

Tata AIA Life Health Protector – 5 Year Guaranteed Renewal Accident & Health Plan

BASIC DEFINITIONS

In this Policy :

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

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

“**Issue Date**” or “**Commencement Date**” is the date when coverage under this Policy or its relevant Supplementary Contract or Rider 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 and/or its Supplementary Contract or Rider in case of any reinstatement.

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

“**Maturity Date**” and “**Expiry Date**” of the Basic Policy are shown in the Policy Information Page. Unless otherwise specified, the Expiry Date for a Supplementary Contract or Rider falls on the Policy Anniversary equal to the number of years for which premiums for the relevant Supplementary Contract are payable as shown in the Schedule of Coverages, Benefits and Premiums of the Policy Information Page.

“**Face Amount**” means the initial sum assured of the Basic Policy when the Policy is issued and is shown in the Policy Information Page. If the Face Amount is subsequently altered according to the terms and conditions of the Policy, the adjusted amount after such alteration will become the Face Amount.

“**Indebtedness**” means any unpaid policy loans including automatic premium loan and accrued interest, unpaid premiums, deductibles and any other amounts owed to the Company.

“**Nominee**” is the person(s) nominated by the Policyholder to receive the insurance benefits payable on the death of the Insured.

“**Insured**” shall mean the Applicant and the person as shown as such on the Application effecting this Policy. Such person must be aged between eighteen (18) and sixty (60) years old at the date of Application and who has successfully applied for this insurance.

“**Accident**” refers to a sudden, unforeseen and involuntary event caused by external, violent and visible means which occurs while this Policy is in force and during the lifetime of the Insured.

“**Covered Injury**” means “**Injury**” occurring after the Issue Date, Commencement Date or last reinstatement of the Policy, whichever is later. “**Injury**” means an abnormal bodily condition of the Insured which occurs while this Policy is in force and within 90 days of Accident, and caused directly and solely by Accident independent of any other cause and not therefore due to illness or disease. Such Injury must be evidenced by external signs such as contusion, bruise and wound except in cases of drowning and internal injury.

“**Covered Illness**” means illness occurring more than ninety (90) days after the Issue Date or Commencement Date or last reinstatement, whichever is later, of this Policy. For this purpose, an illness has occurred when it has been investigated, diagnosed or treated or when its signs or symptoms have manifested which will cause an ordinary prudent person to seek diagnosis, care or treatment. In the event of

any conflict or discrepancy of opinions relating to the signs or symptoms of an illness and their manifestation between a Physician/Registered Medical Practitioner and the Insured, we will adopt and follow the Physician/Registered Medical Practitioner’s professional opinion.

“**Physician**” or “**Registered Medical Practitioner**” means only a person holding a degrees of bachelor of medicine and bachelor of surgery (MBBS) or equivalent degrees and is registered and legally authorized by the Medical Council of India or the relevant authority in the geographical area of his practice to render medical or surgical services; but excluding a Physician who is the Insured himself or an agent of the Insured, an insurance agent, business partner(s) or employer/employee of the Insured or a member of the Insured’s immediate family.

“**In-Patient**” means a person who undergoes Confinement for a Covered Injury or Covered Illness as a registered resident bed patient using and being charged for the room and board facilities of the Hospital.

“**Day**” means a minimum period of 24 consecutive hours and for which a hospital daily room and board or intensive care unit (ICU) charge is made in accordance with applicable regulations of the Government of India, if any.

“**Medically Necessary**” means health services, procedures or materials that are determined by the Company to be:

- (i) Necessary to investigate or treat current symptoms, signs, injuries or medical conditions;
- (ii) Not of a preventive or screening nature;
- (iii) Consistent with current standards of professional medical care and of proven medical benefits;
- (iv) Approved by all relevant regulatory authorities in India for that purpose;
- (v) Unable to be reasonably rendered out of hospital (if admitted as an In-Patient).

“**Emergency Medical Condition**” means a life-threatening acute medical condition arising from a Covered Injury which necessitates immediate medical care and treatment within 2 hours of onset without which will seriously jeopardize the life or health of the Insured. The medical opinion of the Company is final in determining if a condition is Emergency Medical Condition.

“**Critical Illnesses**” mean illnesses the signs or symptoms of which first commence more than one eighty (180) days following the Issue Date or the Commencement Date or the date of any reinstatement of this Policy, whichever is the latest, and shall include either the first diagnosis of any of the following illnesses or first performance of any of the covered surgeries stated below:

1. Cancer

The first occurrence of a histologically confirmed invasive malignant tumour exhibiting invasion of adjacent tissues.

The following are excluded:

- (i) Tumors treated by endoscopic procedures alone;
- (ii) Tumors classified as carcinoma in situ, prostate tumors classified as T1 (TNM classification system);
- (iii) T1N0M0 (TNM Classification System) papillary carcinoma of the thyroid less than 1 cm in diameter;
- (iv) Malignant melanomas other than those greater than 1.5 mm in depth;
- (v) Other skin cancers;
- (vi) Tumours that are a recurrence or metastasis of a tumour that

first occurred prior to one eighty (180) days following the later of the Issue Date, the Commencement Date or last reinstatement date;

- (vii) Kaposi's Sarcoma, other tumors associated with HIV infection; and
- (viii) Tumors that pose no threat to life and for which no treatment is required.

2. Stroke

The first occurrence of an acute neurological event caused by a cerebral or intracranial haemorrhage, cerebral embolism or cerebral thrombosis where the following conditions are met:

- (i) There is an acute onset of objective and ongoing neurological signs that results in the permanent inability to perform independently at least two of the "Activities of Daily Living"; and
- (ii) Findings on Magnetic Resonance Imaging, Computerised Tomography, or other reliable imaging techniques, demonstrate a lesion consistent with the acute haemorrhage, embolism or thrombosis.

Brain damage due to an Accident, infection, vasculitis or an inflammatory disease is excluded.

3. Heart Attack

The first occurrence of an acute myocardial infarction where the following conditions are met:

- (i) A history of typical chest pain,
- (ii) The occurrence of typical new acute infarction changes on the electrocardiograph progressing to the development of new pathological Q waves; and
- (iii) Elevation of Cardiac Troponin (T or I) to at least 3 times the upper limit of the normal reference range or an elevation in CK MB to at least 200% of the upper limit of the normal reference range.

4. Coronary Bypass Surgery

The actual undergoing for the first time of open chest coronary artery bypass grafting surgery to one or more coronary arteries due to disease of those arteries. Angioplasty, stent insertion, laser or other intraarterial procedures are excluded.

5. Chronic Renal Failure

Chronic irreversible failure of both kidneys requiring either permanent renal dialysis or kidney transplantation.

6. Major Organ Transplant

The receipt, of a transplant of:

- (i) Human bone marrow using haematopoietic stem cells preceded by total bone marrow ablation, or
- (ii) One of the following whole human organs: heart, lung, liver, kidney or pancreas, as a result of irreversible end stage failure of the relevant organ.

Other stem cell transplants and transplants of part of an organ are excluded.

7. Aorta Surgery

The actual undergoing of Medically Necessary surgery for a disease of the aorta needing excision and surgical replacement of the diseased aorta with a graft. For the purpose of this definition aorta shall mean the thoracic and abdominal aorta but not its branches.

8. Benign Brain Tumor

A benign intracranial tumour where the following conditions are met:

- (i) The tumour is life threatening;
- (ii) It has caused damage to the brain; and
- (iii) It has undergone surgical removal or, if inoperable, has caused a permanent neurological deficit.

The following are excluded: Cysts, Granulomas, Vascular Malformations, Haematomas, Tumors of the pituitary gland or spine, Tumors of the acoustic nerve.

9. Heart Valve Surgery

The undergoing of Medically Necessary open-heart surgery to replace or repair a heart valve as a consequence of a heart valve defect. Balloon or catheter techniques are excluded.

10. Paralysis

The total and permanent loss of the use of both arms, or both legs, or one arm and one leg, due to spinal cord injury or disease, except where such injury is self-inflicted.

11. Parkinson's Disease

The occurrence of Parkinson's Disease where there is an associated neurological deficit that results in the permanent inability to perform independently at least two of the "Activities of Daily Living".

12. Total Blindness

The total and permanent loss of sight in both eyes. Blindness that can be corrected by medical or surgical procedure is excluded.

Over time advances in medical science change the manner in which diseases are diagnosed and in some cases the seriousness of some diseases. The Company therefore reserves the right to change the definitions of Critical Illnesses and to add or delete illnesses in order to maintain their relevance and importance.

"Activities of Daily Living" shall have the following meanings:

- (a) Transfer: Getting in and out of a chair without requiring physical assistance.
- (b) Mobility: The ability to move from room to room without requiring any physical assistance.
- (c) Continence: The ability to voluntarily control bowel and bladder functions such as to maintain personal hygiene.
- (d) Dressing: Putting on and taking off all necessary items of clothing without requiring assistance of another person.
- (e) Bathing/Washing: The ability to wash in the bath or shower (including getting in or out of the bath or shower) or wash by any other means.
- (f) Eating: All tasks of getting food into the body once it has been prepared.

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

"Loss of Sight" means total permanent and irreversible loss of sight in one or both eyes, duly certified by an ophthalmologist's report.

"Loss of Fingers or Toes" means complete physical severance through or above the metacarpophalangeal or metatarsophalangeal joints.

"Loss of Limb" means loss by complete physical severance of a hand at or above the wrist or of a foot above the ankle.

"Loss of Use" means total permanent and irreversible loss of all functional use of a limb or organ.

"Loss of Speech" means the total permanent and irreversible disability in articulating any three of the four sounds which contribute to speech, namely the Labial sounds, the Alveololabial sounds, the Palatal sounds and the Velar sounds; or total permanent and irreversible loss of vocal cord or damage of speech center in the brain resulting in Aphasia.

“Loss of Hearing” means the total permanent and irreversible loss of hearing measuring more than 80 dB.

“Third Degree Burns” mean full thickness skin destruction due to burns.

“Total & Permanent Disability” means when as a result of Covered Injury or Covered Illness, and commencing within three hundred and sixty-five (365) days from the date of Accident or diagnosis, the Insured is totally, continuously and permanently disabled and prevented from:

- engaging in each and every occupation or employment for compensation or profit for which he/she is reasonably qualified by reason of his/her education, training or experience; or
- performing three (3) or more Activities of Daily Living as previously defined either with or without the use of mechanical equipment, special devices or other aids and adaptations in use for disabled persons, if he/she has no occupation at the time of Injury.

Cancer

The first occurrence of a histologically confirmed invasive malignant tumour exhibiting invasion of adjacent tissues.
The following are excluded:

- (i) Tumors treated by endoscopic procedures alone;
- (ii) Tumors classified as carcinoma in situ, prostate tumors classified as T1 (TNM classification system);
- (iii) T1N0M0 (TNM Classification System) papillary carcinoma of the thyroid less than 1 cm in diameter;
- (iv) Malignant melanomas other than those greater than 1.5 mm in depth;
- (v) Other skin cancers;
- (vi) Tumours that are a recurrence or metastasis of a tumour that first occurred prior to one eighty (180) days following the later of the Issue Date, the Commencement Date or last reinstatement date;
- (vii) Kaposi's Sarcoma, other tumors associated with HIV infection; and
- (viii) Tumors that pose no threat to life and for which no treatment is required.

BENEFITS PROVISIONS

Your Basic Policy is called Tata AIA Life Health Protector – 5 Year Guaranteed Renewal Accident And Health Plan. It is a Non-Participating Term Insurance which expires on the Expiry Date indicated on the Policy Information Page. Your Basic Policy provides benefits subject to the following terms and conditions:

- (1) **CRITICAL ILLNESS BENEFIT** – In the event of the Insured's survival for a period of at least thirty (30) days following a first diagnosis of Critical Illness or first performance of any of the covered surgeries while this Policy is in force, we shall, subject to the provisions herein contained, pay in one (1) lump sum equal to the amount of Critical Illness Benefit as shown on the Policy Information Page or any subsequent endorsement attached to the Policy.

If a payment has been made for a Critical Illness, the Critical Illness benefit will terminate under this policy and no further benefits would be payable.

The Critical Illness Benefit is not payable together with the Cancer Care Benefit.

- (2) **CANCER CARE BENEFIT**

In the event of the Insured's survival for a period of at least thirty (30) days following a first diagnosis of Cancer while this Policy is

in force, we shall, subject to the provisions herein contained, pay in one (1) lump sum equal to the amount of Cancer Care Benefit as shown on the Policy Information Page or any subsequent endorsement attached to the Policy.

If a payment has been made for a Cancer, the Cancer Care Benefit will terminate under this policy and no further benefits would be payable.

The Cancer Care Benefit is not payable together with the Critical Illness Benefit

- (3) **TERM LIFE BENEFIT**

Upon the death of the Insured while this Policy is in force, we will pay to the Nominee a Term Life Benefit equal to the Face Amount as shown on the Policy Information Page or any subsequent endorsement attached to the Policy.

The Policy will terminate on the death of the Insured and no further benefits would be payable.

- (4) **TOTAL AND PERMANENT DISABILITY BENEFIT**

In the event of Total and Permanent Disability of the Insured, the Company shall pay, provided such Total and Permanent Disability has continued for a period of twelve (12) consecutive months and remains total, continuous and permanent at the end of this period, the benefit amount of Permanent Total Disability as shown in the Policy Information Page or any Endorsement attached to this Policy.

If a payment has been made for a Total and Permanent Disability, the respective benefit will terminate under this policy and no further benefits would be payable.

- (5) **ACCIDENTAL DEATH BENEFIT**

If the Insured suffers loss of life within three hundred and sixty-five (365) days from the date of Accident, we will pay the benefit amount of Accidental Death Benefit as shown in the Policy Information Page or any Endorsement attached to this Policy.

This Contract will terminate on the death of the Insured and no further benefits would be payable.

BENEFIT STIPULATIONS

The following benefits cannot be selected together – the Insured shall only be able to select one of the two stated benefits for the contract to be valid.

1. **Critical Illness Benefit and Cancer Care Benefit**

EXCLUSIONS

Except for the Term Life Benefit under item (2) above, no benefit shall be payable under this Policy for any event caused directly or indirectly, wholly or partly, by any one of the following:

- (a) Where in our opinion the Insured was diagnosed of Acquired Immunodeficiency Syndrome (AIDS) or infection by any Human Immunodeficiency Virus (HIV). For the purpose of this Policy:-
 - (i) The definition of AIDS shall be that used by the World Health Organization in 1987, or any subsequent revision by the World Health Organization of that definition.
 - (ii) Infection shall be deemed to have occurred where blood or other relevant test(s) indicate in the opinion of the Company either the presence of any Human Immunodeficiency Virus or Anti bodies to such a Virus.
- (b) Assault or murder;
- (c) Riot and civil commotion, industrial action or terrorist activity;
- (d) War, declared or undeclared, or revolution;

- (e) Service in the armed forces in time of declared or undeclared war or while under orders for warlike operations or restoration of public order;
- (f) Self-destruction or any attempted self-destruction or self-inflicted injury while sane or insane;
- (g) Participation in any fight or affray;
- (h) Racing of any kind other than on foot;
- (I) Participation in scuba diving;
- (j) Accident occurring while or because the Insured is under the influence of alcohol or any non-prescribed drug;
- (k) Food poisoning or bacterial infection (except pyogenic infection which shall occur with and through an accidental cut or wound);
- (l) Entering, exiting, operating, servicing, or being transported by any aerial device or conveyance except when the Insured is on a commercial passenger airline on a regular scheduled passenger trip over its established passenger route;
- (m) Physical defects or abnormalities or mental infirmity existing at the time of insurance application or reinstatement of this Policy;
- (n) Parachuting, hang-gliding, hunting, bungee jumping, rock or mountaineering or climbing requiring the use of ropes or guides;
- (o) Ionising radiation or contamination by radioactivity from any nuclear fuel or nuclear waste;
- (p) Radioactive, toxic, explosive or other dangerous properties of any nuclear equipment or any part of the equipment;
- (q) Any underwater or subterranean operation or activity;
- (r) Deliberate act(s) of the Policyholder, Nominee or Insured;
- (s) Violation or attempted violation of the law or resistance to arrest;
- (t) Injury sustained as a result of a criminal act of the Insured.

2. **IN ADDITION**, this Policy shall not cover any Critical Illness/Cancer or covered surgery related to or caused directly or indirectly, wholly or partly, by any of the following occurrences:

- (a) Any illness other than the occurrence of Critical Illness/Cancer as defined herein;
- (b) Any Critical Illness/Cancer the signs or symptoms of which first occurred prior to one eighty (180) days following the later of the Issue Date or Commencement Date or last reinstatement of this Policy;
- (c) Any congenital defect or abnormalities that has manifested or was diagnosed before the Insured attains 17 years of age;
- (d) Self destruction or attempted self-destruction or self-inflicted injuries while sane or insane; and
- (e) Performance of any covered procedure or surgery which is not Medically Necessary, or which is not performed by a Registered Medical Practitioner.

The terms and conditions of these Benefit Provisions shall supersede any conflicting provisions of the Policy.

GENERAL PROVISIONS

THE POLICY CONTRACT

This Contract is made in consideration of your application and payment of the required premium. The Policy, application for it and any attached endorsements, constitute the entire contract. The terms and conditions of this Policy cannot be changed or waived except by endorsement or rider duly signed by our duly authorized officer.

Your Policy consists of the basic insurance plan (the "Basic Policy") and the Supplementary Contracts which may be attached to it. The plan name of the Basic Policy and the product and/or code name and form number of the Supplementary Contract, if attached to this Policy, are shown under the Schedule of Coverages, Benefits and Premiums of the Policy Information Page.

INCONTESTABILITY

Except for fraud or non-payment of premiums and subject to the Misstatement of Age and Sex clause, this Policy but not any attached

Supplementary Contract granting accident, hospitalization or other disability benefits, shall be incontestable after it has been in force during the lifetime of the Insured for two years from the Issue Date, or Commencement Date, whichever is later.

RENEWAL PRIVILEGE

While this Policy is kept in force and during the lifetime of the Insured, and provided that the Company consents to such renewal, it may be renewed without evidence of insurability on the Expiry Date and any subsequent Expiry Date prior to the 65th Birthday Anniversary of the Insured by advance payment of the required renewal premiums. The premium charged shall be determined in accordance with the Company's rates then in effect. The term of any such renewal will be the original term of this Policy or, if shorter, the number of years to the Policy Anniversary immediately following the Insured's 65th Birthday Anniversary.

The premium rate will increase based on the attained age of the Insured at the time of such renewal. We reserve the right to revise or adjust the premium rate at the time of such renewal.

EXTRA PREMIUM

Subject to the Renewal Privilege provision above, if this Policy is issued with an extra premium, an extra premium computed on a consistent basis shall be charged on the renewal policy upon renewal respectively.

SUICIDE

If the Insured, whether sane or insane, commits suicide within one year from the Issue Date or Commencement Date, whichever is later, our liability shall be limited to the refund of premiums paid less any Indebtedness without interest. In the case of reinstatement, such refund of premium shall be calculated from the Commencement Date.

MISSTATEMENT OF AGE AND SEX

This Policy is issued at the age and sex shown on the Policy Information Page which is the Insured declared age at last birthday and declared sex in the Application. If the age and/or sex is misstated and higher premium should have been charged, the benefit payable under this Policy will be what the premiums paid would have purchased at the correct age of the Insured. If the Insured age/sex is misstated and lower premium should have been charged, the Company will refund any excess premiums paid without interest. If at the correct age/sex the Insured is not insurable under this Policy or any of its Supplementary Contracts pursuant to our Underwriting rules, the Policy or the relevant Supplementary Contract shall be void and the Company will refund the premiums paid without interest after deducting all payments made under the Policy or the relevant Supplementary Contract.

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 cheques drawn on a bank 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.

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 20 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 90 days after the date the insured event happens, unless specified otherwise.

We reserve the right to require any additional proof and documents in support of the claim.

Medical Examination – We reserve the right to request medical examination of the Insured. In case of death, we may require, if appropriate and legally allowable, an autopsy.

Proof of Continuing Loss – In the case of disability or other losses as we deem appropriate, we will require, at reasonable intervals, proof of continuing disability or loss. If such proof is not submitted as required, or such disability or loss ceases, claims for such disability or loss will not be considered.

Proof of Critical Illness / Cancer – The occurrence of a Critical Illness or performance of a covered surgery must be proven to our satisfaction. Such proof must be supported by the following:

- (a) Evidence provided by appropriate
- (b) who is/are properly registered with the local authority; and,
- (c) Appropriate medical investigations and/or reports including, but not limited to, clinical, radiological, histological and laboratory evidence; and
- (d) If the insured event requires a surgical procedure to be performed, the procedure must be the usual treatment for the condition and be Medically Necessary.
- (e) In the event of any dispute or disagreement regarding the appropriateness or correctness of the diagnosis, the Company shall have the right to call for an examination, of the Insured and the evidence used in arriving at such diagnosis, by such persons as the Company requires.

Medical terms used in this Policy, unless herein specified, will have the technical meaning as generally understood and used by medical specialists in the relevant field.

TAXES AND DUTIES

Service Tax is payable on insurance premiums as per applicable laws. We reserve the right to recover from You, any levies and duties (including service tax), as imposed by the government either by premium adjustment or other forms, as We may deem appropriate

FREE LOOK PERIOD

You have the right to cancel the Policy by giving a written notice to Us and You will receive the premiums paid after deducting a) Proportionate premium for the period of cover. b) medical examination costs and 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.

OWNERSHIP PROVISIONS

THE POLICYHOLDER

You are the Policyholder and beneficiary of this Policy as shown on the Policy Information Page until changed. Only the Policyholder can, during the Insured's lifetime, exercise all rights, privileges and options provided under this Policy subject to any Nominee's vested interest or 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(s). If no nomination has been made, or all Nominees die before the Insured, the payable benefits will be made to the legal heir or legal representative of the Policyholder.

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 ownership of this Policy and/or the Nominee/Appointee by filing 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.

You may assign this Policy by filing a written notice satisfactory to us. Unless the original or duplicate copy of the assignment is also filed with us, we are not deemed notified of such assignment.

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

PREMIUM PROVISIONS

PAYMENT

All premiums are payable on or before their due dates to us either at our issuing office or to our authorized Officer or Cashier. The premium shall be paid in the policy currency stated in the Policy Information Page.

CHANGE

You may change the frequency of premium payments by written request. Subject to our minimum premium requirements, premiums may be paid on an annual, semi-annual, quarterly or monthly mode at the premium rates applicable on the Issue Date.

Premiums payable monthly shall be paid by auto-deduction through a bank, unless we agree otherwise in writing. If such arrangement ceases for whatever reason, the Company will stop accepting monthly interval of premium payment and the policy will be automatically converted to quarterly mode. Any outstanding balance of the quarterly premium will become due immediately for payment.

DEFAULT

After payment of the first premium, failure to pay a subsequent premium on or before its due date will constitute a default in premium payment.

GRACE PERIOD

A Grace Period of thirty-one (31) days from the due date will be allowed for payment of each subsequent premium. The Policy will remain in force during the period. If any premium remains unpaid at the end of its Grace Period, the Policy shall lapse and have no further value.

DEDUCTION OF PREMIUM AT DEATH

If this Policy becomes a claim by death of the Insured, any balance of the premiums due for the full policy year in which death occurs shall be deducted from the proceeds payable under the Policy.

REINSTATEMENT

If a premium is in default beyond the Grace Period and subject to the Policy not having been terminated by the Policyholder, it may be reinstated, at our absolute discretion, within five years after the due date of the premium in default subject to: (i) your written application for reinstatement; (ii) production of Insured's current health certificate and other evidence of insurability satisfactory to us; (iii) payment of all overdue premiums with interest; and (iv) repayment or reinstatement of any Indebtedness outstanding at the due date of the premium in default plus interest.

Interest on premiums and Indebtedness will be compounded at an annual rate which we shall determine.

We will require evidence of insurability before reinstating any Supplementary Contract.

Any reinstatement shall only cover loss or Insured event which occurs after the reinstatement or Commencement Date.