Cash Bonuses and/ or Guaranteed Income payouts will be accumulated monthly at Reverse Repo Rate published by RBI on its website and this rate will be reviewed at the beginning of every month and will be aligned with the latest reverse-repo rate published on RBI's website. The current Reverse Repo Rate is 5.50%.

The policyholder can withdraw the accrued Cash Bonuses/ Guaranteed Income partly/ fully at any point during the policy term. If the unpaid Survival Benefits are not taken by the policyholder during the policy tenure, the same shall be payable along with benefits payable at the time of termination of the policy in the form of death, maturity or surrender. This option can be availed under an in-force as well as a paid-up policy.

The policyholder can choose to opt in or opt out of this feature at any point during the policy term.

### B. SURVIVAL BENEFIT PAYOUT DATES:

Survival Benefits will be paid on policy anniversaries by default. Alternatively, the policyholder can choose to receive the survival benefits on any one date as per their choice.

In case the policyholder opts for a survival benefit date other than the policy anniversary, the survival benefit applicable for the first year when it is due, would be calculated by pro-rating the annual rate by the no of days between the policy anniversary and the date chosen by the policyholder.

This option needs to be selected at policy inception and cannot be changed during the policy tenure.

## NON-FORFEITURE BENEFITS:

To enjoy the policy benefits, it is important that you pay all due premiums by the due date. This section details the benefits and limitations in case premiums are not paid during the term of the policy.

### Grace period:

You get a grace period of 15 days for monthly frequency of premium payment and 30 days for other frequencies to pay the premium without any penalty. The policy is considered to be in-force with the risk cover during the grace period without any interruption. If premium is not received before the end of grace period, the policy will lapse or become paid-up.

In case of a valid claim during the grace period, before payment of due premium, the claim shall be payable after deducting the due modal premium.

### Lapse, Paid-up and Surrender:

The policy shall acquire a Guaranteed Surrender Value (cash value) upon the payment of first two years' premiums

If a due premium is unpaid upon the expiry of the grace period, the policy shall:

- lapse if it has not acquired a Guaranteed Surrender Value
- become reduced paid-up if it has acquired a Guaranteed Surrender Value

In case of a lapsed policy, all the benefits shall cease and nothing is payable on death, maturity or surrender. Once the policy becomes paid-up, the survival and death benefit payouts shall reduce as defined below:

**Paid-up Maturity/Death benefit:**

Once the policy becomes reduced paid-up, the guaranteed benefits, including guaranteed income under Deferred Income option, shall be computed by multiplying the guaranteed benefits as specified to the ratio of the number of premiums paid to the number of premiums payable (as chosen by the policy holder at inception) under the policy.

Under Immediate Income Option, once the policy becomes reduced paid-up, the Cash Bonus payouts (if declared) shall be stopped immediately until the end of the premium payment term and will start again after the end of premium payment term only.

The Cash Bonus payouts (if declared) shall also be scaled down by the ratio of the number of premiums paid to the number of premiums payable under the policy and can be calculated as:

Cash Bonus Rate x Annualized Premium x (Number of Premiums Paid/ Number of Premiums Payable)

**Surrender:**

The policy shall acquire a Guaranteed Surrender Value (GSV) upon the payment of first two years' premiums, irrespective of premium paying term.

The Surrender Value shall be the higher of:

- a) Guaranteed Surrender Value (GSV); or
- b) Special Surrender Value (SSV)

Plus, any accrued survival benefit, if not paid earlier plus interim survival benefit.

where,

$GSV = \text{Max} (\text{applicable GSV factor} * \text{Total premiums paid} - \text{Survival benefits applicable till date}, 0)$

$SSV = \text{Max} (\text{Applicable SSV factor} * \text{Total premiums paid} - \text{Survival benefits applicable till date}, 0) \text{ plus Terminal Bonus (if declared)}$

For details on GSV percentage, please contact our financial consultant.

On payment of the Surrender Benefit, the policy will terminate and no more benefits will be payable.

**Revival:**

You can revive your lapsed/paid-up policy within the revival period (specified below) subject to the terms and conditions we may specify from time to time. For revival, you will need to pay all the outstanding premiums and interest on the outstanding premiums and taxes and levies as applicable. Interest rate will be as prevailing from time to time. The current rate of interest for revival is 9.5% p.a.

Please contact our Customer Service department to know the applicable interest rate.

The revival period shall be of five years from the due date of the first unpaid Premium and before the expiry of the Policy Term.

Once the policy is revived, you are entitled to receive all contractual benefits.

## TERMS & CONDITIONS

We recommend that you read and understand this product brochure & customized benefit illustration and understand what the plan is, how it works and the risks involved before you purchase.

### A) Risk Factors:

- 1) HDFC Life Insurance Company Limited is the name of our Insurance Company and "HDFC Life Sanchay Par Advantage" is the name of this plan. The name of our company and the name of our plan do not, in any way, indicate the quality of the plan, its future prospects or returns.
- 2) Please know the associated risks and the applicable charges, from your Insurance agent or the Intermediary or policy document issued by insurance company.

### B) Suicide Exclusions:

In case of death due to suicide within 12 months from the date of commencement of risk under the policy or from the date of revival of the policy, as applicable, the nominee or beneficiary of the policyholder shall be entitled to at least 80% of the total premiums paid till the date of death or the surrender value available as on the date of death whichever is higher, provided the policy is in force.

### C) Tax Benefits

Tax benefits under this plan may be available. Premiums paid by an individual or HUF under this plan and the benefits received from this policy may be eligible for tax benefits as per the applicable sections of the Income Tax Act, 1961, as amended from time to time.

You are requested to consult your tax advisor for advice on Tax Benefits.

### D) Cancellation in the Free-Look period:

In case you are not agreeable to the any of the policy terms and conditions, you have the option of returning the policy to us stating the reasons thereof, within 15 days from the date of receipt of the policy. The Free-Look period for policies purchased through Distance Marketing (specified below) will be 30 days. On receipt of your letter along with the original policy document, we shall arrange to refund the premiums paid subject to deduction of the proportionate risk premium for the period on cover, the expenses incurred by us for stamp duty and medical examination, if any.

Distance Marketing refers to insurance policies sold through any mode apart from face-to-face interactions such as telephone, internet etc (Please refer to "Guidelines on Distance Marketing of Insurance Product" for exhaustive definition of Distance Marketing)

### E) Alterations:

Change in Premium Payment Frequency is allowed.

### F) An under writing extra premium may be charged in case of Sub-standard lives and Smokers as per our prevalent Underwriting policy.

### G) Policy Loan:

Once your policy has acquired the surrender value, you may avail of a policy loan subject to the following:

- 1) The loan amount will be subject to a maximum 80% of the surrender value of your policy.

- 2) The interest rate on loan shall be 9.5% p.a. It shall be calculated as the Average Annualized 10-year benchmark G-Sec Yield (over last 6 months & rounded up to the nearest 50 bps) + 2%. The interest rate shall be reviewed half-yearly and any change in the interest rate shall be effective from 25<sup>th</sup> February and 25<sup>th</sup> August each year. In case upon review the interest rate is revised, the same shall apply until next revision.
- 3) Before any benefits are paid out, loan outstanding together with the interest thereon will be deducted and the balance amount will be payable.
- 4) Where the loan outstanding including interest exceeds 90% of the surrender value for a reduced paid-up policy, then the policy will be foreclosed and the policyholder will be paid the surrender value less loan outstanding including interest.
- 5) An in-force or fully paid-up policy shall not be foreclosed for non re-payment of loan.

**H) ADDITIONAL BENEFIT FOR HIGH PREMIUM POLICIES (Applicable only to Deferred Income plan option):**

We offer additional income for the policies with Annualized Premium more than or equal to Rs. 1 lakh.

Annualized Premium	Additional Income (% of Annualized Premium)
₹ 0 to ₹ 99,999	NIL
₹ 1,00,00 to ₹ 2,99,999	0.4%
₹ 3,00,000 to ₹ 4,99,999	1.0%
₹ 5,00,000 and above	1.2%

**I) Guaranteed Surrender Value Factors:**

Guaranteed Surrender Value Factors as percentage of premiums paid

Policy Year	Premium Paying Term			
	6 years	8 years	10 years	12 years
0	0%	0%	0%	0%
1	0%	0%	0%	0%
2	30%	30%	30%	30%
3	35%	35%	35%	35%
4	50%	50%	50%	50%
5	50%	50%	50%	50%
6	60%	50%	50%	50%
7	65%	50%	50%	50%
8	75%	60%	65%	58%
9	80%	65%	70%	65%
10	80%	75%	75%	73%
11	80%	80%	80%	80%
12+	90%	90%	90%	90%

**J) Conversion Factors:**

The installment premium for the premium payment frequencies other than annual mode is arrived at by multiplying the annual premium by the conversion factors, given below:

Premium Frequency	Half-Yearly	Quarterly	Monthly
Conversionfactor	0.5100	0.2600	0.0875

Installments for Cash Bonus (if declared) & Guaranteed Income for frequencies other than annual mode is arrived at by multiplying the annual Cash Bonus (if declared)/ Guaranteed Income by the conversion factor given below, and **will be paid out over the subsequent year** at the chosen frequency:

Frequency	Conversion
Half Yearly	98% of Annual Survival Benefitx 1/2
Quarterly	97% of Annual Survival Benefitx 1/4
Monthly	96% of Annual Survival Benefitx 1/12

**K) Nomination as per Section 39 of the Insurance Act 1938 as amended from time to time:**

- 1) The policyholder of a life insurance on his own life may nominate a person or persons to whom money secured by the policy shall be paid in the event of his death.
- 2) Where the nominee is a minor, the policyholder may appoint any person to receive the money secured by the policy in the event of policyholder's death during the minority of the nominee. The manner of appointment to be laid down by the insurer.
- 3) Nomination can be made at any time before the maturity of the policy.
- 4) Nomination may be incorporated in the text of the policy itself or may be endorsed on the policy communicated to the insurer and can be registered by the insurer in the records relating to the policy.
- 5) Nomination can be cancelled or changed at any time before policy matures, by an endorsement or a further endorsement or a will as the case may be.
- 6) A notice in writing of Change or Cancellation of nomination must be delivered to the insurer for the insurer to be liable to such nominee. Otherwise, insurer will not be liable if a bonafide payment is made to the person named in the text of the policy or in the registered records of the insurer.
- 7) Fee to be paid to the insurer for registering change or cancellation of a nomination can be specified by the Authority through Regulations.
- 8) A transfer or assignment made in accordance with Section 38 shall automatically cancel the nomination except in case of assignment to the insurer or other transferee or assignee for purpose of loan or against security or its reassignment after repayment. In such case, the nomination will not get cancelled to the extent of insurer's or transferee's or assignee's interest in the policy. The nomination will get revived on repayment of the loan.
- 9) The provisions of Section 39 are not applicable to any life insurance policy to which Section 6 of Married Women's Property Act, 1874 applies or has at any time applied except where before or after Insurance Laws (Amendment) Act 2015, a nomination is made in favour of spouse or children or spouse and children whether or not on the face of the policy it is mentioned that it is made under Section 39. Where nomination is intended to be made to spouse or children or spouse and children under Section 6 of MWP Act, it should be specifically mentioned on the policy. In such a case only, the provisions of Section 39 will not apply.

**L) Assignment as per Section 38 of the Insurance Act 1938 as amended from time to time:**

- 1) This policy may be transferred/assigned, wholly or in part, with or without consideration.
- 2) An Assignment may be effected in a policy by an endorsement upon the policy itself or by a separate instrument under notice to the Insurer.
- 3) The instrument of assignment should indicate the fact of transfer or assignment and the reasons for the assignment or transfer, antecedents of the assignee and terms on which assignment is made.
- 4) The assignment must be signed by the transferor or assignor or duly authorized agent and attested by at least one witness.
- 5) The transfer or assignment shall not be operative as against an Insurer until a notice in writing of the transfer or assignment and either the said endorsement or instrument itself or copy there of certified to be correct by both transferor and transferee or their duly authorized agents have been delivered to the Insurer.
- 6) Fee to be paid for assignment or transfer can be specified by the Authority through Regulations.
- 7) On receipt of notice with fee, the Insurer should Grant a written acknowledgement of receipt of notice. Such notice shall be conclusive evidence against the insurer of duly receiving the notice.
- 8) The Insurer may accept or decline to act upon any transfer or assignment or endorsement, if it has sufficient reasons to believe that it is (a) not bonafide or (b) not in the interest of the policyholder or (c) not in public interest or (d) is for the purpose of trading of the insurance policy.
- 9) In case of refusal to act upon the endorsement by the Insurer, any person aggrieved by the refusal may prefer a claim to IRDAI within 30 days of receipt of the refusal letter from the Insurer.

Section K (Nomination) and L (Assignment or Transfer) are simplified versions prepared for general information only and hence are not comprehensive. For full texts of these sections please refer to Section 38 and Section 39 of the Insurance Act, 1938 as amended by The Insurance Laws (Amendment) Act, 2015.

**M) Prohibition of Rebates: Section 41 of the Insurance Act, 1938 as amended from time to time states:**

- 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.

Provided that acceptance by an insurance agent of commission in connection with a policy of life insurance taken out by himself on his own life shall not be deemed to be acceptance of a rebate of premium within the meaning of this sub-section if at the time of such acceptance the insurance agent satisfies the prescribed conditions establishing that he is a bona fide insurance agent employed by 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.

**N) Non-Disclosure: Section 45 of the Insurance Act, 1938 as amended from time to time states:**

- 1) No policy of life insurance shall be called in question on any ground whatsoever after the expiry of three years from the date of the policy, i.e., from the date of issuance of the policy or the date of commencement of risk or the date of revival of the policy or the date of the rider to the policy, whichever is later.



- 2) A policy of life insurance may be called in question at any time within three years from the date of issuance of the policy or the date of commencement of risk or the date of revival of the policy or the date of the rider to the policy, whichever is later, on the ground of fraud: Provided that the insurer shall have to communicate in writing to the insured or the legal representatives or nominees or assignees of the insured the grounds and materials on which such decision is based.
  - 3) Notwithstanding anything contained in sub-section (2), no insurer shall repudiate a life insurance policy on the ground of fraud if the insured can prove that the mis-statement of or suppression of a material fact was true to the best of his knowledge and belief or that there was no deliberate intention to suppress the fact or that such mis-statement of or suppression of a material fact are within the knowledge of the insurer: Provided that in case of fraud, the onus of disproving lies upon the beneficiaries, in case the policyholder is not alive.
  - 4) A policy of life insurance may be called in question at any time within three years from the date of issuance of the policy or the date of commencement of risk or the date of revival of the policy or the date of the rider to the policy, whichever is later, on the ground that any statement of or suppression of a fact material to the expectancy of the life of the insured was incorrectly made in the proposal or other document on the basis of which the policy was issued or revived or rider issued: Provided that the insurer shall have to communicate in writing to the insured or the legal representatives or nominees or assignees of the insured the grounds and materials on which such decision to repudiate the policy of life insurance is based: Provided further that in case of repudiation of the policy on the ground of misstatement or suppression of a material fact, and not on the ground of fraud, the premiums collected on the policy till the date of repudiation shall be paid to the insured or the legal representatives or nominees or assignees of the insured within a period of ninety days from the date of such repudiation.
  - 5) Nothing in this section shall prevent the insurer from calling for proof of age at any time if he is entitled to do so, and no policy shall be deemed to be called in question merely because the terms of the policy are adjusted on subsequent proof that the age of the Life Insured was incorrectly stated in the proposal.
- O)** In case of fraud or misrepresentation including non-disclosure of any material facts, the Policy shall be cancelled immediately and the Surrender Value shall be payable, subject to the fraud or misrepresentation being established in accordance with Section 45 of the Insurance Act, 1938, as amended from time to time.

**P) Taxes:**

**Indirect Taxes**

Taxes and levies as applicable shall be levied . Any taxes, statutory levy becoming applicable in future may become payable by you by any method including by levy of an additional monetary amount in addition to premium and or charges.

**Direct Taxes**

Tax will be deducted at the applicable rate from the payments made under the policy, as per the provisions of the Income Tax Act, 1961, as amended from time to time.

- Q)** A policyholder can now have his life insurance policies in dematerialized form through a password protected online account called an electronic Insurance Account (eIA). This eIA can hold insurance policies issued from any insurer in dematerialized form, thereby facilitating the policy holder to access his policies on a common online platform. Facilities such as online premium payment, changes in address are available through the eIA. Furthermore, you would not be required to provide any KYC documents for any future policy purchase with any insurer. For more information on eIA visit <http://www.hdfclife.com/customer-service/life-insurance-policy-dematerialization>

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