

ClassicLife Premier

Frequently Asked Questions (FAQ)

1. What is ClassicLife Premier?

ClassicLife Premier (CLP) is a comprehensive plan, which will meet the twin needs of insurance and investment. CLP amalgamates your saving and protection needs in a unique way to meet your requirements. It is a long-term plan, which provides a lifetime of protection as well as choice of Investment Fund Options to provide the financial security for today and opportunity to invest for tomorrow.

The plan offers unique flexibility in both coverage and premiums. The level of insurance can be chosen from a range of minimum and maximum multiplier based on the age band. This plan also offers you unprecedented liquidity in an insurance plan, with Partial Withdrawals allowed after three Policy Years, so you can use the benefits during your lifetime whether it is to buy a new house, emergency funds or to supplement your retirement savings.

For Minimum Multipliers

Term	Multiple of Annual Premium	
10 years	5 times annual premium*	
20 years	10 times annual premium	
30 years	15 times annual premium	
Whole Life	30 – 39 years	20 times annual premium
	40 – 49 years	15 times annual premium
	50 – 54 years	10 times annual premium
	55 – 60 years	8 times annual premium

*However, the minimum Sum Assured for 10 years term will be max (5*annual premium, 2,00,000).

For example: If a person aged 55 wants to buy a 3 Pay, 10 year term ClassicLife Premier, then the criteria for both minimum Sum Assured as well as the min and max multiple needs to be met by him. Thus, he cannot have the above criteria met with a premium of Rs. 25,000 since

$25,000 \times 5 = 1,25,000 < 2,00,000$. Even if the client chooses a Sum Assured of Rs. 2,00,000, he will have to meet the multiple criteria. Hence, a Sum Assured of Rs. 2,00,000 with a min multiple of 5 cannot be had with Rs. 25,000 as premium as

$5 \times 25,000$ is not equal to 2,00,000. Hence, the minimum premium needs to be increased to Rs. 40,000 so that

$5 \times 40,000 = 2,00,000$.

Thus, both the multiple as well as the minimum Sum Assured criteria are met.

For Maximum Multipliers

Age Group	Multiple	Age Group	Multiple
0-9	15	35-39	30
10-14	20	40-44	25

15-19	25	45-49	20
20-24	65	50-54	15
25-29	50	55-60	15
30-34	40		

For Whole Life Plan

Age/Coverage Paying Period	5 Pay	10 Pay	Regular Pay
30-34	20	40	40
35-39	20	30	30
40-44	15	25	25
45-49	15	20	20
50-54	10	15	15
55-60	8	15	15

For Regular Plan

Age \ Coverage Paying Period	3 yrs	5 yrs	10 yrs	RP
0 – 9	15	15	15	15
10 – 14	20	20	20	20
15 – 19	25	25	25	25
20 – 24	25	25	65	65
25 – 29	20	20	50	50
30 – 34	15	15	40	40
35 – 39	10	15	30	30
40 – 44	10	15	25	25
45 – 49	10	10	20	20
50 – 54	5	10	15	15
55 - 60	5	5	15	15

CLP is a cost effective instrument over a long period of time and compares favorably with other investment instruments even after considering the additional benefit of life insurance protection that CLP offers.

2. Who should opt for this plan?

This is an advanced insurance plan designed keeping in mind the specific needs of the affluent and financially savvy segment of the society (Income of 3 lacs p.a. and above) who require a high death cover and who are willing to experiment with the savings portion of the product.

3. What are the special features of this plan?

- The plan acts as an **investment tool for a lifetime** with insurance protection.
- **Seven diverse Investment Fund Options:** Assure, Protector, Builder, Enhancer, Creator, Magnifier and Maximiser. Depending on your risk bearing capacity you can opt for investment in different funds at varying stages of life and gain maximum returns.
- **Diversification of investment risk** through Premium Allocation Percentage. No restrictions that the premium amount will be allocated to one particular fund. You have the option of allocating your premium to different funds.
- **Guaranteed additions:** To recognize and reward your commitment for paying the premiums on time, there will be Guaranteed Additions in the form of additional units which will be added to the Fund Value at the end of the 10th policy year and at the end of every 5 years thereafter.
- **Longer Lock-in Period:** The current version of CLP has a 3-year lock-in period for Partial Withdrawals. This will give the Fund Manager the flexibility and freedom to manage the funds better over a higher time horizon. Moreover, there would be lesser redemption pressures compared with a Mutual Fund due to the longer lock-in period, which improves fund performance.
- Option to **Top Up** your Fund Value whenever you have additional savings. Moreover, now with Top Ups, you have an opportunity to enhance your life cover at any point of time. Please go through the **Top Up** section for further details on the same.
- **Waiver of Premium (on TPD/CI):** This is a newly attached rider in the plan and can be used as a good selling tool.
- **Partial Withdrawals** from your Fund Value are available anytime after the completion of first three policy years or when the Life Insured attains age 18 (in case Life Insured is a minor), whichever is later.
- And finally it's a plan, which **charges you the least for all the best.** This comes at competitive costs. Lower the costs higher are the returns in an investment instrument. This is an additional benefit along with protection cover

4. What is the minimum and maximum age to buy this plan?

The eligibility for the minimum and maximum entry age is as follows:

Term	Age
10 year term:	8 years to 60 years
20 year term:	30 days to 50 years
30 year term:	30 days to 40 years
Whole Life:	30 years to 60 years

5. For how long can this plan cover me?

For 10, 20 and 30 year term, the maximum maturity age is 70 years. For Whole Life, the maximum maturity age is not applicable. However, at age 100, the Policy will be terminated and the Fund Value will be paid out (assuming the maximum maturity age to be 100 years).

6. What is the Life Insurance Cover available?

The Life Insurance Coverage Sum Assured available would be a function of the annual Premium chosen by you.

E.g. 1: For a 10-year term, the minimum Life Insurance Cover will be $0.50 * 10 * \text{annualised premium}$ (subject to a minimum of 2 lacs).

If Mr Anand has decided to invest Rs 25000 annually then,

$$0.50 * 10 * 25000 = 125,000.$$

Here the Sum Assured will be 2 lacs. So he has to choose a higher multiple to satisfy the Sum assured minimum requirement.

E.g. 2: For a 30-year term the minimum Life Insurance Cover will be

$$0.50 * 30 * \text{the annualised premium}$$
 (subject to a minimum of 2 lacs)

If Ms Radha has decided to invest Rs 50,000 annually then,

$$0.5 * 30 * 50000 = 750000$$

The Sum Assured in this case will be Rs 750,000.

7. Can the Life Insurance Sum Assured be changed?

The Sum Assured cannot be changed during the tenor of the Policy. However, the same will be increased if your Top Up Premium amount paid till date exceeds 25% of the total Policy Premium paid till date (Pls refer the Top Up section for more details on the same). These will be subject to the underwriting and administrative rules of the Company then in force.

8. What is the minimum premium amount that I need to pay?

The minimum regular premium that you can choose to pay is Rs. 25,000 per policy year. Subject to satisfying the minimum Sum Assured requirement of Rs. 2 lacs.

9. What are the premium paying modes available to me?

You have the option of paying the premiums on a Monthly, Quarterly, Semi Annual & Annual basis. **In case of Monthly mode, the first premium has to be for two months.**

10. What is the premium-paying period?

This is a long-term plan with the following premium paying periods

Term	Paying Period
10 years	3,5 and Regular Pay
20 years	5,10 and Regular Pay
30 years	5,10 and Regular Pay
Whole Life	5, 10 and Regular Pay

11. What is the maximum age at maturity?

For 10, 20 and 30 year term the maximum maturity age is 70 Years. For Whole Life, maximum age at maturity is not applicable. However, at year 100, the Policy will be terminated and the Fund Value will be paid out (assuming the maximum maturity age to be 100 years).

12. What is a Top Up premium?

This plan allows you to pay additional amounts over and above the regular premium amount whenever you have additional savings. These amounts are called top-up premium amounts.

Until the Annual Policy Premium payable in the Policy Year is fully received by the Company, all amounts paid under this Policy in that Policy year will be considered towards Annual Policy Premium for the said Policy.

13. When and how much can I top-up?

The minimum amount of each Top Up will be Rs.10, 000. The maximum amount of Top Up Premiums in any Policy Year will be limited to lower of one annual premium or Rs. 5,00,000.

Amounts paid over and above the chosen premium will be treated as top-up premium and will be subject to the top-up premium allocation charge. You may pay top-up premium at any time from the inception of policy. However, if the amount of Top Up premium exceeds 25% of the total cumulative premiums, there will be an increase in the Sum Assured. This will be subject to the underwriting and administrative rules. The amount of additional Sum Assured will amount to 125% of the excess Top Up premium.

14. How much of the Top Up premium can I withdraw?

Any Top Up premium made during the period of the contract cannot be withdrawn for three years from the date of payment of that Top Up premium, except the Top Up premiums deposited in the last three years of the policy tenure.

15. What is the Death Benefit available with this plan?

From Age 5 -60

The Death benefit under the plan is the higher of the Fund Value or the Sum Assured chosen less any Partial Withdrawals made in the 24 months prior to the date of the death of the Life Insured (Partial Withdrawals from the Top Up Premiums shall be adjusted against additional Sum Assured that arises out of the Top Up Premiums)

From age 60 and above

The Death benefit for Fixed Term Coverages is the higher of the Fund Value or the Sum Assured chosen less any Partial Withdrawals made from age 58 prior to the date of the death of the Life insured (Partial Withdrawals from the Top Up Premiums shall be adjusted against additional Sum Assured that arises out of the Top Up Premiums).

The Death benefit for Whole Life under the plan before age 60 is the higher of the Fund Value or the Sum Assured chosen less any Partial Withdrawals made in the 24 months prior to the date of the death of the Life Insured (Partial Withdrawals from the Top Up Premiums shall be adjusted against additional Sum Assured that arises out of the Top Up Premiums)

From age 60 and above

The Death benefit for Whole Life is the higher of the Fund Value or the Sum Assured chosen less any Partial Withdrawals made from age 58 prior to the date of the death of the Life insured (Partial Withdrawals from the Top Up Premiums shall be adjusted against additional Sum Assured that arises out of the Top Up Premiums).

But only the Fund Value is payable if death occurs before the commencement of the Policy Anniversary, on or immediately following the age when the Life Insured reaches five years.

16. What will I get at maturity?

The Fund Value is payable at maturity.

17. What do I get if I decide to surrender?

You can surrender the Policy anytime during the tenure. However, if the Policy is surrendered within three years from inception, then the Surrender Value is paid to you after the third Policy anniversary or the date of surrender whichever is later. Till such time the your Surrender value amount is frozen and will remain untouched. Your Surrender value till such time will not be affected by any market fluctuations.

For E.g.: Mr Kumar has decided to surrender his policy after one and a half year since inception. Lets assume that his Annual Premium he pays is Rs. 1,00,000

His Surrender value will be: -

Fund Value	Rs	87,000
Less: Surrender Charges (20%)- (See surrender charges of 2 nd yr as in the table below)	Rs	20,000
Surrender Value -	Rs.	67,000.

In this scenario, Mr. Kumar's Surrender Value is **Rs 67,000/-**. This amount is frozen and will be paid out to him at the end of three Policy Years or date of surrender whichever is later.

If the Policy is surrendered after three years from inception, then the Surrender Value is paid to you immediately.

In case if you decide to surrender, then Fund Value less the surrender charge would be payable. There would be no surrender charge after the 6th Policy Year, which means that the entire Fund Value is payable to you in case you surrender the policy anytime after the completion of 6 policy years. Surrender charge will be a percentage of the Annual Life Insurance Coverage Premium and is enumerated in the table below:

Policy year	Surrender Charge
Year 1	30 %
Year 2	20%
Year 3	15%
Year 4	10%
Year 5	8%
Year 6	6%
Year 7 onwards	Nil

18. Can I make Partial Withdrawals under this policy? If yes, how much and when can I withdraw?

You can withdraw from the Fund Value any time after the completion of three policy years or when the Life Insured attains 18 years (in case where the Life Insured is a minor) whichever is later. Minimum amount that you can withdraw is Rs 10,000. There is no limit on the maximum Partial Withdrawals (subject to the Policy having a Fund Value of Rs. 25,000 and Surrender Charges applicable in the year of Partial Withdrawal and one Annual Policy Premium or the sum of the Top Ups made if any in the last three years whichever is higher). The amount to be withdrawn from each Investment Fund will be determined as per the ratio of the monies in that Investment Fund to the Fund Value.

Four Partial Withdrawals will be allowed in a Policy Year, out of which two Partial Withdrawals would be free. All additional Partial withdrawals would be levied a charge of 0.5% of the amount withdrawn. This charge shall not exceed Rs.500.

19. Are there any more benefits offered under this plan?

The plan gives Guaranteed Additions in the form of additional units added into the Fund Value at the end of the 10th Policy Year and at the end of every 5 years thereafter. The

Guaranteed Additions would be equal to 2 percent of the average Fund Value across all funds in the last 60 months.

Calculation of Guaranteed Addition

Guaranteed Addition = Guaranteed rate x Average Fund Value in the last 5 years
(Where Guaranteed Addition rate is 2%)

Average Fund Value in the last 5 years =	Sum of your Fund Value on each monthly date (after monthly deductions) in the 60 policy months <u>immediately preceding the Guaranteed Addition calculation</u> /60
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The amount added to a particular Investment Fund would be used to purchase units based on the NAV as of the next Valuation Date of the Investment Fund.

20. What are the Investment Fund Options available to me under this plan?

You have a choice of seven investment options with CLP:

1. Assure
2. Protector
3. Builder
4. Enhancer
5. Creator
6. Magnifier
7. Maximiser

The asset allocation of each fund is given in the table below.

INVESTMENT FUND PORTFOLIO

Investment Fund Option	Risk Profile	Asset Allocation *	Min.	Max.
Assure	Very Low	Debt Instruments, Money Market & Cash	100%	100%
		Equities & Equity Related Securities	0%	0%
Protector	Low	Debt Instruments, Money Market & Cash	90%	100%
		Equities & Equity Related Securities	0%	10%
Builder	Low	Debt Instruments, Money Market & Cash	80%	90%
		Equities & Equity Related Securities	10%	20%
Enhancer	Medium	Debt Instruments, Money Market & Cash	65%	80%
		Equities & Equity Related Securities	20%	35%
Creator	Medium	Debt Instruments, Money Market & Cash	50%	70%
		Equities & Equity Related Securities	30%	50%
Magnifier	High	Debt Instruments, Money Market & Cash	10%	50%
		Equities & Equity Related Securities	50%	90%

Maximiser	High	Debt Instruments, Money Market & Cash	0%	20%
		Equities & Equity Related Securities	80%	100%

** In each Investment Fund Option, the Money Market & Cash asset allocation will not exceed 40%.*

21. Can I switch between funds?

Subject to our then current administrative rules, you can switch your funds from one Investment Fund to another Investment Fund / Funds at any time. The switch of funds will be affected at the NAV declared on the date the request is received and accepted at the Company's office before 3.00 pm and on the next NAV declared if the request is submitted and accepted at the Company's office after 3.00 pm.

Any Switch request, whether for single or multiple transfers would be treated as a single Switch. The Switch request has to be sent to BSLI in the prescribed format.

You may make two Switches per Policy Year free of charge. Every additional Switch is subject to a charge as per our then current administrative rules. Our current charge for an additional switch is Rs. 100. The switching charge shall not exceed Rs. 500.

22. Does the plan have a Settlement Option?

As an added facility, BSLI provides the flexibility to the Policyholder to continue the Fund Value for a further period of 5 Years. However, there will not be Life Insurance Coverage during the settlement period and hence no Mortality Charges will be deducted. Applicable Fund Management Charges and Administration Charges will be deducted from the Fund Value till it is paid out.

23. What is Premium Allocation Percentage?

If you wish to diversify your risk we offer you the option to further allocate the investible portion of your premium in varying proportions into the 7 different Investment Fund Options anytime during the policy tenure. This allocation of investible portion in different Investment Fund Options in different proportions is called Premium Allocation Percentage.

The Premium Allocation Percentage can be modified using the premium redirection facility.

You may change the Premium Allocation Percentage using premium re-direction twice per Policy Year free of charge. Every additional change is subject to a charge of Rs 100/. The charge for change in the Premium Allocation Percentage using the premium redirection facility can be revised subject to a maximum of Rs. 500/.

24. Which riders can be attached to the plan?

You can further customize your plan by adding any of the following riders

- Term Rider (up to a maximum of Rs. 5,000,000)
- Critical Illness Woman Rider

- Accidental Death and Dismemberment Rider
- Critical Illness and Critical Illness Plus rider.
- Waiver of Premium - TPD and CI (When the Policy Owner and the Life Insured is the same person)

Additional premium will be payable for these riders. This premium will be in addition to the annual premium payable for the Life Insurance Coverage Sum Assured. There is no savings portion associated with the rider premium. The entire rider premium is invested in the Investment Fund Options. The rider premium is recovered from the Investment Fund Options by cancellation of units.

The riders can be added or deleted as per the administrative rules of the company then in force. However, WOP can be taken at the inception of the policy.

Further details are available in the detailed brochure on each rider

25. What are the Policy Charges applicable under this plan?

Premium Allocation Charge: It is an upfront charge recovered as a percentage of the Life Insurance Coverage Premium as given under:

Policy Year	Premium Allocation Charge
Yr 1	13.00%
Yr 2-3	4.00%
Yr 4+	2.00%
Top- Up	2.00%

The Premium Allocation Charge on Top Up Premiums and on Underwriting Extra (if any) is 2%. There is no Premium Allocation Charge on Rider Premiums.

Policy Administrative charges: A Policy Administration Charge will be recovered by cancelling units on a monthly basis at the prevailing NAV. The annual Policy Administration Charge per 1000 of the Life Insurance Coverage Sum Assured is given in the table below:

Policy Administration Charge						
	Life Insurance Coverage Sum Assured Rs. 2,00,000 to 7,49,999		Life Insurance Coverage Sum Assured Rs. 7,50,000 to 19,99,999		Life Insurance Coverage Sum Assured Rs. 20,00,000 and above	
	On the first 2,00,000	On amount in excess of 2,00,000	On the first 7,50,000	On amount in excess of 7,50,000	On the first 20,00,000	On amount in excess of 20,00,000

Policy Year	For 3 and 5 Coverage Paying Periods					
1 to 3	6.10	2.50	2.71	1.75	1.11	0.75
Thereafter	3.60	0.00	0.96	0.00	0.36	0.00
Policy Year	For all other Coverage Paying Periods					
1 to 3	5.60	2.00	2.21	1.25	0.76	0.40
Thereafter	3.60	0.00	0.96	0.00	0.36	0.00

This annual charge cannot exceed Rs. 10 per thousand of the Life Insurance Coverage Sum Assured.

For your understanding we provide this example. Suppose you had chosen a Life Insurance Coverage Sum Assured of Rs 10,00,000 with a pay period of 3 years. In this case the total Policy Administration Charge in Year 1 is $2.71 * 750 + 1.75 * (1000 - 750) = 2470$ and the amount $Rs\ 2470/12 = 205.83$ will be collected on every monthly processing date by cancellation of units during the first policy year.

Fund Management Charge: A charge not exceeding 1.5 percent p.a. of the Fund Value will be charged by adjustment of daily NAV. Currently this charge is 1% p.a. for Assure Protector, Builder and Enhancer funds and 1.25% for Creator, Magnifier and Maximiser funds.

Mortality Charge

1/12th of the annual Mortality Charge will be deducted on a monthly basis by cancellation of units.

The annual rate of Mortality Charge per thousand of the Sum at Risk (The Sum at Risk shall have a minimum value of zero, when the Fund Value is equal to or higher than the Life Insurance Coverage Sum Assured) are as follows:

Sex/Age (in years)	25	35	45	55	65
Female	1.023	1.162	2.385	6.441	15.920
Male	1.083	1.083	3.110	8.571	21.061

Underwriting Extra (if any) is an additional amount charged and it will be deducted on a monthly basis by cancellation of units.

At present service tax of 12.24% (inclusive of education cess of 0.2%) is charged on the Mortality Charge.

These Policy Charges except (Mortality Charge and Premium Allocation Charge) are subject to change and a three-month notice will be provided to all Policy Owners prior to the implementation of the new rates of charges. This will be subject to approval of the IRDA.

26. What happens if the premiums are not paid on the due date?

It is recommended that all premiums should be paid on or before the due date. However, if the premiums are not paid within the grace period of 30 days, there are two scenarios

1. Premium not paid within 3 Policy years

To keep the Coverages in force, you must contribute, within the grace period of 30 days, an amount equal to due but unpaid Policy Premium. At the end of the grace period if the premium is not received, then the Policy will lapse and all Coverages will terminate immediately.

If the Policy is not revived within two years from the lapse date, the Surrender Value as at lapse date will be paid out at the end of the third Policy Year or at the end of the revival period whichever is later. In case, the Policy is surrendered during the Revival Period, then the Surrender Value as at lapse date will be paid out at the end of the third Policy Year or the date of Surrender whichever is later. The Surrender Value will be calculated by deducting the Surrender Charges applicable on the lapse date. The Surrender Value will not be affected by the market fluctuations and will remain constant till the time it is paid out. There will be no deduction of the Policy Charges thereafter from the Surrender Value.

In case of death of the Life Insured during this two-year Revival Period the Fund Value as on the lapse date will be paid out.

2. Premium not paid after 3 Policy years

To continue the Policy, you must contribute, within the grace period of 30 days, Policy Premium due but unpaid. At the end of the grace period if the premium is not received, you will be given a period of two years to pay all due but unpaid Policy Premiums. During these two years all Coverages will continue to be in force and all applicable charges will continue to be deducted from the Fund Value till the Surrender Value falls to one Annual Policy Premium. At this time the Policy will be terminated and the Surrender Value will be paid out.

At the end of the two-year period we will give you an option to continue the Policy. If you do not opt to continue the Policy, the Policy will be terminated and the Surrender Value will be paid out.

If you decide to continue with the Policy the Company will not accept further Policy Premium under this Policy. All Coverages will continue to be in force and all applicable charges will continue to be deducted till the Surrender Value falls to one Annual Policy Premium. At this time the Policy will be terminated and the Surrender Value will be paid out.

27. When will my Policy terminate?

Your Policy will terminate on the earliest of:

- The date we confirm your request to Surrender the Policy;
- The date the Life Insurance Coverage terminates except as described in the Premium Discontinuance Provision clause (a)
- The date the Revival Period as described in the Premium Discontinuance clause (a), comes to an end without the Policy being revived.

BSLI will terminate and pay the Surrender Value to you, in the event of the Fund Value reducing to a Surrender Value equal to one Annual Policy Premium after three Policy Years.

28. How can I revive my lapsed Policy?

Should your Policy lapse in case of non-receipt of premium within first three Policy Years, you can request that it be revived within two years from the lapse date. Revival or Reinstatement of Life Insurance Coverage is subject to the following:

- Evidence of insurability satisfactory to us with respect to the Life Insured (if applicable); and
- Contribution in full of an amount equal to all Policy Premiums due but unpaid till the Effective Date of Revival

The Effective Date of Revival is the date on which the above requirements are met and approved by the Company. On this date, the Fund Value as on the lapse date will be re-invested in the Investment Funds at the NAV's applicable on the Effective Date of Revival. All outstanding Policy Charges, if any, for the period between the lapse date and the Effective Date of Revival shall be deducted from the Fund Value.

We reserve the right to levy a charge subject to our administrative rules then in force to cover the Underwriting costs arising at the time of revival. The revival charge currently is Rs 100. This charge cannot exceed Rs. 1000.

In case of non-receipt of premium after the first three Policy Years, you can continue the policy by contributing all Policy Premium due but unpaid from the date of premium discontinuance, within two years from the end of grace period after non-receipt of premium.

29. What are the tax benefits available to me if I buy this plan?

As per the current tax laws, the benefits paid under the policy are entirely tax free under Sec.10 (10) D and the premiums paid by you also enjoy tax benefits under Sec. 80 C

But if the premiums and top-up premiums paid by you in any year exceed the 20% of the Sum Assured then you may not be eligible for section 10(10) D benefit.

Further the Section 80 C tax rebate will be restricted to the premium paid up to 20% of the Sum Assured.