

Tata AIG Life Insurance Company Limited

In consideration of the application for this Policy and the payment of the premium computed and payable as provided hereinafter, by

AAA BANK
(Herein called the Policyholder)

HEREBY AGREES, in accordance with and subject to the provisions of this Policy, to pay the benefits as provided by this Policy, to the person, persons or entity entitled thereto.

The provisions and conditions on the subsequent pages hereof form a part of this policy as fully as if recited at length over the signatures hereto affixed.

IN WITNESS WHEREOF, TATA AIG LIFE INSURANCE COMPANY LIMITED has caused this Policy to be executed as of its Date of Issue to take effect on the Policy Effective Date.

REGISTRAR

MANAGING DIRECTOR

GROUP MORTGAGE REDUCING TERM INSURANCE POLICY NO. DGMLXXXXXX

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SCHEDULES

POLICY SCHEDULE

SUM INSURED REDUCING SCHEDULE

PREMIUM RATE SCHEDULE

PART I - DEFINITIONS

In this Policy where consistent with the contents the singular shall include the plural and the plural the singular; words importing the masculine gender shall include the feminine gender; and each of the following words and expressions shall have the following meanings:

1. **“Company”** shall mean Tata AIG Life Insurance Company Limited.
2. **“Policy”** shall mean this agreement, any supplementary contracts or endorsements herein, any amendments hereto signed by the Company, the application of the Policyholder, and any individual applications for membership, required statements to the Company’s medical examiners, and questionnaires provided by or on behalf of the Insured Members , which shall together constitute the entire contract between the parties.
3. **“Policyholder”** shall mean the institution to which the Policy is issued as specified in the Policy Schedule.
4. **“Policy Effective Date”** shall mean the date from which the insurance plan under this Policy becomes effective and shall be the date as specified in the Policy Schedule.
5. **“Borrowers”** shall mean the persons so defined in the Policy Schedule attached hereto.
6. **“Eligible Members”** shall mean Borrowers who have met the eligibility requirements set forth in Part II Section A of this Policy and are entitled to participate in the insurance coverage under this Policy.
7. **“Insured Members”** shall mean Eligible Members who, in accordance with the provisions of Part II Section B, are participating in the insurance plan under this Policy.
8. **“Joint Insured Members”** shall mean Eligible Members whom, in accordance with the provisions of Part II Section B are participating for joint-life insurance under a single mortgage loan.
9. **“Effective Date of Coverage”** shall mean the commencement date of the insurance coverage under this Policy as defined under Part II, Section B in this Policy.
10. **“Sum Insured”** shall mean the amount as set forth in Part III, Section A of this Policy.

11. **“Total and Permanent Disability”** or **“Disability”** shall mean permanent continuous and total disability such that:
- (a) In the Company’s opinion, the Insured Member, despite all optimal medical care, treatment and rehabilitation efforts, is unable ever to engage in any work, occupation, regular duties or profession, whether full-time or part-time, that he can ever be capable of doing for the remainder of his lifetime as a result of accidental bodily injury, sickness or diseases; and
 - (b) After all usual and reasonable treatment and rehabilitation measures have been employed continuously to restore the working ability of the Insured Member.
 - (c) For the purpose of the definition of Total and Permanent Disability, it is immaterial whether the occupation, work, profession or regular duties generates any sort of income, gain or remuneration.
12. **“Presumptive Disability”** shall mean the occurrence of any of the following conditions:
- (a) Total and irrecoverable loss of sight of both eyes; or
 - (b) Loss by severance of two or more limbs at or above wrists or ankles; or
 - (c) The total and irrecoverable loss of sight of one eye and loss by severance of one limb at or above wrist or ankle.
 - (d) The loss of use of two limbs shall also meet the definition of Presumptive Disability provided such loss of use involves total and permanent loss of function of the limbs affected as determined by the Company.
13. **“Physician”** shall mean only a person qualified by a recognised degree in allopathy/western medicine and is registered and legally authorised by the Medical Council of India or the relevant authority in the geographical area of his practice to render medical or surgical services of allopathy/western medicine, but excluding anyone who is the Insured Member himself, an agent of the Insured Member, an insurance agent, or a member of the Insured Members’ immediate family.
14. **“Date of Loss”** shall mean the date of death of the Insured Member for a death claim. For Total and Permanent Disability claim or a Presumptive Disability claim, the Date of Loss shall mean the date the Insured Member is certified to have suffered Disability by a Physician and is accepted by the Company.

PART II - MEMBERSHIP ELIGIBILITY, PARTICIPATION & TERMINATION

SECTION A - ELIGIBILITY

Each Borrower of the Policyholder shall be eligible to apply for insurance under this Policy subject to the following conditions:

1. He has attained age 18 but is not over age 64 at last birthday.
2. The proposed term of coverage at his Effective Date of Coverage shall not be less than 1 year or more than 35 years.
3. The initial Sum Insured at the Effective Date of Coverage shall not be less than Rs.XXXXXXXX
4. The Borrower is a natural person.
5. A maximum of three Borrowers may become eligible for joint-life insurance hereunder with respect to any one single mortgage loan if they are spouses or the immediate next-of-kin of the family excluding aunts, uncles and grandparents. All Borrowers must be obligated for the loan. If more than three Borrowers are obligated for a loan, only the three Borrowers who are identified as the principal Borrowers on the loan instrument shall be eligible for insurance. If no principal Borrowers are named, the three Borrowers whose signatures appear first, second and third on the loan instrument shall be eligible for insurance under this Policy.

SECTION B - PARTICIPATION

1. Each Eligible Member shall apply to participate in this insurance coverage by completing application for membership and submitting satisfactory evidence of insurability to the Company. The Effective Date of his Coverage shall be the date the first premium is received following the approval of such application by the Company. The Effective Date of Coverage shall not be earlier than the Policy Effective Date or the actual commencement date of the mortgage loan with the Policyholder after its approval, whichever is later.
2. Medical examination, as determined by the Company, shall be required for all Eligible Members whose total Sum Insured or amount proposed to be insured under this Policy and other policies issued by the Company, exceeds the Non-Medical Limit as determined by the Company and specified in the Policy Schedule.
3. Borrowers whose insurance has been terminated and who re-apply for membership shall be considered as new Borrowers. The Company reserves the right to request and review evidence of health and insurability for any such new Borrower electing to re-apply for cover. The extent and terms of the coverage will be determined by the Company based on the medical evidence or other information required.

SECTION C - TERMINATION

The insurance hereunder of any Insured Member shall automatically cease on the earliest of the following dates:

1. In the event of Policy termination, the date calculated in accordance with Part V, Section J, item 1 of this Policy.
2. The end of 35 years after the Effective Date of Coverage of the Insured Member.
3. The date on which a claim for Death Benefit or a Total and Permanent Disability Benefit defined under Part III, Section B or C respectively has been accepted by the Company in accordance with Part V, Section I.
4. The anniversary of an Insured Member's Effective Date of Coverage at which he attains or has attained age Seventy (70):
5. The date of the expiration of the period for which the last premium payment is made for the Insured Member's insurance subject to the grace period provision under Part IV, Section B.
6. The date of expiration of the original term of coverage approved by the Company.

PART III - BENEFIT PROVISIONS

SECTION A - SUM INSURED

Each Insured Member shall be insured for a Sum Insured specified in the Policy Schedule.

SECTION B - DEATH BENEFIT

Upon receipt of due proof of the death of an Insured Member, in the form and manner specified by the Company, the Company shall pay to the Policyholder, in one lump sum, subject to the provisions of this Policy, the Sum Insured on the life of such Insured Member as of the Date of Loss. If subsequent to the Date of Loss, part of the Sum Insured as of the date of his death is repaid by anyone other than the Company, the Policyholder shall return that part of the Sum Insured to the Insured Member's estate.

SECTION C - TOTAL AND PERMANENT DISABILITY BENEFITS

1. If any Insured Member who has been accepted for Total and Permanent Disability coverage shall sustain Total and Permanent Disability while insured hereunder, and provided such disability has existed continuously for at least twelve (12) months, the Company shall pay to the Policyholder immediately upon receipt of due proof of Total and Permanent Disability, but not earlier than twelve (12) months from the date of commencement of such disability, in full settlement of all obligations under the Policy in respect of such Insured Member, a lump sum payment equal to the Sum Insured calculated as at the Date of Loss which shall not be greater than the Sum Insured as at the end of such twelve (12) months period. If subsequent to the Date of Loss, part of the above Sum Insured is repaid by anyone other than the Company, the Policyholder shall return that part to the Insured Member.
2. If any Insured Member sustains Presumptive Disability, the Company shall have the right, at its discretion, to pay immediately upon receipt of due proof of such loss, a lump sum payment equal to the Sum Insured as at the Date of Loss. If subsequent to Date of Loss, any part of the above Sum Insured is repaid by anyone other than the Company, the Policyholder shall return that part to the Insured Member.

SECTION D - JOINT LIFE INSURANCE COVERAGE

If the Coverage for joint-life Insurance is in effect:

1. The benefits described under Section B and C above shall apply to the Joint Insured Members.
2. The death benefit shall be paid on receipt of proof of the death of the first Joint Insured Member to die and the insurance coverage for the surviving Joint Insured Member(s) shall automatically cease. No benefit shall be payable on the death of the other surviving Joint Insured Member(s).
3. If more than one Joint Insured Member die at the same time, only one death benefit shall be payable in respect of the first Insured Member stated on the certificate of insurance.
4. The disability benefit shall apply to the first Joint Insured Member who suffers Total and Permanent Disability or Presumptive Disability and the insurance coverage in respect of the

remaining Insured Member(s) shall automatically cease. No benefit shall be payable on the Total and Permanent Disability in respect of the other Joint Insured Member(s).

5. If more than one Joint Insured Member should sustain such Total and Permanent Disability or Presumptive Disability concurrently, only one disability benefit shall be payable for the first named Insured Member stated on the certificate of insurance.

SECTION E - EXCLUSIONS

1. If an Insured Member commits suicide, while sane or insane within one year from his Effective Date of Coverage or date of any reinstatement whichever is later, the death benefit payable under this Policy shall be a sum equal to the total premium paid in respect of such Insured Member without interest and no more. If a Joint Insured Member commits suicide within one year after his Effective Date of Coverage or date of any reinstatement whichever is later, the Company's liability shall be limited to the return of the difference between the premium paid and that which would have been paid if only the surviving Joint Insured Member(s) had been insured. Insurance on the surviving Joint Insured Member(s) shall remain in force.
2. The insurance under Section C herein shall not cover any disability caused directly or indirectly, wholly or partly, by any one of the following occurrences:
 - (a) assault and murder;
 - (b) service in armed forces in the time of war, whether declared or undeclared, or while under orders for warlike operations or restoration of public order;
 - (c) self-destruction or attempted self-destruction or self-inflicted injuries, while sane or insane;
 - (d) entering or exiting, operating or servicing, riding in or on, ascending or descending from or with any aerial device or conveyance except while the Insured Member is in an aircraft operated by a commercial passenger airline on a regular scheduled passenger trip over its established passenger route;
 - (e) any congenital defect which has manifested or was diagnosed before the Insured Member attains 17 years of age;
 - (f) riot and civil commotion, industrial action, strikes or terrorist activities;
 - (g) violation or attempted violation of the law or resistance to arrest;
 - (h) racing on horse or wheels;
 - (i) alcohol or drug abuse;
 - (j) pregnancy or childbirth;
 - (k) pre-existing conditions for which the Insured Member received medical treatment, diagnosis, consultation or prescribed drugs preceding the Effective Date of Coverage or date of any reinstatement whichever is later.

3. This Policy does not provide any benefit in the event that the disability of an Insured Member was directly or indirectly, wholly or partly due to an Acquired Immuno-Deficiency Syndrome (AIDS) or infection by any Human Immunodeficiency Virus (HIV). For the purpose of this Policy :
 - (a) The definition of AIDS shall be that used by the World Health Organisation in 1987, or any subsequent revision by the World Health Organisation of that definition ; and
 - (b) Infection shall be deemed to have occurred where blood tests or other relevant tests indicate, in the opinion of the Company either the presence of any Human Immuno-Deficiency Virus or antibodies to such a virus.
- 4 No benefit is payable under this Policy when the date of death or the date of commencement of the disability precedes the Effective Date of Coverage or date of any reinstatement whichever is later.

SECTION F - EXAMINATION

The Company shall retain the right to have a Physician of its choice examine the Insured Member before disability benefits are paid under this Policy and when and so often as it may reasonably require during the pendency of claim hereunder or to require the Insured Member to undergo a blood test or other relevant tests including a test for HIV, as a condition precedent to the liability of the Company to make any payment. The Company shall also have the right and opportunity to call for an autopsy in case of death where it is not forbidden by law.

SECTION G - PAYMENTS OF BENEFITS

- 1 Payment of benefits under this Policy, as specified in the Policy Schedule, shall be applied firstly to offset any indebtedness of the Insured Member to the Policyholder. Any balance Sum Insured remaining subsequent to this payment, shall be paid via the Policyholder, to the Insured Member in the case of Total and Permanent Disability or to the Insured Member's legal representative, executor or administrator in case of death.
2. Payment to the Policyholder, as provided by this Section, shall release the Company of all liabilities under this Policy with respect to the Policyholder and the Insured Member for whom a claim has been settled.

PART IV - PREMIUM PROVISIONS

SECTION A - PREMIUM PAYMENTS

1. Premiums are due and payable in respect of each Insured Member in advance, before his Effective Date of Coverage and subsequently based on the Frequency of Premium Payment as specified in the Policy Schedule, either to the Company or at the Issuing Office or at its Head Office, based on the premium rates and for a Premium Payment Duration as specified in the Policy Schedule. The Company reserves the right to impose extra premium in respect of Insured Members that represent a substandard risk, as determined by the Company, based on medical evidence and/or other information received in the participation process under Part II Section B.
2. In the case of joint-life insurance, premiums will be calculated separately for each Joint Insured Member. With the exception of the highest premium, a discount of twenty percent (20%) shall then be applied to the second and third premiums calculated before any substandard or extra premium is imposed, as applicable. The total premium payable for the joint-life insurance shall be the sum of the premiums applicable to the Joint Insured Members. The above discount shall not apply to any substandard or extra premium imposed in respect of any Joint Insured Member.

SECTION B - GRACE PERIOD AND TERMINATION

1. After payment of the first premium, a grace period of thirty-one (31) days following each Premium Due Date in respect of each Insured Member shall be allowed to the Policyholder for the remittance of premium dues. If any premium is not paid before the expiration of the grace period, the Insured Member's coverage under this Policy shall cease at the expiration of the grace period, except that if the Policyholder shall have given the Company written notice in advance of an earlier date of termination, the Insured Member's coverage shall cease as of such earlier date. The Policyholder shall be liable to the Company for the premium for the time the Insured Member's coverage is in force under this Policy during the grace period.
2. Upon early termination of coverage of an Insured before the expiry of the duration of the loan, the unearned portion of the premium, if any, shall be used to provide coverage until the end of the period for which such premium payment is made on account of the Insured Member's insurance.

SECTION C - DEDUCTION OF PREMIUM AT DEATH

If an Insured Member's coverage under this Policy is terminated by death, any unpaid balance of the premiums due before death occurs shall be deducted from the proceeds payable under the Policy.

PART V - GENERAL PROVISIONS

SECTION A - THE CONTRACT

1. All written statements in the application forms submitted by the Policyholder, or by the Insured Members shall, in the absence of fraud, be deemed representations and not warranties. No statement shall be used by the Company to void this Policy or in defence of a claim under it, unless it is made in writing pursuant to an application for this Policy.
2. The rights of the Policyholder or of any Insured Member under the Policy shall not be affected by any provision other than those contained in this Policy.
3. No person except the Managing Director or Registrar of the Company is authorised to waive, alter, modify or change any of the conditions or the provisions of this policy, including this thereof, or to extend credit or time for payment of any premium or any monies due to the Company, or to bind it by making any statement or receiving at any time any notice or information not contained in the application for this Policy. No alterations, modifications or changes to and in the Policy shall be valid unless agreed to in writing and signed by the Policyholder and by the Company.

SECTION B - INDIVIDUAL CERTIFICATES

The Company shall issue to the Policyholder, for delivery to each Insured Member, an individual certificate certifying that the person so named therein has become an Insured Member under the Policy. For Joint Insured Members, the certificate will only be issued to the principal Borrower or the first Borrower as set out in Part II, Section A item of the Policy and will include the name of the other Joint Insured Members.

SECTION C - DATA REQUIRED

1. The Policyholder shall keep a record with respect to each Insured Member under this Policy showing the Insured Member's name, sex, age or date of birth, his Effective Date of the Coverage, the amount of his insurance on the said Effective Date, the duration and dates of his instalment repayment, the date upon which the insurance shall expire and other pertinent information as may be necessary to carry out terms and operation of this Policy.
2. Clerical error in keeping the records shall not invalidate insurance otherwise validly in force nor continue insurance otherwise validly terminated, but upon the discovery of such error, an equitable adjustment shall be made to rectify the error.
3. The Policyholder shall furnish the Company with all information and proof which the Company may reasonably require with regard to any matters pertaining to the Policy. All documents furnished to the Policyholder by any Insured Member in connection with the insurance, and other records as may have a bearing on the insurance under this Policy, shall be open for inspection by the Company at all reasonable times.

SECTION D - MISSTATEMENT

1. If the age or date of birth or other relevant facts relating to an Insured Member shall be found to have been misstated and if such misstatement affects the scale of benefits or has anything to do with the terms and conditions of this Policy, the true age and facts shall be used in determining whether insurance is in force under the terms of this Policy and the benefits payable therefrom, and an equitable adjustment of premiums shall be made.
2. Where a misstatement of age or other relevant facts has caused a Borrower to be insured hereunder when he is otherwise ineligible for insurance, or where such statement has caused a Borrower to remain insured when he would otherwise be disqualified from further insurance in accordance with the terms and limitations of this policy, his insurance shall be void and there shall be a return of premiums paid in respect of such Borrower, provided always that where there is fraud on the part of the Policyholder or such Borrower, any premiums paid are not refundable.

SECTION E - PREMIUM RATES

The Company shall have the right to change the premium rates at any time provided thirty-one (31) days' written notice is given to the Policyholder.

SECTION F - APPLICABLE LAW

This Policy, and all rights, obligations and liabilities arising hereunder, shall be construed and determined and may be enforced in accordance with the law of India.

SECTION G - LEGAL PROCEEDINGS

No action in law or in equity shall be brought to recover on this Policy prior to the expiration of sixty (60) days after proof of claim has been filed in accordance with the requirements of the Policy, nor shall such action be brought at all unless brought within two (2) years from the expiration of time which proof of claim is required by this Policy.

SECTION H - INCONTESTABILITY

Notwithstanding anything to the contrary stated heretofore in this Policy, this Policy shall be incontestable except for non-payment of premium or for fraud after it has been in force for one year from its Date of Issue or date of any reinstatement whichever is later. The insurance of any Insured Member shall be incontestable except for non-payment of premium or for fraud after it has been in force during his lifetime for one year from his Effective Date of Coverage or date of his reinstatement whichever is the later.

SECTION I - FILING PROOF OF LOSS

1. It shall be a condition precedent to the liability of the Company to make payment of any benefit hereunder that satisfactory proof of loss must be furnished to the Company at its Issuing Office within ninety (90) days after the date of such loss.
2. For a disability claim, the proof of loss shall be furnished to the Company only 12 months after the commencement of the disability except for presumptive loss as defined under Part III Section C item 2, under which the proof shall be furnished to us within ninety (90) days after the date of such disability occurs.

SECTION J - POLICY TERMINATION AND REINSTATEMENT

1. This Policy may be terminated by either the Policyholder or the Company providing ninety (90) days' prior written notice of termination to the other party before the date of which such termination shall become effective. In the event of such termination each Insured Member's coverage shall continue until the date of the expiration of the period for which premium payment is made on account of his insurance. Termination shall not affect any claims originating prior to the effective date of such termination.
2. After termination of this Policy, the Policyholder may apply for reinstatement which shall be subject to the consent of the Company and to the terms and conditions which the Company may impose including the payment of any premiums due and not paid together with compound interest for each day that payment is overdue at a rate to be determined by the Company.

SECTION K - POLICY NON-PARTICIPATING

This Policy shall not participate in any surplus distribution by the Company.

SECTION L - FREELOOK PRIVILEGE

Any Membership Certificate issued hereunder may be returned to and received by the Company within fourteen (14) days after the date the Company has received the first premium in respect of such Insured Member. In this situation, any premium paid, less medical fees or other expenses incurred in assessing the risk for that Insured Member, shall be refunded to the Policyholder and the Membership Certificate and coverage of that Insured Member will be cancelled from his Effective Date of Coverage.

Attaching to and forming part of GROUP MORTGAGE REDUCING TERM INSURANCE POLICY
NO. DGMLXXXXXX

POLICY SCHEDULE

Policyholder :
Policy Effective Date :
Borrowers : The borrowers who have taken out a mortgage loan from the Policyholder.
Sum Insured : The Sum Insured in respect of each Insured Member shall be an amount equal to his loan outstanding at the Effective Date of his Coverage and is to be reduced each month in accordance with the attached Sum Insured Schedule applicable to his outstanding term of loan and mortgage interest rate covered.

Non-Medical Limit : Age Last Birthday Amount of Sum Insured

Premium Rates :
Frequency of Premium Payment :
Premium Payment Duration : Period equals to the term of coverage

TATA AIG LIFE INSURANCE COMPANY LIMITED

REGISTRAR

Currency Basis: Indian Rupees
Place of Issue : India
Issuing Office : Mumbai
Date of Issue : July 1st, 2001