

TATA AIA LIFE APEX PENSION

BASIC DEFINITIONS

In this Policy:

“You” or “Your” means the policyholder of this Policy as shown in the Policy Information Page.

“Insured” means the person whose life is insured under the Basic Policy as shown in the Policy Information Page.

“We”, “Us” or “Our” refers to the Tata AIA Life Insurance Company Limited.

“Issue Date” or “Commencement Date” is the date when coverage under this Policy Contract takes effect. The Issue Date is shown on the Policy Information Page and the Commencement Date is the date of issue of any endorsement indicated in the relevant endorsement if the original terms and coverage of the Policy are changed subsequently. Commencement Date is also the approval date of reinstatement of the Policy Contract.

“Policy” has the meaning ascribed to it in the section ‘The Policy Contract’

“Policy Date” as shown in the Policy Information Page is the date from which Policy Anniversaries, Policy Years, policy months and premium due dates are determined.

“Policy Year” means a one year period commencing on the Policy Date or on any Policy Anniversary thereof.

“Business Day” means a day on which Our corporate office or such other office as may be notified is open for normal business transaction.

“Policy Anniversary” refers to the same date each year as the Policy Date.

“Policy Monthly Anniversary” refers to the same date of each month as the Policy Date.

“Vesting Date” of the Basic Policy is shown in the Policy Information Page.

“Nominee” is the person nominated by You to receive the insurance benefits payable on the death of the Insured.

“Premium” of the Policy is shown in the Policy Information Page or in a subsequent endorsement issued by Us.

“The Fund” means a separately identifiable investment-linked fund set up and managed by Us for the purpose of achieving the objectives of the fund.

“Fund Value” is equal to the number of Units under this Policy multiplied by the Unit Price of the Fund.

“Valuation Date” refers to the date when the assets of the Fund are valued. The date shall be determined by Us from time to time.

“Unit” is a portion or a part of the underlying segregated Fund. The Fund shall be divided into shares of equal value called Units.

“Net Asset Value (NAV) per Unit” (also called “NAV per Unit or Unit Price”) is the value at which a Unit shall be debited from / credited to this Policy. The NAV per Unit or Unit Price at a Valuation Date is determined according to the Fund Valuation provisions specified hereinafter.

“Appropriation Price” is the Unit Price that shall be applied when We are required to purchase assets to allocate Units at a Valuation Date.

“Expropriation Price” is the Unit Price that shall be applied when We are required to sell assets to redeem Units at a Valuation Date.

“Partial Withdrawal” means any part of a Fund that is encashed / withdrawn by You.

“Guaranteed Maturity Unit Price” means the highest Unit Price out of all the Unit Prices of the Apex Pension Return Lock-in Fund II recorded on one hundred (100) Reset Dates (as defined below). The Unit Price is Rs 10 on the first Reset Date. The Guaranteed Maturity Unit Price is applicable to the Apex Pension Return Lock-in Fund II and for purpose of determining the Vesting benefit only.

“Reset Dates” are the 10th day of every consecutive calendar month (or if not open for business, the next Business Day) after the first Reset Date and applicable only for Apex Pension Return Lock-in Fund II. There are a total of one hundred (100) Reset Dates; the first and the last Reset Date are shown in the Policy Information Page.

“Fund Management Charge” is a charge levied as a percentage of the value of assets and shall be appropriated by adjusting the Net Asset Value as prescribed in the Fund Valuation section of the Fund Provisions, specified hereinafter.

“Surrender” means terminating the Policy before the Vesting Date. On Surrender a surrender value is payable which is expressed as the Fund Value less the Surrender Charge (as described in the Schedule of Policy Charges).

“Policy Charges” are the charges applicable to the Policy. The current charges on the Policy as on the Issue Date are set out in the Schedule of Policy Charges. We may add new charges and alter the charges and fees as shown in the said Schedule from time to time by sending advance notice of at least three (3) months and on prior clearance from the Insurance Regulatory and Development Authority.

Interpretation:

Whenever the context requires, the masculine form shall apply to feminine and singular terms shall include the plural.

BENEFIT PROVISIONS – TATA AIA LIFE APEX PENSION

Your Policy is known as Tata AIA Life Apex Pension. It is a Non-Participating Unit Linked Pension Plan with single premium payment term which vests on the date indicated on the Policy Information Page.

Your Policy provides benefits subject to the following terms and conditions:

1. **Vesting Benefit** – If the Insured is alive on the Vesting Date, We will pay to You the higher of:
 - The total Fund Value of the Policy at the applicable Unit Price as specified in the section “Cut-off time for determining the appropriate valuation date” or
 - the Guaranteed Maturity Unit Price multiplied by the number of Units of the Apex Pension Return Lock-in Fund II in the Premium Account as on the Vesting Date or
 - Premium paid in to the policy, provided all due premiums have been paid.

This Vesting benefit will be paid in the form of a single premium to purchase an annuity plan issued by Us or any other institutions in the market.

You may elect to receive in a lumpsum up to 33% of the sum of Vesting Benefit and apply the remainder to purchase the annuity plan as above.

2. **Death Benefit** – If the Insured dies while the Policy is in force and before the Vesting Date, We will pay to the Nominee the higher of:

- Premium paid in to the policy, provided all due premiums have been paid. OR
- the Fund Value i.e. sum of fund value of Apex Pension Investment Fund and Apex Pension Return Lock-in Fund II of this Policy at the applicable Unit Price as specified in the section “Cut-off time for determining the appropriate valuation date” under Fund Provisions following receipt and approval of written notice and due proof of death by Us.

This amount of Death Benefit, either partially or entirely, may be used by the Nominee to purchase an annuity from the company or from any other institutions in the market.

GENERAL PROVISIONS

THE POLICY CONTRACT

This contract of insurance (the “Policy”) is made in consideration of Your proposal and payment of the required premium. The Policy, proposal for it, the Policy Information Page and the latest of any attached endorsements constitute the entire contract. The terms and conditions of this Policy cannot be changed or waived except by endorsement duly signed by Our duly authorized officer.

Your Policy consists of the basic insurance plan and any endorsements which may be attached to it. The plan name of the Policy and the product and/or code name are shown under the Schedule of Benefits and Premiums of the Policy Information Page

MISSTATEMENT OF AGE

This Policy is issued at the age shown on the Policy Information Page which is the Insured’s declared age at last birthday in the Application.

If the age is misstated and if at the correct age the Insured is not insurable under this Policy pursuant to Our Underwriting rules, then subject to Section 45 of the Insurance Act 1938 the Policy shall be void and We will release the current Total Fund Value.

CURRENCY AND PLACE OF PAYMENT

All amounts payable either to or by Us will be paid in the currency shown on the Policy Information Page. Such amounts will be paid by a negotiable bank draft or cheque drawn on a bank or NEFT (National Electronic Funds Transfer) or electronic clearing systems in the country in which the currency of this Policy is denominated. All amounts due from Us will be payable at Our office shown on the Policy Information Page.

FREEDOM FROM RESTRICTIONS

Unless otherwise specified, this Policy is free from any restrictions upon the Insured as to travel, residence or occupation.

TERMINATION

All coverage under this Policy shall automatically terminate on the occurrence of the earliest of the following:

- (1) If the Basic Policy vests on the Vesting Date or is Surrendered; or
- (2) The death of the Insured.

Any Fund Value remaining after termination will be refunded, subject to deduction of Surrender Charge if applicable.

FREE LOOK PERIOD

The Policy can be cancelled by giving written notice to Us and You will receive the premiums invested into the Funds at the Unit Price as at the date of cancellation along with the charges paid after deducting the proportionate return of premium guarantee charge along with any expenses (such as stamp duty) which have been incurred for issuing the Policy. Such notice must be signed by You and received directly by Us within 15 days after You receive the Policy.

CLAIM PROCEDURES

Notice of Claim – All cases of death must be notified immediately to Us in writing. Other claims must be submitted in writing not later than 90 days after the date the insured event happens.

Filing Proof of Claim– Affirmative proof of loss and any appropriate forms as required by Us must be completed and furnished to Us, at the claimant’s expenses, within 120 days after the date the insured event happens, unless specified otherwise. A list of primary claim documents listing the normally required documents is attached as an Annexure to the Policy. Submission of the listed documents, forms or other proof, however, shall not be construed as an admission of Our liability.

We may require any additional proof and documents in support of the claim.

Medical Examination - We may request medical examination of the Insured.

TAXES

Service tax is applicable as per governing laws and the same shall be borne by You. We may recover from You, (including by deducting from the Fund Value), any levies and duties (including service tax), as imposed by the government from time to time.

UNIT STATEMENTS

Unit statements will be provided to You periodically and shall form the part of the Basic Policy.

CHANGE OF PLAN

Change of plan and premium paying term is not allowed.

OWNERSHIP PROVISIONS

THE POLICYHOLDER

You are the policyholder and beneficiary of this Policy as shown on the Policy Information Page until changed. Only You can, during the Insured’s lifetime, exercise all rights, privileges and options provided under this Policy subject to any assignee’s rights.

NOMINEE

The Nominee is named in the application unless subsequently changed. If a Nominee dies before the Insured, the payable benefits will be made to the surviving Nominee. If no nomination has been made, or all Nominees die before the Insured, the payable benefits will be made to Your legal heir or legal representative.

In the event of death of the Insured whilst the Nominee is a minor, the money secured by the Policy shall be received by the appointee as named in the application unless subsequently changed.

CHANGE OF OWNERSHIP, NOMINEE AND ASSIGNMENT

While this Policy is in force, You may change the Nominee/Appointee by giving a written notice to Us. Such change is valid only if recorded by Us during the lifetime of the Insured and endorsed on this Policy.

In the event that the original Nominee/Appointee is changed, the money secured by the policy shall be paid to the changed Nominee/Appointee.

You may assign this Policy by giving a written notice satisfactory to Us. Unless the original or duplicate copy of this Policy and assignment is also given to Us, We are not notified of such assignment and You will continue to be the policyholder for all purposes.

We assume no responsibility for the validity or sufficiency of the nomination of the Nominee or appointment of the Appointee or assignment.

FUND PROVISION

INVESTMENT POWER

The selection of the underlying investments of each Fund established by Us will be determined by Us from time to time according to the investment objectives of such Fund as stated in the Schedule of Fund. This may include, but is not limited to, deployment of monies of the Fund in short term investment vehicles (such as deposits of scheduled commercial banks, cash or call deposits etc.) which may or may not earn any income.

FUND VALUATION

The value of each Fund specially created by Us shall be determined by Us on daily basis on all Business Days under normal circumstances. However, We may value each Fund less frequently if trading in any Stock Exchange in which the Fund is invested is suspended so as to make it impossible to value the Fund daily.

The Fund's liabilities shall consist of accrued and unpaid investment expenses incurred by the Fund such as taxes and stamp duties, registration fees, legal, auditing and custodian fees, stock brokers' and estate agents' commissions incurred in the sales or purchases of assets, insurance costs and expenses incurred in the management and maintenance of the Fund and expenses incurred to ensure compliance with statutory and regulatory requirements relating to the Fund. It also includes any Fund Management Charge chargeable to the Fund.

NET ASSET VALUE AND UNIT PRICING

When We are required to purchase assets to allocate Units at a Valuation Date, the Net Asset Value, NAV per Unit or Unit Price is determined by applying the Appropriation Price as follows:-

$$\text{NAV (at Appropriation Price)} = (\text{Market/Fair value of the investments held by the Fund}) + (\text{Expenses incurred in purchase of the assets}) + (\text{Value of current assets}) + (\text{Accrued income}) - (\text{Fund Management Charges}) - (\text{Current liabilities and Provisions})$$
$$\text{NAV per Unit or Unit Price} = \text{NAV (at Appropriation Price) divided by (Total number of Units existing (at Appropriation Price) in the Fund at the Valuation Date before any Units are allocated)}$$

When We are required to sell assets to redeem Units at a Valuation Date, the Net Asset Value, NAV per Unit or Unit Price is determined by applying the Expropriation Price as follows:-

$$\text{NAV (at Expropriation Price)} = (\text{Market/Fair value of the investments held by the Fund}) - (\text{Expenses incurred in sale of the assets}) + (\text{Value of current assets}) + (\text{Accrued income}) - (\text{Fund Management Charges}) - (\text{Current liabilities and Provisions})$$
$$\text{NAV per Unit or Unit Price} = \text{NAV (at Expropriation Price) divided by (Total number of Units existing (at Expropriation Price) in the Fund at the Valuation Date before any Units are redeemed)}$$

PREMIUM ALLOCATION

Premium received will be invested into the Apex Pension Investment Fund. On the next immediate Reset Date, all the balance in the Apex Pension Investment Fund will be automatically transferred to the Apex Pension Return Lock-in Fund II using the respective Unit Prices of these two Funds applicable for that day as specified in the section "Cut-off time for determining the appropriate valuation date" under Fund Provisions after deduction of charges as mentioned in the Schedule of Policy Charges.

CREDIT/DEBIT OF UNITS

The premiums received, will be used to purchase Units at the Unit Price according to the Premium Allocation provisions.

Where notice is required (Surrender or death of the Insured), Units being debited shall be valued by reference to their Unit Price as specified in the section "Cut-off time for determining the appropriate valuation date" under Fund Provisions.

PARTIAL WITHDRAWAL OF FUND VALUE

Partial withdrawal of the Fund Value is not allowed.

SURRENDER

(a) Surrender Benefit within three policy years:

Upon Your request the policy can be surrendered within first three policy years. However, the fund value less the relevant surrender charges is kept aside as monetary value and will be payable at the end of 3rd policy year.

(b) Surrender Benefit after three policy years

Upon surrender, the Surrender Value shall be Regular Premium Fund Value less applicable Surrender Charges, if any Plus Top-Up Fund Value

CUT-OFF TIME FOR DETERMINING THE APPROPRIATE VALUATION DATE

The appropriate Valuation Date at which Unit Price will be used to purchase or redeem Units shall be determined in the following manner:-

(1) Purchase and allocation of Units in respect of premium received:

- (a) If the premium, by way of cash or a local cheque or a demand draft payable at par is received by Us at or before 3.00 p.m. of a Business Day at the place where these are receivable, the Unit Price of the date of receipt shall apply.
- (b) If the premium, by way of cash or a local cheque or a demand draft payable at par is received by Us after 3.00 p.m. of a Business Day, at the place where these are receivable, the Unit Price of the next Valuation Date following the receipt date shall apply provided the said local cheque or demand draft is realized on that day. Otherwise, the Unit Price of the date of on which these instruments are realized shall apply.
- (c) If the premium is received by Us by way of an outstation cheque/outstation demand draft, the Unit Price of the date of on which these instruments are realized shall apply.
- (d) In case of proposals or requests where underwriting or Our approval is required, the closing Unit Price of the day on which underwriting/approval is completed in all respects or the date of receipt of premium (in case of cash or local cheque or demand draft payable at par) or the date of cheque/demand draft realization (in case of an outstation cheque/demand draft) whichever is later shall apply.

- (e) If premium is received via standing instruction (such as autopay, credit cards, etc) the same procedure as for local cheques will apply with the date of sending the collection request to the relevant bank/financial institution being taken as the date of receipt of the local cheque.
- (f) Notwithstanding the above, premium received in advance of the due date will subject to the provisions set out in paragraph (3) below.

(2) Sale & Redemption of Units in respect of Surrender, death claim and Vesting benefits:

- (a) If a valid request/application is received by Us at or before 3.00 p.m. of a Business Day, the Unit Price of the date of receipt shall apply.
- (b) If a valid request/application is received by Us after 3.00 p.m. of a Business Day, the Unit Price of the next Valuation Date following the receipt shall apply.
- (c) In case of a death claim, valid application shall mean written notice of claim and filing of due proof of death in accordance with the Claims Procedures of the Policy.

(3) Where the Premium is received in advance:

If the premium is received in advance, the Units will be allocated on the due date of the premium. However if the premium is received by way of outstation cheques/outstation demand drafts, Units will be allocated on the day these instruments are realized or on due date whichever is later.

EXCEPTIONAL CIRCUMSTANCES

We may defer the payment of benefits (other than the death benefit) under this Policy for a period not exceeding 30 days from the date of payment would have been normally effected if not for exceptional circumstances, which situations such as where We on receipt of the request for claim, are not able to liquidate the investments quickly owing to market circumstances.

Examples of such circumstances are:

- a) When one or more stock exchanges which provide a basis for valuation for a substantial portion of the assets of the Fund are closed otherwise than for ordinary holidays.
- b) During periods of extreme volatility of markets during which Surrenders and transfers would, in Our opinion, be detrimental to interests of the existing unit holders of the Fund.
- c) In case of natural calamities, strikes, wars, civil unrest, riots and bandhs
- d) If so directed by the IRDA

SCHEDULE OF POLICY CHARGES

The current charges on the Policy as on the Issue Date are as follows.

We may add new charges and alter the charges and fees as shown in this schedule from time to time by giving advance notice of at least three (3) months and on prior clearance from the Insurance Regulatory and Development Authority and will have a prospective effect.

Surrender Charge:

Surrender charges is payable in case of Surrender as follows:

Policy Year	Surrender Charge (% of the Fund Value)
1	100%
2	10%
3,4 and5	5%
6+	0%

Partial Withdrawal Charge: Not Applicable

Premium Allocation Charge: There is no Premium Allocation Charge

Policy Administration Charge:

A monthly Policy Administration Charge as mentioned below will be deducted by canceling Units at Unit Price from the Fund Value of the Policy on each Policy Monthly Anniversary as a percentage of Single premium:

Premium Band	1 st Policy Year	% of Single Premium	
		2 nd & 3 rd Policy Year	4 th to 10 th Policy Year
<100000	0.50%	0.20%	0.03%
>=100000 - <200000	0.40%		
>=200000- <500000	0.30%		
>=500000- <1000000	0.25%		
1000000 +	0.20%		

Charge for Guarantee:

The Charge for Guarantee to be applied will have two components i) The highest NAV guarantee charge and ii) the Return of Premium Guarantee charge. The NAV guarantee charges will be deducted by cancelling Units at the Unit Price, from Apex Pension Return Lock In Fund II whereas the Return of Premium Guarantee charge will be deducted by cancelling Units at the Unit Price, from Apex Pension Return Lock In Fund II and/or Apex Pension Investment Fund and the respective applicable annual charges are as given in the following table (as a % of FundValue):

Highest NAV Guarantee Charge	ROP Guarantee Charge	Total Cost of Guarantee
0.10%	0.40%	0.50%

The above charges will be deducted on monthly basis, at the rate of 1/12 of the above mentioned annual rate.

SCHEDULE OF FUNDS		
Name of Fund	Apex Pension Investment Fund	Apex Pension Return Lock-in Fund II
Structure	The Apex Pension Investment Fund can invest in money market and cash instrument (0-100%) and debt instruments and derivatives (0-100%)	The Apex Pension Return Lock-in Fund II can invest in money market and cash instruments (0-100%), debt instruments and derivatives (0-100%) and equity and equity linked securities (0-100%)
Fund Objective	The investment objective for Apex Pension Investment Fund is to provide capital protection with a high level of safety and liquidity through judicious investment in high quality short-term debt. The strategy is to generate better returns with low level of risk through investments in fixed interest securities having short term maturity profile. The risk profile of the fund is very low and asset allocation will be upto 100% in Money Market and Cash.	The investment objective of Apex Pension Return Lock-in Fund II is to use the participation in an actively managed well diversified equity portfolio of large cap companies to generate capital appreciation and use high credit quality debt instrument to lock-in that capital appreciation. The initial asset allocation in equities is targeted at 80% to 100%.
Risk Profile	Low	Medium
Net Asset Value (NAV) per unit or Unit Price	As specified in the Fund Valuation provisions	
Fund Management Charge	0.90% per annum*	1.20% per annum*
	* All Fund Management Charges are subject to revision by Us but shall not be more than 1.35% per annum of the Fund Value	

There will be a Fund Management Charge for each of the Funds deducted at Unit Valuation Dates, which is specified above. We may alter the Fund Management Charges like other Policy Charges by sending advance notice to You of at least three (3) months subject to prior approval from the Insurance Regulatory and Development Authority

Under exceptional circumstances investment in Cash / Money Market Instruments in all above funds may go up to 100%.

Exceptional circumstances may include

- a) Global financial or credit crisis,
- b) War like situation,
- c) Political uncertainty
- d) Events like Political/ Communal disturbance which affects Indian economy and in turn impacts severely on Fixed Income/ Equity market.

The various funds offered under this product are the names of the funds and do not in any way indicate the quality of these funds, their future prospects and returns.

Subject to the laws and regulations as applicable, the asset allocation pattern indicated for the Fund in the Schedule of Fund may change from time to time, keeping in view market conditions, market opportunities, applicable regulations and political and economic factors. The percentages of investment/asset allocation pattern as stated in Schedule of Fund are only indicative and not absolute and can vary substantially depending upon the decision of the investment manager, the intention being at all times to seek to protect the interests of the policyholders, and meet the investment objectives of the relevant Fund. In this Policy, all investment risk is borne by You. Investments are subject to market risks and You acknowledge the same.