

EFU Life Assurance Ltd

Anmol Rishtey

PROVISIONS AND CONDITIONS

1. NATURE OF PLAN AND DEFINITIONS.

- (i) The EFU – Anmol Rishtey Plan is a Unit-Linked Endowment Assurance Policy;
- (ii) In these Provisions:-
 - (a) Except where inconsistent with the subject matter or context the singular includes the plural and the masculine the feminine, and vice versa in both cases;
 - (b) Where the plan is issued on a joint life basis the term 'Life Assured' would also mean the 'Lives Assured';
 - (c) "ACTUARY" means the Company's Actuary for the time being;
 - (d) "BASIC CASH VALUE" means the Bid Value of the Units for the time being allocated to the Policy other than units applicable to Fund Acceleration Premium, and not surrendered in accordance with Clause 13;
 - (e) "COMPANY" means EFU Life Assurance Ltd (Registered and Supervised by Securities and Exchange Commission of Pakistan);
 - (f) "CONTINUATION BENEFIT" means the benefit as defined in Clause 19 hereof;
 - (g) "FREE LOOK PERIOD" refers to a period of fourteen days from the Commencement Date (as defined in Clause 4), during which the Life Assured may opt to cancel the Policy for a refund of Regular Premium paid by him. For details of refund refer to Clause 3;
 - (h) "FUND" means any one of such separate and identifiable unit linked funds as may form part of the Company's Life Assurance Fund which the Company shall maintain at any time, solely for the purpose of quantifying amounts defined by reference to Units of the Fund. The Units are units of measurement only, and the Nominees under the Policy shall have no beneficial interest whatsoever in the assets of the Fund. The composition of the Fund and proportions in which the constituent investments are maintained may be varied by the Company from time to time, and new Funds may be inaugurated;
 - (i) "FUND ACCELERATION PREMIUM" is an optional lump sum contribution which can be paid by the Life Assured in accordance with Clause 9;
 - (j) "MAIN OFFICE" means the address of the Company as shown in the Policy or such other address as the Company shall specify from time to time;
 - (k) "NOMINEE" means a person or persons appointed by the Life Assured (under the provisions of the Insurance Ordinance 2000) to receive the benefits payable under the Policy in the event of his death;
 - (l) "NOTICE" means notice in writing given by the Life Assured to the Company in a form prescribed by the Company for any of the purposes provided for in these Provisions;
 - (m) "POLICY ANNIVERSARY" means any anniversary of the Commencement Date;
 - (n) "POLICY YEAR" means any period of one year commencing on the Commencement Date or any Policy Anniversary;
 - (o) "RELEVANT LIFE ASSURED" in single life plans means the Life Assured and in joint life versions means the first of the Lives Assured to die;
 - (p) "SCHEDULE" means the Schedule of the Policy;
 - (q) "TOTAL CASH VALUE" means the Basic Cash Value plus the Bid Value of Units applicable to Fund Acceleration Premiums, and not surrendered in accordance with Clause 13;
 - (r) "UNIT" means a notional share in the net value of the assets of the Fund as determined by the Company in accordance with Clause 18. There may be more than one series of Units, and in each Fund, Units of the same series are of equal value. If the Actuary considers it desirable, Units may be split into smaller denominations, but without reducing the value of the overall benefits under this Policy;
 - (s) "VALUATION DATE" means the date on which a valuation takes place under Clause 18 of this Policy.

2. OWNER

This Policy shall belong and all benefits thereunder be payable to the Life Assured or to the Life Assured's heirs, executors, administrators, successors, assignees and nominees.

3. FREE LOOK PERIOD

The Policy shall have a free look period of fourteen days from the Commencement Date (as defined in Clause 4), during which the Life Assured may cancel the Policy for a full refund of premium paid by him. Prior to making the refund, the Company shall however be entitled to deduct all expenses incurred by it in connection with the medical underwriting of the Life Assured.

4. COMMENCEMENT

The Policy shall not be effective until receipt of the first premium (and realization of cheques, drafts or such other instruments, if not paid in cash) as shown in the Schedule, due and payable on the Commencement Date and after the Proposal and Declaration has been approved and the Policy document is issued by the Company.

5. SUICIDE

If the Relevant Life Assured dies by suicide within thirteen months of the Commencement Date, or the date of reinstatement, if the Policy is reinstated subsequently, the liability of the Company shall be limited to the Cash Value.

6. INCONTESTABILITY

The Policy, after it has been in full force and effect for two years, will not be called in question by the Company on the ground that a statement made in the Proposal and Declaration or any document leading to the issuance of the Policy was inaccurate or false, except in cases of willful misstatement, suppression and nondisclosure of material facts and fraud.

7. RESIDENCE, OCCUPATION OR TRAVEL

The Policy is not subject to any limitation as to residence, occupation in any place or country or travel or place of death of the Life Assured.

8. PAYMENT OF PREMIUM

Regular Premiums are payable as set out in the Schedule. The Company will issue receipts for premium payments. If a premium is paid after the Policy has lapsed, been surrendered or made paid-up the premium will be returned to the Life Assured unless the Company agrees in writing to reinstate the Policy.

9. FUND ACCELERATION PREMIUM

Lump sum contributions, called Fund Acceleration Premium payments, can be made at the Commencement Date or at any time while the Policy is in force. The Fund Acceleration Premium payments will increase the Total Cash Value of the Policy, but will not affect the Sum Assured. The payment of Fund Acceleration Premiums will have no effect on the contractual position of the Regular Premiums under the Policy. The amount of Fund Acceleration Premium is subject to minimum and maximum limits as determined by the Company from time to time.

10. GRACE PERIOD

- (i) A Grace Period of thirty days is allowed (seven days if premiums are payable monthly) for the payment of any premium after the first, during which period the Policy shall remain in force. In the event of the death of the Relevant Life Assured within the Grace Period, the unpaid premium will be deducted from the Cash Value, but the Cash Value will include the value of the Units allocated to the Policy in respect of such premium using the Offer Price at the next valuation following the date of death. If premiums are payable other than annually then all unpaid premiums for the Policy Year in which death takes place will also be deducted from the Cash Value.
- (ii) If any due premium is not paid within the Grace period and two full years' premiums have not been paid then an early Surrender penalty equal to the Cash Value of the Policy shall be levied and the Policy will be terminated without any payment. If full premiums of two or more years have been paid then the Automatic Non-Forfeiture Clause 11 shall apply.

11. AUTOMATIC NON-FORFEITURE OPTION

After two full years' premiums have been paid and the Policy has acquired a Cash Value, if any due premium is not paid within the Grace Period the Company will keep the Basic Policy in force by canceling enough Units to pay for the cost of maintaining the cover equal to the Sum At Risk for not less than one year from the due date of the first unpaid premium along with administrative costs for maintaining the Policy as decided by the Actuary from time to time. If at the end of the one year period the Policy still has a Cash Value it will be converted to a paid-up Policy in accordance with Clause 14 of these provisions.

12. REINSTATEMENT

If the Policy has lapsed or become paid-up, it may, at the discretion of the Company, be reinstated subject to such terms and conditions and such charges as the Company may require.

13. SURRENDER

Upon written request in such form as the Company may require the Policy may be:

- (a) Fully surrendered for an amount equal to its Cash Value; or
- (b) Partially surrendered subject to a residual value of at least Rs.15,000/-

The amount payable will be calculated by multiplying the number of the surrendered Units with the Bid Price at the valuation of the Fund next following receipt by the Company of the request for surrender at its Main Office. In the event, however, of the Policy being surrendered prior to the payment of two full years' premiums, the Company will charge an amount equal to the Cash Value as an early surrender penalty, and no amount will be payable to the Life Assured.

14. PAID-UP POLICY

Upon written request in such form as the Company may require, and provided that the Cash Value is not less than Rs.5,000/-, the Policy may be made paid-up, in which case no further premium shall be payable and the amount payable on death or maturity shall be equal to the Cash Value of the Policy. The Company will cancel Units (at Bid Price) on each Policy Anniversary in order to pay for the administrative costs of maintaining the Policy, such costs being determined by the Actuary from time to time.

15. UNIT ALLOCATION

The number of Units allocated to the Policy in respect of each premium paid shall be calculated by dividing the portion of premium to be allocated to Units, as shown in the Schedule, less the Mortality and Administration Charge as defined below, by the Offer Price on the Valuation Date following the date of receipt of premium (or date of realization of cheques, drafts or other instruments, if later), the result being rounded to the next lower one-hundredth part of a Unit.

The number of Units allocated to the Policy in respect of each Fund Acceleration Premium paid shall be calculated by dividing the portion of Fund Acceleration Premium to be allocated to Units, as shown in the Schedule, by the Offer Price on the Valuation Date following the date of receipt of Fund Acceleration Premium (or date of realization of cheques, drafts or other instruments, if later), the result being rounded to the next lower one-hundredth part of a Unit.

16. MARRIAGE SUPPORT BONUS

If the policy remains continuously in full force since commencement, the Company shall allocate extra units for an amount equal to a percentage (as specified in the Schedule) of the average annual Regular Premium, such allocation being made every five years, starting from the 11th policy year. No Marriage Support Bonus applies to a policy that is in force under the Automatic Non Forfeiture option, has been made Paid-up or has been Reinstated.

Average annual Regular Premium will be determined as the sum of basic Regular Premiums paid up to the Policy Year immediately prior to the year in which Marriage Support Bonus is to be allocated, divided by the total number of Policy Years completed at the time of allocation of Marriage Support Bonus.

17. MORTALITY AND ADMINISTRATION CHARGE

Before the purchase of Units of Funds a Mortality Charge would be deducted from the allocable percentage of the premium as defined in Clause 15 above. The charge represents the cost of providing the Continuation Benefit and would be calculated by applying the mortality rates (depending upon the age next birthday of the Life Assured at the Policy Anniversary) and the annuity factors (depending upon the remaining term of the Policy) to the annualized premium under this Policy. The mortality rates and the annuity factors will be determined by the Actuary.

An Administrative Charge (as specified in the Schedule) shall be realized on each Policy Anniversary by canceling enough Units (at Bid Price) to meet such charge. The amount of the Administrative Charge shall be revised annually based on the advice of the Actuary. The quantum of such increase shall be in line with inflation and shall not exceed 10% per annum. If, however, the increase is greater than 10%, the Company shall give three month's notice of such variation to the Life Assured at the last known address.

18. FUND/ UNITS

- (i) Valuation of the Fund shall be made on dates to be decided by the Company but at least once a month, and the creation or cancellation of Units on that date shall be deemed to take place after the valuation. The net asset price of a Unit shall be determined by the Company as the market value of the assets of the Fund reduced by all liabilities of the Fund including any mortgages and charges on investments, any accrued costs of buying, selling, valuing, managing and maintaining the investments, the service charge described in sub paragraph (iv) (f) of this Clause, any provisions for tax/ Zakat or income or capital gains, any other taxes and other outgoings in respect of the assets of the Fund whether prospective or actual divided by the total number of Units in existence.
- (ii) The Offer Price of a Unit shall be the net asset price increased by such amount as the Company considers appropriate in respect of costs of acquisition of investments, the result being multiplied by 100/95 and rounded up by not more than one paisa.
- (iii) The Bid Price of a Unit shall be the net asset price reduced by such amount as the Company considers appropriate in respect of costs of realization of investments, the result being rounded down by not more than one paisa.
- (iv) The Fund shall be credited with:
 - (a) Amounts in respect of the creation of Units as set out in sub paragraph (v) of this Clause.
 - (b) All capital appreciation and income attributable to assets of the Fund.

The Fund shall be debited with:

- (c) Amounts in respect of the cancellation of Units as set out in sub paragraph (v) of this Clause.
- (d) Tax and Zakat, if any, at the rate applicable to life assurance business on all the income and net capital profits of the Fund and any other taxes incurred in relation to the Fund.
- (e) Any other costs of borrowing of the Fund, any costs of buying, selling, valuing, managing or maintaining the investments of the Fund, and any other costs or outgoings not otherwise provided for and incurred in relation to the Fund.
- (f) The Service Charge at the rate of 0.125% per month and as levied on the net asset value of the Fund before deduction of the Service Charge. The Service Charge shall be reviewed and, if necessary, revised by the Company from time to time. The Company shall give three months' notice of any variation in the rate of Service Charge to the Assured at the last known address.
- (v) The amount to be transferred into the Fund in respect of the creation of Units shall be the value of the Units created at the net asset price, increased by such amount as the Company considers appropriate in respect of the costs of acquisition of investment. The amount to be transferred out of the Fund in respect of the cancellation of Units shall be the value of the Units cancelled at the net asset price, decreased by such amount as the Company considers appropriate in respect of the costs of realization of investments.
- (vi) The Company shall also be entitled to debit to the Fund any taxes or levies introduced by the government which affect the value of the assets or the investment income earned by the life fund of the Company insofar as they can be attributable to the assets identified as relating to the Fund.

19. CONTINUATION BENEFIT

On the Death of the Relevant Life Assured before the Maturity Date and whilst the Policy is in full force the Company shall continue to pay the annualized premium under this plan falling due after the date of death and payable till the maturity date of the Policy.

20. MATURITY BENEFIT

If there was no previous claim under the Policy, the Company shall, on the Maturity Date, pay an amount equal to the Total Cash Value of the Policy.

In the case of a partial surrender the Maturity Benefit will be reduced by the total amount paid on all partial surrenders.

21. MATURITY INVESTMENT BONUS

If the Cash Value amount is left in the fund, for a period of 1 year, after Maturity Date, at the end of the period, EFU Life will pay the accumulated value and a "Maturity Investment Bonus" of 20% of the annual average premium.

22. ENGAGEMENT BONUS

If the policy remains continuously in full force since commencement, the Company shall allocate additional extra units at the end of 15th policy year for an amount equal to a percentage (as specified in the Schedule) of the average annual Regular Premium. No Engagement Bonus applies to a policy that is in force under the Automatic Non Forfeiture option, has been made Paid-up or has been Reinstated.

Average annual Regular Premium will be determined as the sum of basic Regular Premiums paid up to the Policy Year immediately prior to the year in which Engagement Bonus is to be allocated, divided by the total number of Policy Years completed at the time of allocation of Engagement Bonus.

23. INCOME OPTION

Upon maturity of the Policy, the Life Assured will have the option of applying the maturity proceeds to providing stream of regular income from the Company at the annuity rates applicable at that time.

24. INFLATION PROTECTION

The premium of the Policy, including that applicable to the Additional Benefits attached to it if any, will be increased on every Policy Anniversary by a factor determined from time to time by the Company.

The Life Assured may cancel the increase in premium by giving notice in writing and paying the premium without the increase. If the Life Assured cancels the increase on any Policy Anniversary, the facility will be cancelled. It may be reinstated by Notice (in respect of future increases only) at any subsequent Policy Anniversary, subject to evidence of health acceptable to the Company. The increase in premium will be applied to providing the appropriate increase in Cover, without evidence of health, if the age next birthday of the Life Assured at the relevant Policy Anniversary is not more than 55 years.

25. CLAIMS

- (i) All claims shall be paid at the Main Office and shall be subject to such discharge, evidence of claim, title of the claimant and proof of age of the Life Assured as the Company may require.
- (ii) If the date of birth of the Life Assured is incorrectly stated in the Proposal and Declaration, the amount payable by the Company shall be that appropriate to the true date of birth of the Life Assured. The Company reserves the right to adjust the premium or benefit under the Policy as it deems fit.

26. ASSIGNMENT

The Life Assured may, through assignment, transfer the ownership of the Policy. If the ownership is changed, the Policy rights and privileges of the Life Assured may be exercised by the new owner only if written evidence of change satisfactory to the Company has been filed at its Main Office.

27. NOMINEE

The Life Assured may designate and also change the Nominee under the Policy. The death proceeds of this Policy shall be payable in equal shares to such surviving Nominee(s), if more than one have been appointed by the Life Assured to receive payments unless otherwise provided.

28. NOTICE OF ASSIGNMENT OR NOMINATION

Notices of assignments or nominations must be submitted for registration at the Main Office of the Company as stated in the Schedule. In registering an assignment or nomination the Company does not accept any responsibility as to its validity, legal effect or meaning.

29. VALIDITY OF THE TERMS OF THE POLICY

Should there be any changes in the law of taxation or in the event of any levy on the Company in respect of the Policy being imposed by or paid under statute or statutory authority, the Company may vary the benefits and conditions (or either of them) in such manner as the Company deems appropriate. Notice in writing of any such variation shall be sent to the last address of the owner recorded by the Company.

30. LIQUIDATED DAMAGES ON LATE SETTLEMENT OF CLAIMS

After having complied with all requirements, including the filing of necessary documents for the payment of a claim the Life Assured or the Nominee, as the case maybe, shall be entitled to receive liquidated damages in the event the Company delays making payment of any amount due under this policy within ninety days of the later of the due date of the claim or the date on which the Life Assured or the Nominee complies with all the requirements for payment of the claim. The Company shall however not be liable to make payment of liquidated damages if it can prove that such delay was due to circumstances beyond its control.

The liquidated damages shall be payable for the period during which the delay continues and shall be calculated at monthly rests at a rate of five per cent higher than the prevailing base rate (as defined under the provisions of the Insurance Ordinance 2000).

31. LAW

This Policy is governed by the law of the Islamic Republic of Pakistan.

32. PAYMENTS

All payments to or by the Company are to be made at the Main Office.

33. NOTICES

The Company will issue Notices in accordance with the provisions of the Insurance Ordinance 2000.

34. ADDITIONAL BENEFITS

The Additional Benefits, if any and the corresponding premium payments will be governed by the terms of the Additional Benefit attached to this Policy.

35. STATUTORY FUND

Under the provisions of the Insurance Ordinance 2000, this Policy and any Additional Benefits shall be referable to the Investment Linked Business Statutory Fund of the Company. The Company may by endorsement to the Policy change the Statutory Fund(s) to which the Policy and any Additional Benefits are referable.

36. JURISDICTION

All claims under the Policy shall be processed, settled and paid in Karachi and the entire cause of action shall be deemed to arise in Karachi. All proceedings in respect of any such claim shall be instituted in a competent Court in the city of Karachi.