

# EDUCATION PLAN



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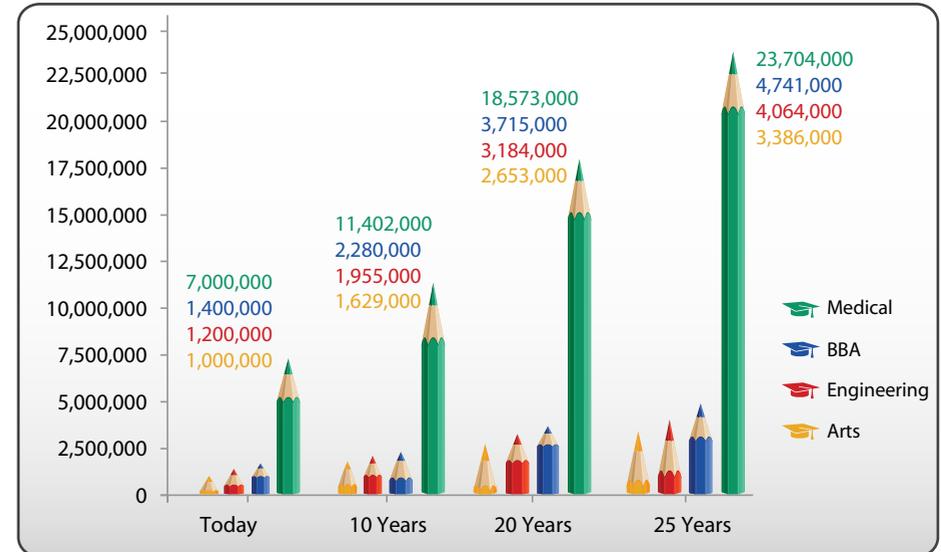
# Education – Your Child’s answer to a Brighter Tomorrow

Your children are your world. Wouldn't you like to strive to give your little ones better opportunities and the very best in life? Help your children have an edge over others despite other uncertainties of life with a specially designed investment and protection package. Plan wisely for a financially secure and comfortable tomorrow to help your young ones reach their potential.

EFU Life Education Plan provides a complete financial planning package for you to plan your children's future education. The Plan helps you accumulate a fund which can be used to pay for your children's college or university education.

The Plan provides savings, a guaranteed level of life assurance protection and flexibility with various options to customize the benefits according to your needs.

## Impact of Inflation on the Cost of Higher Education in Future:



- Today's costs are calculated as per values of year 2016
- Assumed inflation rate of 5% per annum
- Costs calculated based on full fees for length of program

## Secure their Future, Save from Today

Good education, particularly if it's abroad, is not cheap. If you multiply the cost of a 4 year university degree with the number of your children, you'll find that the total amount is quite large. You may find it difficult to come up with the necessary funds unless you plan well in advance and save regularly.

EFU Life's Education Planning Service will work out a personalized illustration to show you the annual contribution you need to make to the Education Plan taking into account the following factors:

- 🎓 Period of the plan to suit your fee requirement.
- 🎓 A realistic investment yield.
- 🎓 The likely inflation rate over the period.

If you are planning to educate your children abroad, we can also build into your personalized illustration the potential depreciation of the Pak Rupee against the foreign currency so that the required funds will be available in real terms.

## Opportunity for Growth

The contributions to the plan will be utilized to purchase units in the fund selected by the policyholder.

Under this option you have the flexibility to select from one of the following funds based on your risk appetite and investment objective at the inception of the policy:

**EFU Managed Growth Fund** - An investment fund with a balanced investment strategy. It aims to achieve reasonable capital growth & steady returns with investment in government securities, carefully selected blue chip equities, and other fixed income securities & cash.

**EFU Guaranteed Growth Fund** - An investment fund providing steady returns with a guarantee that the bid price of the fund would never fall. It aims to achieve stable growth with investment in short term debt securities.

**EFU Aitemad Growth Fund** - An investment fund with the specific aim of investing in interest free, shariah-compliant securities. It aims to maximize capital growth by investing across a wide range of investment such as Islamic Mutual Funds, approved equities, term deposits in Islamic Banks & Sukuk Bonds.

## Inflation Protection

The contribution required to generate your target fund may be more than you want to invest right now, taking into account your other commitments. But you need to start investing as early as possible, otherwise your plans for your children's education will not be fulfilled.

With the Inflation Protection option, you have the security and peace of mind of knowing that the benefits provided by your Plan will be updated every year.

Under this option, the contribution will increase every year by 5% of the previous year's contribution with an appropriate increase in benefits, without any medical evidence. You may subsequently waive your right to this kind of "guaranteed insurability" but subsequent reinstatement will be subject to medical evidence.

## Monitoring Service

To ensure that your plans for your children's education stay on track, EFU Life will regularly review the underlying assumptions used in light of the actual performance of the Plan. Based on this review, we will make appropriate recommendations and also advise you if you need to make additional lump sum contributions to ensure that your target fund will be achieved to meet the university fees.

education funds you had originally planned for will still be available for your children in your absence.

### **Q: How will the current school fees be paid so that your child continues to receive the education necessary to prepare him for university education?**

To deal with the problem of funding school fees after your death, the Education Plan also provides an Income Benefit. This benefit, which is optional, provides a fixed amount, payable quarterly in advance, to ensure that the school fees continue to be met. The quarterly income you choose will be based on your current school fees requirement.

## Guarantee their Education even if You fall sick

This optional Waiver-of-Premium Benefit provides that if you are unable to follow any occupation for at least six months due to sickness or accident, the present contribution to your Plan will continue to be paid in full by EFU Life.

This means that whether or not you continue to enjoy good health; you will still be able to fulfill your dream - seeing your children pursuing higher education.

## Other Important Details

**Eligibility:** The minimum age at entry, of the life assured, is 18 next birthday and the maximum age at entry is 60 next birthday.

**Term:** The term of the Education plan can be for any period between 10 and 25 years, subject to a maximum age of 70 at maturity.

**Premium:** The minimum annual contribution is Rs. 18,000.

**Unit Allocation:** Investment in units varies by policy year and is as follows:

Policy Year	% Allocation
1	25% to 35%*
2	80%
3 onwards	100%
11 onwards	105%

\*depending on policy term

**Charges:** The following charges apply on the Plan:

- Investment Management Charge: 0.125% of the value of the fund value per month
- Bid/Offer spread: 5% of the net contribution.
- Administration Charge: Rs. 360 per annum.

An age based mortality charge applies for the life insurance risk each year and is dependent on the remaining term of the policy.

**Encashment:** The Education Plan is designed as a long-term contract with the initial setting up charges being recovered over a period of time. Therefore, if the Plan is terminated after only one annualized premium, the cash value acquired in the first year of the contract will be used to offset the setting up costs and no amount will be payable. However, once two annualized premiums have been paid, you can totally (or partially) cash-in the Plan, at any time, for the full bid value of units without any surrender penalty.

**Automatic Non-Forfeiture Option:** If premium payments are stopped due to any reason, after two full years' premiums have been paid, the Company will keep the basic policy in force for a period of one year from the date of first unpaid premium. During this one year period, the Company will cancel enough units to pay for the cost of maintaining the cover and for administration. At the end of this period, if the policy has a cash value, it will be converted to a "paid-up" policy. In such case, no further premiums would be payable and the amount payable on death or maturity will be equal to the cash value of the policy. At each anniversary, the Company will cancel enough units to pay for the administrative cost of maintaining the policy.

## Guarantee their Education even if You are not there

In the unfortunate event of your death, prior to the maturity of the Plan, you would want to make sure that your children should not face financial crisis when pursuing their higher education goals.

There are two key questions you need to ask in this context:

### **Q: How will the Fund you originally targeted for will now be accumulated?**

The Continuation Benefit feature of this plan will ensure that all future contributions will be paid by EFU Life following your death and until the maturity date of the policy. This means that the



## Death Benefit

On death, the Continuation Benefit feature of the plan would ensure that the annualized contribution of the Main Plan will continue to be paid by EFU Life on behalf of the insured until the maturity of the Plan. In addition, you can enhance your benefits as per your needs by choosing any of the additional benefits available with this plan.

## Additional Benefits

The following additional benefit riders are available which may be attached to the basic plan to enhance your coverage level.

### Income Benefit

This benefit provides a fixed amount, payable quarterly in advance, to ensure that the school fees continuously be met until the maturity of the benefit term. The quarterly income you choose will be based on your current school fees requirement.

### Additional Term Assurance

This benefit provides additional protection for your family in case of your unfortunate death. Under this benefit, a lump sum amount is payable instantly at the time of your death. The benefit amount will be available to your family at time of death.

### Waiver of Premium

This benefit provides that if you are unable to follow any occupation for at least six months due to sickness or accident, the present contribution to your Plan will continue to be paid in full by EFU Life.

## Accidental Death Benefits

If death or disability occurs as a result of an accident, you can be covered for an additional amount which will be payable at time of death or disability. From the following Accidental Death Benefits, you have option to choose one of the following benefits:

- Accidental Death Benefit
- Accidental Death and Disability Benefit
- Accidental Death and Disability Plus



- On Death of Parent prior to maturity the following benefit will be payable:
  - Continuation Benefit (built in feature to pay premium of main plan) of PKR 100,000/- will be payable.
  - Quarterly Income Benefit will be PKR 10,500/-
- and 'Charges'. The values illustrated are net of all charges.
- A description of how the contract works is given in the Policy Provisions and Conditions.
- Please contact Head Office or Sales Consultant for a personalized illustration of benefits.
- Certain charges apply on the plan as described in the sections on 'Unit Allocation'

