

## SHRIRAM FUTURE WEALTH - II

IN THIS POLICY, THE INVESTMENT RISK IN INVESTMENT PORTFOLIO IS BORNE BY THE POLICYHOLDER



**SHRIRAM FUTURE WEALTH – II** is a regular premium unit linked plan; this plan can be used for achieving policyholders long term objectives (Children education, Children marriage, Retirement planning) with an adequate income plus Future Wealth Loyalty addition. Each year, units in the chosen unit fund will be allotted, and defined charges will be deducted by cancellation of units each year till the policy becomes a claim.

The plan can also serve as a systematic Savings plan with insurance.

### KEY FEATURES OF THE PLAN:

- ✓ Future wealth benefits: **Amazing benefit structure boosts your unit account on 5<sup>th</sup>, 10<sup>th</sup>, 15<sup>th</sup>, 20<sup>th</sup> and 25<sup>th</sup> policy anniversaries.**
- ✓ Invest your surplus money in the form of Top up premiums.
- ✓ Total transparency, so you know the amount of premium invested and you can have a clear idea on your investment return.
- ✓ Dual benefit of market linked return and insurance protection
- ✓ The plan helps you to grow your premiums as you like with best investment strategy of our funds.
- ✓ Shriram Future Wealth serves you better with Annual Premium Increase Option, Auto Transfer Option, Cover plus Option and Accident Shield Rider.

## PLAN AT A GLANCE

Minimum entry age		0 years age last birthday		
Maximum entry age		60 years age last birthday		
Maximum maturity age		75 years age last birthday		
Minimum Policy Term		15 years		
Maximum Policy Term		25 years		
Premium payment term		Same as policy term		
Minimum Sum Assured		5 * Annualized Premium		
Maximum Sum Assured		Subject to underwriting consideration		
Minimum Installment Premium		Mode		
Policy Term	Yearly	Half Yearly	Quarterly	Monthly(via ECS only)
15 -19	Rs. 50,000	Rs. 26,000	Rs. 14,000	Rs. 5,000
20 - 24	Rs. 15,000	Rs. 7,500	Rs. 4,000	Rs. 1,500
25	Rs. 10,000	Rs. 5,000	Rs. 2,500	Rs. 1,000

## BENEFITS OF PLAN

### Death Benefit:

In case of death before the end of the policy term, Sum Assured or the value of the units whichever is higher in the Life Assured's unit account, is payable to the nominee. If policyholder opts Cover plus, the death benefit equal to "Sum Assured + Value of the units" will be paid.

In case of minor lives risk cover starts from the age of 7 years last birth day or after 2 years from the date of commencement of policy, whichever is later. In case death occurs before commencement of risk the value of units will be paid.

### Maturity Benefit:

On surviving up to the end of the policy term, the value of the units will be paid.

### Future Wealth Loyalty:

Future wealth Loyalty will be added to your unit account as below:

<b>At end of 5<sup>th</sup> policy anniversary</b>	<b>:</b>	<b>10% of basic annualized premium</b>
<b>At end of 10<sup>th</sup> policy anniversary</b>	<b>:</b>	<b>25% of basic annualized premium</b>
<b>At end of 15<sup>th</sup> policy anniversary</b>	<b>:</b>	<b>50% of basic annualized premium</b>
<b>At end of 20<sup>th</sup> policy anniversary</b>	<b>:</b>	<b>50% of basic annualized premium</b>
<b>At end of 25<sup>th</sup> policy anniversary</b>	<b>:</b>	<b>50% of basic annualized premium</b>



**Surrender Benefits:**

Policyholder can surrender his policy after the end of the third policy anniversary.

**FUND OPTIONS AND ITS INVESTMENT PORTFOLIO.**

Policyholder has an option to choose any one of the below funds or a combination of the following funds in a fixed percentage. The value of these investments may go up or down depending upon the market conditions. Consequently the Net Asset Value of the fund may go up or down.

Fund	Equity	Debt, Money Market & Cash	Objective of Fund
Preserver	0%	100%	Very Low risk with steady returns
Defender	0%-35%	65%-100%	Low risk with good returns
Balancer	40%-60%	40%-60%	Moderate risk with potentially better returns
Maximus	0%-70%	30%-100% <sup>"1"</sup>	High risk with higher return
Accelerator	90%-100%	0%-10% <sup>"2"</sup>	Very high risk with significantly higher returns
Tyaseer	90%-100%	0%-10% <sup>"2"</sup>	Very high risk with significantly higher returns from Investments in stocks and shares other than banks NBFCs, breweries, distilleries, alcohol based chemicals, Cigarettes, tobacco, entertainment, leather, sugar and hatcheries.

<sup>"1"</sup> - fund does not allow more than 20% in Money Market & Cash. <sup>"2"</sup> - fund does not allow investment in Debt instruments

Note: Equity refers to investment in listed equities. Debt instruments refer to investment in fixed income securities such as Government Bonds, Rated Corporate Bonds (AA and above) etc., Money Market and Cash include investment in instruments like Commercial paper, Certificate of Deposits, Short term Bank Deposits and Money market instruments.

**CHARGES UNDER THE PLAN**

As is the case with unit-linked plans, this plan, too, comes with a set of charges.

- **Premium Allocation Charge**

First year	: 40% of the annualised premium
Renewal	: 5% of the annualised premium

The Premium Allocation charge will be charged as and when premium is received.



The following charges will be deducted by cancellation of units on a monthly basis, at the prevailing unit price.

- **Policy Administration Charges**

Rs.40 /- per month in the 1<sup>st</sup> year and increased by 5% p.a. from 2<sup>nd</sup> year onwards, throughout the policy term till the policy becomes a claim. Admin charges in the last policy year will be given for specimen terms:

Policy term	15	20	25
Admin charge (per month)	79.2	101.08	129.00

- **Fund Management Charges**

An Investment management charge as detailed below will be charged by adjustment of the Net Asset Values of the units of the fund on a daily basis.

Fund	Fund Management charges
Preserver	1.25% p.a.
Defender	1.25% p.a.
Balancer	1.35% p.a.
Maximus	1.35% p.a.
Accelerator	1.35% p.a.
Tyaseer	1.35% p.a.

- **Service Tax Charges**

The Service Tax as per Regulations in force from time to time will be levied on a monthly basis by cancellation of units of the policyholder at the prevailing unit price.

- **Surrender Charges**

Time of Lapse/Surrender	Time Surrender value paid	Surrender charges
In First Year	End of Revival Period	100% of the value of the units
In Second Year	End of the Revival period/Upon request on or after 3 years since policy inception	50% of the value of units
In Third Year	End of the Revival period/Upon request on or after 3 years since policy inception	30% of the value of units
In Fourth Year	At the time of Surrender	15% of the value of the units
In Fifth Year	At the time of Surrender	5% of the value of the units



From sixth year onwards	At the time of Surrender	NIL
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In case policy is surrendered after completion of 5 policy years, no penalty will be levied irrespective of the number of premiums paid.

- **Mortality Charges**

**For Base Plan:**

The mortality charges will be charged on Sum at Risk at the beginning of each month where the Sum at Risk is equal to Sum Assured less the value of units.

**For Base Plan with cover Plus option:**

The mortality charges will be charged on Sum at Risk at the beginning of each month where the Sum at Risk is equal to Sum Assured.

These charges will be collected by cancelling requisite number of units from the policyholder's units.

**OPTIONS UNDER THE PLAN:**

a) **Cover Plus Option:**

When this is opted by policyholder the death benefit is equal to "Sum Assured + Value of the units". This option is available only at the time of policy inception.

b) **Flexibility in payment of premiums:**

Policyholder has a flexible option to pay his Premiums yearly, half-yearly, quarterly or monthly as per his convenience.

c) **Annual Premium Increase (API):**

API is an option to increase premium by 5% from second year onwards. Policyholders can Opt\Cancel this option at anytime during the policy term. In this, Sum Assured increases proportionately with premium increment to satisfy the minimum Sum Assured condition.

**How API Works:**

Year	Premium	Sum Assured
1	Rs. 20,000/-	Rs. 1, 00,000/-
2	Rs. 21,000/-	Rs. 1, 05,000/-
3	Rs. 22,050/-	Rs. 1, 10,250/- and so on.



If the policyholder cancels this option, then the next annualized premium will be at the discretion of policy holder i.e.; he can continue paying the same premium as the time of cancellation of this option or he can pay the annualized premium he has opted at the point of inception.

d) **Auto Transfer Option:**

This option reduces the risk of investing the full premium into a fund with a volatile NAV, by allowing premiums to be invested in a low risk fund "Preserver" and gradually transferring the money into chosen investment portfolio.

Policyholder can choose 6 or 12 month Auto Transfer Option to invest regular premiums. If the policyholder opts 12 month Auto Transfer Option, 1/12<sup>th</sup> of allocated premium will be invested in the chosen fund and the balance will be invested in the Preserver Fund. One month later 1/11<sup>th</sup> of the fund in the Preserver fund will be transferred to the chosen fund and this process will be continued until all the funds in the Preserver Fund are transferred. This process will be repeated as and when premium is received. When ATO is opted, partial withdrawal and switching between the funds is allowed except that the policyholder cannot switch from the existing funds to the preserver.

This option is available for the modes of yearly, half-yearly or quarterly without any charge. Policyholder can opt or cancel this option any time during the year. There is no restriction, but the selected option will become effective from the subsequent premiums. Further this option is not applicable in settlement period or cover continuance period.

e) **Switching:**

The Policyholder can switch from one Fund to another Fund out of the funds mentioned above, during the policy term. The policyholder can switch 2 times in a year without any charge. For each additional switch Rs.100/- will levied.

f) **Partial withdrawals:**

Policyholder has a facility to withdraw his units partially. The minimum value of the units withdrawn should be at least Rs.10,000/- subject to a maximum of five times the Annual premium opted at inception. For every partial withdrawal, a charge equal to surrender charge as specified will be levied on the units to be withdrawn depending upon the duration of withdrawal from the DOC. From sixth year onwards, a partial withdrawal charge of Rs.100/- will be levied for every withdrawal.

g) **Settlement Option:**

On surviving up to the end of the policy term, instead of the maturity value, Policyholder can opt to withdraw either wholly at any time or partly any number of units at any time in his credit in not more than 5 installments, within a period of five years from the date of maturity, at the prevailing



Net Asset Value at the time of each installment .During this period Fund management charge will be deducted. Since no cover is extended after the policy term, death benefit during this period is only fund value.

**h) Top-up premium:**

The policyholder has got an option to contribute in lump sum any time before the end of the policy term, to increase the number of units to his credit, if the policy is in force. A premium allocation charge of 2% of Top up premium will be deducted from such lump sum and the balance will be allocated for units. However, such lump sum payment should be at least Rs.5, 000/- per payment.

Such an additional payment will be considered as a single premium and if it remains within the 25% of the total basic regular premiums paid up to date, the top up premium will not have any insurance cover, and if it is more than 25% of the total basic regular premiums paid up to the date, such balance amount of the top up premium shall have Insurance cover at 125% of such balance subject to underwriting conditions. This insurance cover shall remain constant during the period of the contract and shall be maintained by canceling the units to the extent of the mortality charges, if any. A lock in period of three years shall apply for each top up premium, except during the last three years of the policy term. Top Up Sum Assured if any will be paid on death of the policyholder. Top up units will not attract any partial withdrawal charge or reduction of Sum Assured due to partial withdrawal.

**i) Tax Benefits of the plan**

As per current tax regulations, Premiums paid under this plan are eligible for tax benefits under Section 80C of the Income Tax Act, 1961. Any sum Assured received under this plan is exempt from tax under section 10(10D) of the Income Tax Act, 1961 as applicable from time to time. However, the policyholder is advised to consult tax advisor.

**j) Days of grace**

A grace period of one month but not less than 30 days will be allowed for payment of yearly, half-yearly, quarterly and monthly premiums.

**k) Cooling off period:**

If the policyholder is not satisfied with the 'Terms and conditions' of the policy, the policy can be returned to the Company within 15 days from the date of receipt of the policy. However, the company reserves the right to deduct Mortality Charges and rider charge (if any) for the time the company has provided cover up to the date of cancellation and Medical Examination fees, cancellation fee and stamp duty charges for issue of the policy.



## ABOUT RIDER OF THE PLAN

The policyholder has got the option to select the Accident Shield Rider to be attached to the policy.

### Accident Shield Rider (UIN- 128A003V01)

**Benefit :** In the event of the death of the life assured due to an accident or in the event of the life assured becoming totally and permanently disabled due to an accident within the policy term, sum assured under the Rider will become payable.

### Eligibility of Accident Shield Rider

CONDITION	LIMIT
Minimum Age at entry	18 years (age last birthday)
Maximum age at entry	60 years (age last birthday)
Maximum age at maturity	75 years
Duration	15 to 25 years
Annual Rider Premium	Re.0.90 per thousand SA
Sum Assured	Same as base plan

The charges for Rider together with service tax charge, at the appropriate rate will be collected on monthly basis by cancellation of units at prevailing unit price.

## CONDITIONS AND CLAUSES

1. No cover is extended after the expiry of the policy term and only settlement options are allowed.
2. Future wealth loyalty will be provided to the policyholders who have been paid all the premiums at the time of benefits paid. A Policy lapsed before the benefit becomes due and is revived within the revival period shall also be eligible for this addition as and when due.
3. Unit Linked Products are different from Traditional Products as they are subject to market risks.
4. Rider Sum Assured should be same as the Basic Sum Assured of the base plan.
5. No surrender value or paid up value will be available under the Rider.
6. Partial Withdrawals are not allowed to minors.
7. Suicide clause  
If the Life Assured commits suicide for any reason, while sane or insane, within one year from the date of acceptance of the policy or within one year from the reinstatement of a lapsed Policy, no benefits shall be payable under this Policy, other than the Life Assureds' value of units as on date of death.





8. NAV Computation and unit price:

NAV under each fund will be computed as under, (Market Value of investments held by the fund +/- the expenses incurred in the purchase/sales of the assets + the value of any current assets+ any accrued income net of fund management charges -the value of any current liabilities - provisions, if any).This gives the Net Asset Value of the fund. Dividing by the number of units existing at the valuation date gives the Unit Price of the fund.

9. The Sum Assured payable on death shall not be reduced at any time during the term of the policy except to the extent of the partial withdrawals made during the two year period immediately preceding the death of the Life Assured. However, on attainment of 60 years of age of the Life Assured, all the partial withdrawals may be set-off against the Sum Assured payable on death.

10. The policy shall automatically terminate and no further benefits will be paid under this policy, if the units in the policy become negative at any point of time during its term.

11. Partial withdrawals of units, to the credit, will be allowed only after the third policy anniversary provided that the premiums for the three years have been paid. Policyholder can withdraw his units irrespective of the policy status.

12. Revival Conditions:

If premium due is not paid within the grace period, the policy lapses. If the policy lapses, by not paying all the due premiums for at least three years from the date of commencement of the policy, the policy can be revived within a revival period of 2 years from the date of first unpaid premium, subject to continued insurability to the satisfaction of the company. During the revival period the policy administration charge will be collected by canceling the units and FMC will be charged by the adjustment of NAV. For reviving such a policy, arrears of premiums will be required to be paid. Out of this, premium allocation charge in respect of each year's premium will be deducted and the balance will be utilized to allocate units to the policyholder's unit account at the NAV prevailing at the time of revival. If the policyholder dies within the revival period, the value of the units on the date of death at the prevailing NAV will be paid. If the policy is not revived within the revival period, the value of the units at the prevailing NAV will be paid at the end of the revival period or at the end of the 3<sup>rd</sup> year whichever is later with appropriate surrender charges.

If at least three years premiums have been paid and three years have elapsed from the date of commencement of the policy, and further premiums have not been paid the policy can be revived within 2 years from the date of First unpaid premium subject to the payment of arrears of premiums. However, during the revival period insurance cover will be continued by deducting mortality charges, rider charges if any and administration charges by cancelling appropriate number of units. Before the end of the revival period, policyholder will be given an option by the company to either revive the policy or opt for cover continuance even after the revival period.

For reviving such a policy, arrears of premiums are required to be paid. Out of this, premium allocation charge in respect of each year's premium will be deducted and the balance amount will be utilized to allocate units to the policyholder's account at the NAV prevailing at the time of revival. Future wealth bonus (if any) will be added to the policyholder's unit account at the time the policy has been revived.



If the policy is not revived within the revival period the contract will be terminated by paying surrender value. If the policyholder wants to continue the cover even after the revival period then before the end of the revival period he has to submit a request to the office along with the necessary documents asking for the continuation of insurance cover. Then from the end of the revival period insurance cover will continue at the option of the policyholder by canceling units to the extent of mortality Charges, rider charges if any and Policy administration Charges until the fund value becomes one full years' premium. Then it will be paid to the policyholder and the policy terminates .FMC also will be charged during cover continuation period by adjustment of NAV. No further premiums are allowed if the policyholder opted cover continuance option.Future wealth loyalty addition is also not applicable during the revival period and Cover continuance period.

At each time of revival the company may call for requirements for evidence of good health as decided from time to time.

13. Cut-off timings:

In respect of Premiums/ Top-up premiums/ fund switches received up to 3 p.m. by the insurer along with a local cheque or a demand draft payable at par at the place where the premium is received, the closing NAV of the day on which premium is received shall be applicable.

In respect of Premiums/ Top-up premiums/ fund switches received after 3 p.m. by the insurer along with a local cheque or a demand draft payable at par at the place where the premium is received, the closing NAV of the next business day shall be applicable.

14. No loans will be granted under the policy.

15. Exclusions under base policy:

Hazardous occupations such as steeple chasing, sea diving, mountaineering, hunting, and racing of any kind will not be accepted. However, there are no restrictions on travel and future occupation.

16. Exclusions under Accident Shield Rider

The benefits under the Riders are not payable, if total and permanent Disability or death occurs as a result of:

- A. Intentional self injury, attempted suicide, insanity, immorality or while the life assured is under the influence of alcohol, drugs or Narcotics
- B. An Accident while the life assured is engaged in aviation or aeronautics other than as a fare paying passenger
- C. Injuries caused by riots, civil commotion, rebellion, war (whether war is declared or not) invasion, hunting, mountaineering, steeple chasing or racing of any kind.
- D. The life Assured committing any breach of law.

**Extract from section 41 of Insurance Act, 1938**

- i. No person shall allow or offer to allow, either directly or indirectly, as an inducement to any person to take out or renew or continue an insurance in respect of any kind of risk relating to lives or property in India, any rebate of the whole or part of the commission payable or any rebate of the premium shown on the policy nor any person taking out or renewing or continuing



a policy accept any rebate except such rebates as may be allowed in accordance with the published prospectuses or tables of the insurer: provided that acceptance by an insurance agent of commission in connection with a policy of insurance taken out by himself on his own life shall not be deemed to be acceptance provided the insurance agent satisfies the prescribed conditions establishing that he is a bone fide insurance agent employed by the insurer

- ii. Any person making default in complying with the provisions of this section shall be punishable with a fine which may extend to Rs.500/-

**Section 45 of the Insurance Act, 1938:**

No policy of life insurance effected before the commencement of this Act shall, after the expiry of two years from the date of commencement of this Act, and no policy of life insurance effected after the coming into force of this Act shall, after the expiry of two years from the date on which it was effected, be called in question by an insurer on the ground that a statement made in the proposal for insurance or in any report of a medical officer, or referee, or friend of the insured, or in any other document leading to the issue of policy, was in accurate or false, unless the insurer shows that such statement was on a material matter or suppressed fact which it was material to disclose and that it was fraudulently made by the policyholder and that the policyholder knew at the time of making it that the statement was false or that it suppressed facts which it was material to disclose.

**ABOUT THE COMPANY**

**Shriram Life Insurance Company Ltd** is a joint venture of the Shriram Group with **Sanlam Life Insurance Company**, one of the largest life insurance companies of South Africa.

The name and address of the ombudsman to whom this policy can be referred to is being attached with the policy bond.

For further details, Please contact our Insurance Advisors or our nearest Divisional Office.

**ADDRESS**

