

I. Standard Non-Par Non-Variable Insurance Product for CSC Distribution

Eligibility and other Conditions:			
Minimum / Maximum Age at Entry:	Company specific		
Minimum / Maximum Maturity Age:	Company specific		
Minimum policy Term	5 years or above		
Minimum Premium paying term:	5 years or above		
Maximum policy Term	15 years		
Minimum Premium:	Company may choose any amount between Rs.1500 p.a. and Rs.3000 p.a. (Both inclusive)		
Maximum Premium:	Rs. 20,000 p.a.		
Premium Payment Frequency:	Annual and Monthly modes. Other modes may also be offered		
Sum Assured:	Premium/Age	For entry age below 45 years	For entry age of 45 years & above
	Regular Premium	10 times Annualized Premium	7 times Annualized Premium
	Top-up Premium (age at the time of payment of top-up):	125% of Top-up Premium	110% of Top-up Premium
Grace period	30 days for all modes		
Policy Loan	Not available		
Revival period	2 years		
Lock-in-period	5 years		
Commission	Shall not be more than 5% of the premiums paid in the first year		
Service charges to CSC-VLEs	A fixed amount for every activity that would be undertaken by the CSC-VLEs.		

The product shall offer the following benefits, charges and other features:

1. **Guaranteed Death Benefit (GDB):** On death of the life assured provided the policy is in force, the highest of the following shall be paid to the nominee/s:
 - i. Sum Assured or

- ii. 105% of total premiums paid including top-up premiums paid till the date of death or
 - iii. Total premiums including top-up premiums paid till the date of death compounded at 1% p.a. or
 - iv. Balance in the IPA
2. **Guaranteed Maturity Benefit (GMB):** On maturity, highest of the following shall be paid, provided the policy is in force on maturity:
- i. Total premiums paid including top-up premiums paid compounded at 1% p.a. till the date of Maturity or
 - ii. Balance in the IPA
3. **Guaranteed Interest Rates:** The following interest shall be credited to the Individual Policy Account (IPA) till Maturity or death or surrender whichever is earlier. The insurers shall state specific MFR and AIR at the outset in the file and use application with respect to (i) and (ii) below:
- i. **Minimum Floor Rate (MFR):** Minimum of 1% p.a. of the balance in the IPA credited at the beginning of each quarter to the IPA till maturity or death or surrender whichever is earlier.
 - ii. **Additional Interest Rate (AIR):** In addition to the MFR above:
 - a. Minimum of 4% p.a. of the balance in the IPA credited to the IPA at the beginning of each quarter for the first 5 years and
 - b. Subsequently, minimum of 0.5% p.a. of the balance in the IPA credited to the IPA at the beginning of each quarter for the remaining years.
 - iii. **Residual Addition (RA):** In addition to the MFR and AIR above, RA shall be credited from end of 5th policy year and onwards to meet RIY requirement. This Interest will not be applicable for policies which are discontinued within the lock in period of 5 years and are subsequently not revived.
4. **Top-up premiums:** Top-up premiums shall be allowed with the following conditions:
- i. Only during the policy term.
 - ii. Provided all the due regular premiums are paid up to date.
 - iii. Provided the total top-up premiums paid shall not exceed the sum total of the regular premiums at that point of time.

5. **Partial Withdrawal Benefit:** Partial withdrawal shall be allowed subject to following conditions:

- i. Partial withdrawals are allowed only after completion of 5 policy years.
- ii. The partial withdrawal benefit shall be available for a minimum amount not less than Rs. 1,000 and up to a maximum amount equal to 25% of the Individual Policy Account in any policy year, subject to Individual Policy Account after each such withdrawal not being less than 1.5 times the one full years' annualized regular premium.
- iii. Partial Withdrawal shall be allowed only if the policy is in-force and provided the policyholder/life assured is not a minor.

6. **Discontinuance of premium:**

- i. **"Discontinuance"** means the state of a policy that could arise on account of surrender of the policy or non-payment of the contractual premium due before the expiry of the grace period.
- ii. Provided that no policy shall be treated as discontinued on non-payment of the said premium if, within the grace period, the premium has not been paid due to the death of the insured or upon the happening of any other contingency covered under the policy.

7. **Discontinuance of the premium during the lock-in-period:**

- i. The life cover shall be lapsed immediately on expiry of the grace period.
- ii. The Individual Policy Account shall be continued without any life cover till the end of the lock-in-period or the end of the revival period whichever is later.
- iii. During the lock-in-period or revival period, if the policy is not revived, the policy shall be terminated at the end of the lock-in-period or revival period whichever is later by paying the balance in the Individual Policy Account.
- iv. In case of death during the lock-in-period, the balance in the Individual Policy Account shall be paid.
- v. On revival of the discontinued policies the risk cover shall be restored upon receipt of all due and unpaid premiums without levying any interest or fee or charge as on date of revival.

8. **Discontinuance of the premium after the lock-in-period:**

- i. The Individual Policy Account shall be continued with life cover till the end of the of the revival period.

- ii. If the policy is revived, the policy shall continue with life cover upon receipt of all due and unpaid premiums without levying any interest or fee or charge as on date of revival.
- iii. If the policy is not revived during the revival period:
 - a. The policy shall be converted into paid-up policy immediately on expiry of the revival period.
 - b. The paid-up sum assured on death shall be equal to sum assured multiplied by the total number of premiums paid to the original number of premiums payable as per the terms and conditions of the policy.
- iv. On death, higher of the paid-up sum assured or the balance in the Individual Policy Account shall be paid.
- v. On surrender or maturity, the balance in the Individual Policy Account shall be paid.

9. Reduction in Yield- Difference between Gross Yield and Net Yield:

- i. Subject to para (ii) below, the maximum reduction in yield for policies from the fifth policy anniversary shall be in accordance with the Table 9.

Table: 9.

Number of years elapsed since inception	Maximum Reduction in Yield (Difference between Gross and Net Yield (% p.a.))
5	4.50%
6	4.00%
7	3.75%
8	3.50%
9	3.25%
10	3.15%
11 and 12	2.75%
13 and 14	2.50%
15 and thereafter	2.25%

- ii. The net reduction in yield at maturity for policies with term:
 - a. Less than or equal to 10 years shall not be more than 3.00% and
 - b. Above 10 years shall not be more than 2.25%.

10. **Benefit illustrations and policy schedule:** The policy schedule shall contain the following details of the Individual policy account value at each duration for the first five years and the insurer is not required to provide any additional benefit illustrations to the policyholders:

Details of IPA for the first five years:

In the table below, “A” shall represent the actual values and “0” shall be zero from 2nd year onwards.

Policy Year	1	2	3	4	5
Premiums payable	A	A	A	A	A
Opening balance in the IPA	A	A	A	A	A
Initial premium allocation charge	A	0	0	0	0
Mortality charge	A	A	A	A	A
Interest credited (MFR)	A	A	A	A	A
Additional interest credited (AIR)	A	A	A	A	A
Death benefit	A	A	A	A	A
Balance in IPA	A	A	A	A	A

11. **Charges:**

- i. **Initial Premium Allocation Charge:** There shall be an Initial Premium Allocation Charge of maximum 20% of First Year Premium. It shall be zero from Year 2 onwards. It is a charge that is appropriated from the premium before crediting the premium to the IPA.
- ii. **Mortality Charges:** The charges for the Sum at Risk shall be deducted at the beginning of each policy month from the Individual Policy Account. The charges for Sum at Risk shall vary by attained age, gender of the life assured and shall not exceed 125% of the Indian Assured Lives Mortality (2006-08) Ult. The mortality charges shall be guaranteed throughout the contract period of the policy.
- iii. **Discontinuance / Surrender Charges:** Nil.

12. Multiple Policies: The insurer may issue multiple policies on a single life, provided all the policies issued on the said life under the CSC distribution, prior to the date of application of the fresh proposal for insurance, are in force. No fresh policy shall be issued under the CSC distribution, if any of the previous policy issued under this distribution is in the lapsed condition.