

# Future Generali Nivesh Plan

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

## One investment now. Wealth for a lifetime.

The Future Generali Nivesh Plan is the simplest ULIP in the market because it practically takes care of itself. All you need to do is make a single investment at the start of your policy term; we'll ensure that you receive maximum returns and thereby, achieve all your financial goals. Simple, isn't it?

### 1. **KEY FEATURES:**

- Unit linked Endowment plan with a fixed policy term
- Simple single premium product with 98% allocation rate and reduced sum assured from the 2nd year onwards.
- In case of the unfortunate death of the life assured during the policy term, the fund value plus the sum assured will be payable as death benefit.
- Tax benefits as per the prevailing tax rules

### 2. **BENEFITS:**

#### **Maturity Benefit:-**

On life assured's survival to maturity of the policy, the Fund Value as on the date of Maturity is payable under the policy.

On maturity, the life assured can also choose the settlement option to receive his fund value. If the settlement option has been chosen, then the fund value under the policy will be paid in annual instalments spread over a period of up to five years from the date of maturity.

However, the money will remain invested in the funds chosen and is subject to the same investment risks as during the policy term. During such period, we will continue to deduct charges other than the mortality charges.

#### **Death Benefit:**

##### Prior to Risk Commencement

In case of the unfortunate demise of the life assured prior to the commencement of risk under the policy, the fund value will be paid.

##### After Risk Commencement

In case of the unfortunate demise of the life assured after the commencement of risk, the Sum Assured plus the fund value is payable under the policy.

*If life assured is a minor and under the age of 10 years at issue, risk under the policy will commence from the later of*

- > The policy anniversary falling after life assured attains 10 years of age
- > 2 policy years after commencement of the policy

### 3. **YOUR INVESTMENTS**

Your premium is invested in unit funds of your choice. Currently you have a choice of 5 investment funds, providing you flexibility to direct your investments to 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 instruments and short duration govt. securities.

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

#### **Future Income**

**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, Corporate Bonds and money market instruments for liquidity.

Composition	Min.	Max.	Risk Profile
Fixed Income Investments and Money Market Instruments	NIL	100%	Low
Equity Instruments	NIL	NIL	

#### **Future Balance**

**Strategy:** Balance of high return and risk balanced by stability provided by fixed interest instruments

**Objective:** To provide a balanced return by 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 Income including Money Market Instruments	10%	70%	Medium
Equity Instruments	30%	90%	

#### **Future Maximize**

  
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**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. To an extent, the fund will also invest in govt. securities, corporate bonds and money market instruments.

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

#### Future Apex

**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. To a certain extent, the fund will also invest in govt. securities, corporate bonds and money market instruments.

Composition	Min.	Max.	Risk Profile
Fixed Income including Money Market Instruments	0%	50%	High
Equity Instruments	50%	100%	

#### 4. FLEXIBILITY UNDER YOUR PLAN:

**Switching between the Funds:** Switch your existing fund allocation to another fund option available and thus actively manage your own investment. Six switches are free in a policy year, thereafter Rs.100/- is charged per switch. Minimum amount that can be switched is Rs. 5,000/-.

**Surrender:** Policy will acquire surrender value after the payment of the single 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.


If a policyholder surrenders a policy before the end of 3 years from the date of commencement, the surrender value will be calculated as on the date of surrender and the amount will be kept frozen with the insurer and the same will be payable on completion of three policy years. The policy will take no further part in the investment performance. No subsequent charges will be deducted for such a policy.

**Partial Withdrawal:** Partial Withdrawal is allowed after the completion of 3<sup>rd</sup> policy year if life assured is a major or during the lifetime of the proposer if the life assured is minor. The minimum amount that can be withdrawn is Rs.5,000. In a policy year, four partial withdrawals are allowed free of cost and any partial withdrawal thereafter will be subject to charge as mentioned below. Minimum Fund Value of Rs. 10,000 has to be maintained post withdrawal.

#### Settlement option

You may also opt for the settlement option for your maturity benefit. Under the Settlement Option, the maturity benefit may be taken in installments spread over a period up to five years from the date of maturity. In order to opt for the settlement option, a notice must be given at least 30 days before the maturity date.

However the money will remain invested in the funds chosen and is subject to the same investment risks as during the policy term. During such period, we will continue to deduct charges other than the mortality charges

  
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During this period, there will be no life cover. On death of the life assured during the settlement period, the fund value will be payable. Switching and partial withdrawal will be allowed in the settlement period subject to conditions mentioned against switching & partial withdrawal above.

#### 5. **CHARGES UNDER YOUR POLICY**

##### **Premium Allocation Charge**

The premium allocation charge will be 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.

Premium allocation charge is 2% of Single Premium paid.

##### **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 management charge (% p.a.)	
Future Secure Fund	1.10%
Future Income Fund	1.35%
Future Balance Fund	1.35%
Future Maximize Fund	1.35%
Future Apex Fund	1.35%

##### **Policy Administrative Charge**

1<sup>st</sup> yr charge: Rs. 15 per 1000 SA for 1<sup>st</sup> 50,000 SA and Rs. 2 per 1000 SA for (SA-50,000).  
Policy administration charge from year 2 onwards: Rs.50 per month till maturity.

The monthly administration charge cannot be increased by more than 5% per annum since inception

##### **Switching Charge**

Six free switches are allowed each policy year. Subsequent switches will attract a charge of Rs.100/- per switch. Unused switches cannot be carried forward. This charge is subject to increase upto Rs.250/- per switch in the future .

##### **Surrender Penalty**

2% of fund value for 1<sup>st</sup> year and 1% of fund value for 2<sup>nd</sup> and 3<sup>rd</sup> year. After 3 policy years, the surrender value will be equal to the fund value as on date of surrender.

##### **Partial Withdrawal Charge**

A total of four withdrawals are free in a policy year, thereafter an amount of Rs. 200, is deducted from the withdrawal amount.

##### **Mortality Charge**

This is the cost of the life insurance cover which will be recovered by cancellation of units and 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. 1000 Sum at risk

Mortality Charge per Rs.1,000/- Sum at risk	
Age as on Last Birthday	Mortality Charges
20 Years	1.35
25 Years	1.53
30 Years	1.58
40 Years	2.88
50 Years	7.35


6. **ELIGIBILITY CRITERIA:**

Minimum - Maximum Entry Age	8 Years - 60 Years (as on Last Birthday)
Minimum - Maximum Age at Maturity	18 Years - 70 Years
Premium Paying Frequency	Single
Policy Term	10 Years
Sum Assured	<p><b>For 1<sup>st</sup> Year:</b> Sum Assured = 5 times single premium.</p> <p><b>For 2<sup>nd</sup> Year onwards:</b> Sum Assured from 2 yrs onwards = 1.1 times single premium</p>
Single Premium	Minimum : Rs 50,000      Maximum : No limit

7. **OTHER FEATURES:**

**Free Look 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 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.

**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.

  
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**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 a daily basis using 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:**

With respect to 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.

With respect to 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.

**Suicide Exclusion**

If the life assured, whether sane or insane, commits suicide within one year from the Date of Issue 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.

**Tax Benefits**

As per prevailing tax rules.

**8. VARIABILITY OF CHARGES**

- The premium allocation charges are guaranteed.
- The monthly administration charge cannot be increased by more than 5% per annum since inception
- The switching charges are subject to increase up to Rs.250 per switch.
- The company may change the Fund Management charges from time to time.
- The mortality charges are guaranteed for the term of a policy.
- Surrender penalties are guaranteed
- **All charge will be subject to a service tax as applicable.**

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.

  
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9. **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 Generali Nivesh' 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:**

**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.