**Product Name:** MahaLife Gold

**Product Provider:** Tata AIG Life Insurance Company Limited

**Category:** Whole Life Assurance Policy

**Traditional / Unit Linked Policy:** Traditional Policy

**Main objective:** To provide insurance cover for the entire life of the life assured along with the guaranteed and non-guaranteed components of additional annual payments.

A whole life assurance policy aims at provision of the life assurance cover for the entire life of a person. The cover is available up to a very high stipulated age, usually 100 years. The death benefit, as such, becomes payable to the nominee in case of the death of the life assured at any time before reaching the maximum stipulated age.

MahaLife Gold is a whole life assurance policy with features that give it a distinct edge over the other regular whole life assurance policies.

The main highlight of the policy is its ability to provide annual cash payments. A guaranteed cash payment is available to the policy holder from the 10th policy anniversary. This cash payment is equal to 5% of the value of the sum assured opted for under the policy. Also available is an annual cash dividend which is a non-guaranteed benefit component. These additional annual cash benefits, even when not fully guaranteed, could be looked at as major incentives for taking the policy.

The life assurance is available under the policy up to the age of 100 years. On death of the life assured at any time before attaining the age of 100 years, the value of sum assured will be paid to the policy nominee. If the life assured is surviving at his / her 100th birthday, the policy pays sum assured value as the maturity benefit and ceases to exist. This benefit condition actually makes the policy comparable to an ordinary endowment assurance policy which also provides for a maturity benefit, but after a usually lesser policy tenure.

This is a limited premium payment policy with the requirement to pay the premium existing only for the first 15 years. This feature is important as it can assist a person in aligning the premium payments with the current and future professional income during his / her expected working life.

Another feature that deserves a mention here is the Automatic Premium Loan facility. This facility is available after the policy has acquired a cash value, which is after the first 3 policy years. It provides for a notional loan, equivalent to the value of a due but not paid premium, to be advanced to the policy holder’s account. In an event where the policy holder is not able the premium on time, this facility ensures the continuity of the life insurance coverage which would otherwise terminate with the policy lapsation.

As regards the premium payable under the policy, the same is comparably more than the usual premium payable under the ordinary whole life assurance policies. However, this can to an extent be justified to the limited premium term and the additional monetary benefits that the policy provides.

The policy can be recommended to individuals who are aged up to 45 years and are looking at a life assurance cover for the entire life, along with regular cash benefits.

**Other Similar Policies**

There is no whole life assurance policy that is strictly comparable to this policy.
MahaLife Gold is a whole life assurance policy from Tata AIG Life Insurance Company.

**Unique features**

- **Limited premium payment**: Premium is payable for the first 15 years of the policy. The life insurance cover is, however, available till 100 years of age.
- **Guaranteed annual payment**: Policy provides guaranteed annual cash payment from the 10th policy anniversary. This payment is equal to 5% of the value of sum assured and is payable every year for the rest of the insured’s life.
- **Annual cash dividends**: Policy also provides for annual cash dividends from the 6th policy anniversary onwards. These cash dividends are however non-guaranteed and are subject to the business performance of the insurance company.
- **Premium payable based on age band**: Premium payable under this policy is decided as per the age of the applicant and is dependant on the value of sum assured opted for. The policy premium is payable as per four age bands, which are: 0 years to 35 years; 36 years to 45 years; 46 years to 50 years; and 51 years to 55 years. Premium for the ages 56 years to 60 years are at age specific rates.
- **Option for reduced paid up value**: This option is available when at least three annual premiums have been paid and when the policy holder is unable to pay any further premiums. Under this option the sum assured value is reduced in proportion to the number of premiums actually paid to the total number of premiums payable. The policy will continue normally but with a reduced sum assured value. On maturity or in the unfortunate event of death, the policy will provide the value of the reduced sum assured. The guaranteed annual payments and non-guaranteed annual cash dividends will cease on conversion of the policy into reduced paid-up.
- **Automatic premium loan facility**: Policy provides the automatic premium loan facility. Here, if the policy holder is unable to pay the premium within the grace period, the premium due then will be advanced as an automatic loan. This facility is available if the policy has acquired the cash value and this cash value is greater than the premium in default and any indebtedness.
- **Policy benefits**: The sum assured under the policy is available either on maturity of policy at 100 years of age or on his/her earlier death. However, in case of death of the life assured before attaining 4 years of age, the amount payable will be as per the below table:

<table>
<thead>
<tr>
<th>Age at the time of death</th>
<th>Amount payable (in Rs.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 years</td>
<td>20% of sum assured</td>
</tr>
<tr>
<td>1 year</td>
<td>40% of sum assured</td>
</tr>
<tr>
<td>2 years</td>
<td>60% of sum assured</td>
</tr>
<tr>
<td>3 years</td>
<td>80% of sum assured</td>
</tr>
</tbody>
</table>

**Eligibility parameters**

- **Age at entry**: minimum – 0 years; maximum – 60 years
- **Premium payment**: amount of premium is decided on the age of the life proposed to be insured (age at entry) and is dependant on the coverage chosen.
- **Policy provides for the premium payment as per four age bands**: These are: 0 years to 35 years; 36 years to 45 years; 46 years to 50 years; and 51 years to 55 years. Premium for the ages 56 years to 60 years are at age specific rates.
- **Premium payment frequency**: annual, semi-annual, quarterly and monthly.
- **Sum assured**: minimum – Rs.25,000; maximum – subject to underwriting guidelines.

**Riders available**

The policy provides the option of additional covers in form of:

1. **Accident Benefit Rider**
2. **Disability Benefit Rider**
3. **Critical Illness Benefit Rider**
4. **Term Rider**

The availability of riders is limited in case of life assured being a minor.

**Policy surrender**

If all premiums have been paid for at least 3 full years, the policy will acquire a guaranteed surrender value. This value will be equal to 30% of the total premium paid excluding the first year’s premium and extra premiums, if any.

**Tax benefits**

Premiums paid under the policy are eligible for deduction under the provisions of Section 80C of the Income Tax Act, 1961. The policy benefits are exempt from tax under the provisions of Section 10(10D) of the Act.

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