

FUTURE FREEDOM

(Unit Linked Insurance Plan)

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

Freedom to Choose

On your journey through life, a wide variety of events will have a direct bearing on your financial circumstances. Some can be anticipated and prepared for, while others can take you by surprise. With careful planning and good advice, you can minimize the impact of any setback and make the most of the opportunities that come your way. There will be occasions when you have money available that you don't need for any immediate purpose. It's always tempting to enjoy benefits of your good fortune by spending your cash on things you enjoy. At these times, individuals with foresight make choices that help them take a positive step towards future financial independence. Future Freedom, from Future Generali, is designed to help the discerning investor who decides to take that step.

The ability to choose is one of life's fundamental freedoms. We have designed Freedom so that you can exercise the right to make the most of your financial opportunities so you can control when and how you take advantage.

1. KEY FEATURES OF FUTURE FREEDOM:

- ✓ An ideal All-in-One Investment and Insurance package
- ✓ Short premium paying term of three years
- ✓ Flexibility to vary the premium payment from 2nd policy year subject to a minimum of Rs.10, 000 without changing the risk coverage.
- ✓ Gives you a choice of four investment funds, structured in a way to take care of your financial liabilities and giving the flexibility to change fund allocation at any time as per your requirement
- ✓ Additional allocation of fund (s) to your kitty through top-up single premiums, providing you a comprehensive financial solution
- ✓ Partial Withdrawal after the completion of three full policy years
- ✓ Tax benefits on premiums paid and the benefits received, as per the prevailing Income Tax Rules

2. BENEFITS OF FUTURE FREEDOM:

- 2.1 Choice of Investment Fund:** Your premium is invested in unit funds of your choice. Currently you have a choice of four investment funds, providing you the flexibility to direct your investments in any of the following unit linked funds of the Company. The funds invest in a mix of cash/other liquid investments, fixed interest securities and equity investments in line with their risk profile.

Future Secure

Strategy: Low risk investment such as money market investments

Objective: To provide stable returns by investing in relatively low risk assets. The fund will invest exclusively in treasury bills, bank deposits, certificate of deposits, other money market instrument and short duration govt. securities.

Composition	Min.	Max.	Risk Profile
Money Market, Cash and Short Term Debt	0%	100%	Low
Equity Instruments	0%	0%	

Future Income

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Strategy: Investments in assets of low or moderate risk

Objective: To provide stable returns by investing in assets of relatively low to moderate level of risk. The interest credited will be a major component of the fund's return. The fund will invest primarily in fixed interest securities, such as Govt. securities of medium to long duration and Corporate Bonds etc and money market instruments for liquidity.

Composition	Min.	Max.	Risk Profile
Fixed Interest Investments, cash and Money Market Instruments	0%	100%	Low
Equity Instruments	0%	0%	

Future Balance

Strategy: Balances high returns and high risk from equity investments by the stability provided by fixed interest instruments

Objective: To provide a balanced return from investing in both fixed interest securities as well as in equities so as to balance stability of return through the former and growth in capital value through the latter. The fund will also invest in money market instruments to provide liquidity.

Composition	Min.	Max.	Risk Profile
Fixed Interest including cash and Money Market Instruments	10%	70%	Medium
Equity Instruments	30%	90%	

Future Maximize

Strategy: Investment in a spread of equities. Diversification by sector, industry and risk.

Objective: To provide potentially high returns to unit holders by investing primarily in equities to target growth in capital value of assets. The fund will also invest to a certain extent in govt. securities, corporate bonds and money market instruments.

Composition	Min.	Max.	Risk Profile
Fixed Income including cash and Money Market Instruments	10%	50%	High
Equity Instruments	50%	90%	

Allocation of investments under money market instruments in Future Income, Future Balance and Future Maximize will be limited to 20%. Further, a policyholder's exposure to Future Secure Fund (Liquid Fund) will be limited to a maximum of 25% of his total portfolio so as to ensure that the total exposure to money market investments does not exceed 40%.

2.2 Maturity Benefit: On maturity i.e. on survival to end of ten policy years, the Fund Value as on the date of maturity becomes payable and the policy is terminated thereafter.

Under Settlement Option, the maturity benefit may be taken in lump sum or installments spread over a period of up to five years from the date of maturity.

2.3 Death Benefit:** On the unfortunate death of the life assured, the nominee receives the higher of the following –

- The Fund Value as on the date of death of the life assured

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- Sum Assured plus all applicable top up Sum Assured net of all Deductible Partial Withdrawals, (if any)

**For purpose of determining the Death Benefit, the Deductible Partial Withdrawal (s) mean the higher of sum of all partial withdrawals paid (excluding top ups) from the relevant Account(s) (i) during the 24 months immediately preceding insured's date of death, or (ii) in case the life assured has completed 60 years of age, all partial withdrawals made.

Death of Proposer while the life assured is a minor

If the proposer predeceases the life assured during the minority of the life assured, no benefit will be payable. A new Proposer may be appointed.

~~For minor life assured, on death during the deferment period the Fund Value will be paid.~~

2.4 Tax Benefits

- ✓ Premiums paid under this plan are eligible for tax benefits under Section 80C of the Income Tax Act, 1961
- ✓ Any sum received under this plan is exempt from tax under section 10(10D) of the Income Tax Act, 1961
- ✓ The above is based on the current tax laws and is subject to change.

3. FLEXIBLE OPTIONS OF FUTURE FREEDOM:

3.1 Top-up Premium: Anytime during the tenure of the plan you can enhance your investment by way of top-up whereby you can add over and above to your regular premiums provided you have paid your due basic premiums to date. The minimum top-up premium amount is Rs.5, 000/- .There is no limitation on number of top-ups made in a single policy year. Every top-up made during the tenure of the policy has a lock-in period of three years.

Note: Additional top-up single premiums can be paid over the policy term while the policy is in force.

3.2 Top-up Sum Assured: If the total top-up premium is more than 25% of the total regular premiums paid till date, then such top-up premium will be accepted with an additional Sum Assured or Top-up Sum Assured to the extent of 110% of the top-up single premium in excess of the 25% of the total regular premiums paid till date and will be subject to the underwriting norms of the company.

3.3 Switching between the Funds: Switch your existing fund allocation from riskier to safer funds & vice versa and thus actively manage your own investment. Four switches are free in a policy year, thereafter Rs.100/- is charged per switch. Minimum Switch amount is Rs. 10,000/-.

3.4 Surrender: Policy will acquire surrender value only after the payment of one full year's premium and will be payable only after the completion of three policy years. The surrender value will be the Fund Value less the surrender penalty, as applicable.

3.5 Partial Withdrawal

- ✓ Partial Withdrawal is allowed after the completion of 3rd policy year or 18 years of age of the life assured, whichever is later.
- ✓ There is a lock-in period of three years for all Single Top-up premium (s)
- ✓ After each withdrawal the fund Value should be at least the higher of:
 - Rs. 15,000/-
 - The top-up single premiums paid in the last 3 years
- ✓ Partial withdrawals will attract partial withdrawal charge as stated below.
- ✓ Minimum Partial Withdrawal amount is Rs.5,000.

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3.6 Settlement Option

- ✓ This option enables you to take the maturity proceeds in periodical payments after the maturity date instead of a lump sum on maturity. The units in the unit fund can be redeemed any time up to 5 years from the date of maturity. You must give a notice at least 30 days before the maturity date. During this period, there will be no life cover. The policy administration charges and fund management charges will continue to be deducted. On death of the life assured during the settlement period, the fund value will be payable. Partial withdrawals and Switching will not be allowed in the settlement period. During the settlement period, the investment risk in investment portfolio will continue to be borne by the policyholder.

4. CHARGES UNDER YOUR POLICY:

4.1 Variability of the Charges

- The premium allocation charges are guaranteed.
- The monthly administration charge can be increased by not more than 5% per annum since inception
- The switching charges are subject to increase up to Rs.200 per switch.
- The company may change the Fund Management charges from time to time, but guarantees that the charges will not exceed 2% pa for the Future Secure Fund and 2.5% pa for the Future Income Fund, the Future Balance Fund and the Future Maximize Fund.
- The mortality charges are guaranteed for the term of a policy.
- Surrender penalties are guaranteed
- **All charge will be subject to a service tax @ 12.36%.**

A month's notice will be given to the policyholder in case of an increase of charges whenever charges can be increased. The increase, if any, will apply from the policy anniversary coinciding with or following the increase.

Any change in amount or rate of charges as stated above will be subject to IRDA approval.

4.2 Premium Allocation Charge

This will be de deducted from the premium amount at the time of premium payment and the remaining premium will be used to purchase units in various investment funds according to the fund allocation specified by you.

1st year: 5% of regular premium
2nd Year: 2% of regular premium
3rd Year: 2% of regular premium

For top-up single premium – 2%

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4.4 Fund Management Charge - FMC will be charged at the time of computation of the NAV, which will be done on a daily basis. This will be charged as a percentage of the value of the assets and will be adjusted towards the NAV

Fund Name	FMC
Future Secure	1.10% p.a.
Future Income	1.35% p.a.
Future Balance	1.45% p.a.
Future Maximize	1.50% p.a.

4.5 Policy Administrative Charge – The policy administrative charge is:

1st year: Rs.15 per 1,000 sum assured for sum assured upto Rs.50,000 and Rs.2 per 1,000 sum assured for sum assured beyond Rs.50,000.

2nd year onwards: Rs.600 per annum

This charge will be recovered by cancelling units on a monthly basis proportionately from each investment fund. ~~The charge is guaranteed for the policy term.~~

4.6 Switching Charge – This is the charge deducted on switching from one fund to another within the plan. Four free switches are allowed in a policy year, thereafter switches are subject to switching charge of Rs. 100 per switch, subject to increase in the future up to Rs. 200/- per switch. Unused free switches cannot be carried forward to the next policy year.

4.7 Partial Withdrawal Charge – A total of four withdrawals are free in a policy year, thereafter 0.5% of the amount withdrawn subject to a minimum amount of Rs. 200, which is deducted from the withdrawal amount.

4.8 Mortality Charge – This is the cost of life insurance cover which will be recovered by cancellation of units and will be deducted at the beginning of each policy month. The cancellation of units will be based on Sum Assured at risk.

The Mortality Charge per Rs.1,000 Sum at risk is:

Mortality Charge per Rs.1,000/- Sum at risk	
Age as on Last Birthday	Mortality Charges
20 Years	0.90
25 Years	1.02
30 Years	1.06
40 Years	1.96
50 Years	4.99

4.9 Surrender Penalty - The policy acquires surrender value from the second policy year. However, the policyholder can surrender his/her policy only after the completion of three policy years. A surrender penalty will apply on early surrender as a percentage of the Fund Value of the policyholder's account with the Company. For top-up account, there is a lock-in period of three years.

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Number of completed Policy years	Surrender penalty as a % of fund value
1 year or less	25%
More than 1 but less than or equal to 2	15%
More than 2 but less than or equal to 3	10%
More than 3 but less than or equal to 5	5%
More than 5	Nil

5. ELIGIBILITY CRITERIA:

Minimum – Maximum Entry Age	12 years – 60 Years Last Birthday
Maximum Age at Maturity	70 Years
Premium Paying Frequency	Yearly /Half-Yearly / Quarterly / Monthly (ECS)
Policy Term	10 years
Premium Paying Term	3 years
Minimum Sum Assured	<p>For Top-up Single Premium – 110% of single top-up premium in excess of the 25% of the total regular premiums paid till date and will be subject to the underwriting norms of the company.</p> <p>For Regular Premium – 5*Annual Premium</p>
Maximum Sum Assured	<p>M*First Year Annual Premium, where M is the multiple which depends upon the age at entry.</p> <ul style="list-style-type: none"> •Up 25 years lbd - 85 •From 26 years to 35 years lbd - 55 •From 36 years to 45 years lbd - 25 •From 46 years to 50 years lbd – 15 •From 51 years to 55 years lbd – 11 •From 56 years to 60 years lbd – 8
Minimum Premium	<p>Minimum Annual Regular Premium in first year Rs. 50,000.</p> <p>You have the option of reducing the regular premium to the extent of a minimum of Rs.10,000 pa(Annual Premium) from the second policy year onwards without change in the initial risk coverage.</p> <p>Minimum single top-up premium Rs. 5,000</p>

6. OTHER FEATURES:

- 6.1 Free Look-in period:** If you are not satisfied with the terms and conditions under your policy, you may cancel the policy within the free look period of 15 days from the date of receipt of the policy document. We will refund the premium paid subject to the deduction of the proportionate risk premium for the period of

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cover, the expenses incurred by us towards medical examination, if any, and stamp duties. Where premiums have been allocated to units, the Fund Value as on the date of cancellation will be payable.

6.2 Grace Period: 30 days for all premium payment frequencies other than monthly where it is 15 days. If, the premiums are not paid during the grace period, the policy lapses. The policy benefit thereafter would have no further value except for surrender value less of surrender charges.

Discontinuance of due premiums:

If all the due premiums have not been paid within the days of grace, the insurance cover shall cease immediately after the days of grace. The policy will continue to participate in the performance of the funds and policy administration charges will continue to be deducted.

A policy may be revived within the revival period of 3 years from the due date of first unpaid premium.

In case a policy is not revived during this period, the policy shall be terminated and the surrender value, if any, shall be paid at the end of the period allowed for revival. Further, during the period allowed for revival, if the fund value falls below the minimum premium of Rs. 10,000, the policy shall be terminated and the fund value will be payable.

If a policyholder surrenders a policy before the end of revival period, the surrender value will be kept in suspense till the end of three policy years, and will be payable at that time. No subsequent charges will be deducted for such a policy.

6.3 Reinstatement: If premiums are not paid within the period of grace and the policy is not surrendered, the policy may be reinstated for full benefits within three years from the date of the first unpaid premium and before the date of maturity while the life assured is still alive. The reinstatement will be considered on receipt of written application from the policyholder along with the proof of continued insurability of life assured and on payment of all overdue premiums. The reinstatement will be effected on company's discretion and subject to such conditions as the company in its discretion may decide. Any reinstatement of riders will be considered along with the reinstatement of the basic policy, and not in isolation.

6.6 Nomination & Assignment:

Provided the policyholder is the life assured, he / she may, at any time before the policy matures for payment, nominate a person or persons as per Sec 39 of the Insurance Act 1938, to receive the policy benefits in the event of his / her death.

The Policyholder can also assign the Policy to a party by filing a written notice to us. The assignment should either be endorsed upon the Policy itself or documented by a separate instrument signed in either case by the Assignor stating specifically the fact of assignment. Only the entire policy can be assigned and not individual benefits or any part thereof.

6.7 Net Asset Value (NAV) calculation:

Unit Price: A unit in each fund has its own price called the Net Asset Value (NAV). The NAV of each fund is calculated on daily basis with the following formula:

When Appropriation (Purchasing) price is applied:

$$\text{NAV} = (\text{Market Value of Investment} + \text{Express incurred in the purchase of the assets} + \text{Current Assets} + \text{Accrued Income net of Fund Management Charges} - \text{Current Liabilities} - \text{Provisions}) / \text{Number of Units outstanding (before any new units are allocated)}$$

When Expropriation (Selling) price is applied:

$$\text{NAV} = (\text{Market Value of Investment} - \text{Express incurred in the sale of the assets} + \text{Current Assets} + \text{Accrued Income net of Fund Management Charges} - \text{Current Liabilities} - \text{Provisions}) / \text{Number of Units outstanding (before any units are redeemed)}$$

Allocation / redemption of units:

In respect of premiums received up to 3.00 p.m. under a local cheque or a demand draft payable at par or by way of cash, the closing NAV of the day on which the premium is received shall be applicable. In respect of premiums received after 3.00 p.m., the closing NAV of the next business day shall be applicable.

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In respect of premiums received under outstation cheques/demand drafts, the closing NAV of the day on which the cheques/demand draft is realized shall be applicable

All requests for switch, surrender or partial withdrawal received up to 3.00 p.m. will be processed at the closing NAV of the day on which the request is received. All such requests received after 3:00 p.m. will be processed at the closing NAV of the next business day.

7. Suicide Exclusion

If the life assured, whether sane or insane, commits suicide within one year from the Date of Issue of the Policy or from one year from any subsequent revival of the policy, the policy shall become null and void. In such event, the Fund Value will be refunded and all benefits under the policy cease.

8. Note on the risk of investment in the Units of this policy

- 1. Unit Linked Life Insurance products are different from the traditional insurance products as in the former, the investment risks in the investment portfolio is borne by the policyholder.**
- 2. 'Future Generali India Life Insurance Company' is only the name of the insurance Company and 'Future Freedom' is only the name of the unit linked life insurance contract and does not in anyway indicate the quality of the contract, or its future prospects of return.**
- 3. The various funds offered under this contract are the names of the funds and do not in any way reflect their quality, their future prospects and returns.**
- 4. The premium paid in unit linked life insurance policies are subject to market risks associated with the capital markets. The unit prices are not guaranteed and may go up and down depending on market conditions.**
- 5. Past performance of the funds is no indication of future performance which may be different.**
- 6. All premiums/benefits payable under this plan are subject to applicable laws and taxes including service tax, as they exist from time to time.**

Prohibition on Rebates:

Section 41 of the Insurance Act, 1938 states:

(1) No person shall allow or offer to allow, either directly or indirectly, as an inducement to any person to take 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 shall any person taking out or renewing or continuing a policy accept any rebate, except such rebate 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 life insurance taken out by himself on his own life shall not be deemed to be acceptance of a rebate of premium within the meaning of this sub-section if at the time of such acceptance the insurance agent satisfies the prescribed conditions establishing that he is a *bona fide* insurance agent employed by the insurer.

(2) Any person making default in complying with the provisions of this section shall be punishable with fine which may extend to five hundred rupees.

Non-Disclosure:

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Section 45 of Insurance Act, 1938 states:

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 statement made in the proposal 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 the policy, was inaccurate or false, unless the insurer shows that such statement was on a material matter or suppressed facts which it was material to disclose and that it was fraudulently made by the policy-holder and that the policy-holder knew at the time of making it that the statement was false or that it suppressed facts which it was material to disclose:

Provided that nothing in this section shall prevent the insurer from calling for proof of age at any time if he is entitled to do so, and no policy shall be deemed to be called in question merely because the terms of the policy are adjusted on subsequent proof that the age of the life insured was incorrectly stated in the proposal.