



Allianz 

LIFE GOALS. DONE.

## Bajaj Allianz Life **Group Secure Return**

A Non-Linked, Non-Participating, Group Savings Plan



## Bajaj Allianz Life Group Secure Return

Bajaj Allianz Life Group Secure Return is a traditional non-linked, non-participating group savings insurance plan. This plan helps corporates to manage employee benefits like, superannuation, leave encashment, gratuity, post-retirement medical benefits (PRMBS), employee welfare funds and any other group scheme with significant savings element for employees.

Bajaj Allianz Life Group Secure Return offers guaranteed rate of interest at the time of contribution for specified duration chosen by you.

### Key Highlights

- Bajaj Allianz Life Group Secure Return is designed for trusts and employers to manage employee benefit schemes
- Guarantee of rate of interest at the time of contribution for specified duration chosen by you.
- Life Cover for enhanced protection of your employees.
- Flexible plan to suit your organizational requirement

### Guaranteed Interest Rate

- The company will upfront declare Interest Rate on contributions for a specified duration.
- You can decide the specific duration as per your requirement
- Interest Rate will be guaranteed for the specified period opted by you (master policyholder).
- There could be different rate of return for different specified durations
- Policy Account Value shall mean the accumulated value in the Policy Account corresponding to every contribution, plus accrued interest and net of withdrawals and applicable charges and tax

### How this plan works

- A policy can be maintained as per your requirements at pooled level. The contribution made by you (Master Policyholder) will be maintained in pooled policy account
- The contribution/s required in the policy shall be determined by an independent actuarial valuation carried out by the master policyholder through an independent actuary
- A Life Cover (if opted for) will be provided under the scheme, as defined by you under the scheme rules. If Life Cover is opted for, mortality charge and applicable Goods and Service tax/any other applicable tax levied, subject to changes in tax laws, will be deducted from the pooled policy account
- From each contribution of yours as per the scheme rules premium allocation charge, applicable Goods and Service tax/any other applicable tax levied, subject to changes in tax laws, will be deducted and the balance will be credited to the pooled policy account
- The plan offers guaranteed rates of interest for various specified durations
- The guaranteed interest rates will be declared every month by the company for each specified duration for new policies & new monies in existing policies, and will be applicable to the net contributions received
- The declared guaranteed interest rate (net any expense allowed-for) shall be in accordance with Board approved policy of the company
- You can choose the duration of investment (specified duration) for your contribution at the time of contribution. The duration of investment chosen at inception cannot be changed subsequently
- Interest (as applicable to the contributions and specified durations) will be credited into the policy account daily on compounding basis, at the end of each day. Any exit from the policy account will get the credit only for the period of time it remained invested in the policy account
- All claims, except the life cover, will be paid out of the policy account
- You can also transfer any self-managed fund(s) or an on-going scheme to this plan.

Company declares Interest Rate for specified durations

Master policyholder pays contribution and opts for a specified duration

Policy Account earns Interest as declared by the Company

Benefits are paid from Policy Account

## Benefits Payable

Events	How and when Benefits are payable	Size of such Benefits /Policy monies
Death of member	Payable immediately on death of the member, as allowed in the scheme rules	An amount as decided by the master policyholder in accordance with scheme rules will be paid plus sum assured, if any.
On Vesting (Retirement of member)	Payable immediately on retirement, as allowed in the scheme rules	An amount as decided by the master policyholder in accordance with scheme rules will be paid.
On Exits/Benefits such as resignation, termination, etc. as per the scheme rules	Payable as allowed in the scheme rules	An amount as decided by the master policyholder in accordance with scheme rules.

There shall be an assured benefit of 101% of contribution, net of withdrawals, if any, applicable on the entire pension fund available with the insurer. An assured benefit will also be available on the death of every member, as per the Scheme Rules

If the superannuation funds are maintained with other insurers along with this plan, the member will have the option to choose the insurer to purchase the annuity from.

## Bulk Exit

If the total amount on exit, due to any event including complete policy surrender, as defined in the scheme rules, in a policy year (including the current exit amount) exceeds 25% of the balance in the pooled policy account (policy account value) as at the beginning of that policy year, such an exit shall be termed as a bulk exit.

In case of bulk exit, Market Value Adjustment (MVA) is applicable and it will be applied only to the amount which is over & above the amount representing bulk exit. The market value adjustment is a factor used to cover the market value losses of the underlying investment in relation to the balance in the pooled policy account.

### Market Value Adjustment

If the Exit qualifies for MVA, the amount of MVA will be calculated as given below:

- The market value of the underlying asset will be ascertained on the date of exit.
- The difference between the Policy Account Value as on the date of current exit and the market value will be calculated.
- If the above difference is positive, then, the MVA is applicable; else, the MVA shall be zero.

The value payable under such exits would be amount requested by the policyholder; provided that such amount-requested grossed-up for the Market Value Adjustment (if any) does not exceed the balance in the policy account. However, if such grossed-up value exceeds the balance in the policy account, then, balance in policy account less Market Value Adjustment (if any) shall be payable.

The term grossed-up means the amount-requested divided by (1-Market Value Adjustment factor).

For example, let's assume, that the book value of your pooled policy account at the beginning of the year is ₹ 1,00,00,000, while its market value is ₹ 90,00,000, i.e., at a 10% lower than the account value.

Suppose that, the amount requested for exit is ₹ 30,00,000 by you and that no earlier request for exits had been made by you during the policy year. In this case, the market value adjustment will be made only to the amount which is over & above the amount representing bulk exit, i.e., on ₹ 5,00,000 (₹ 30,00,000- 25%\* 1,00,00,000). Hence, an amount equal to 30,00,000 + 55,555= 30,55,555 will be withdrawn post application of market value adjustment, from your pooled policy account.

Amount withdrawn on exit	30,55,555
MVA	(55,555)
Amount received by you	30,00,000

Particular	Details
Book Value (BV) of your Pooled Policy Account at the beginning of the year	1,00,00,000
Market Value (MV) of Pooled Policy Account	90,00,000
Market Value loss	10%
Requested amount on exit Amount representing bulk exit (MVA applicable on this amount)	30,00,000 $30,00,000 - 25\% * 1,00,00,000 = 5,00,000$
Market Value Adjustment (MVA)	$\frac{MV \text{ Loss}\%}{(MV \div BV) \times 5,00,000} = \frac{10\%}{(90,00,000 \div 1,00,00,000) \times 5,00,000} = 55,555$
Fund post MVA loss adjustment	555,555
Amount withdrawn from Pooled Policy Account	$30,00,000 + 55,555 = 30,55,555$

Note - All figures are in rupees wherever relevant.

## Top-up premiums

Top-up premiums are not allowed in this product.

## Surrender

You may do a complete surrender of your policy by giving an advance notice of three (3) months.

Upon receipt of such request, the balance in the pooled policy account less Market Value Adjustment (if any) shall be paid and the policy will terminate.

## How to set- up Bajaj Allianz Life Group Secure Return?

The Bajaj Allianz Life Allianz Life Group Secure Return can be set-up in any of the following ways:

- 1) Draft trust deed and scheme rules (Bajaj Allianz Life Insurance Company provides you with expert guidance on the same), execute and appoint Trustees for administering the scheme.
- 2) Apply for approval to Commissioner of Income Tax under Part B of the Fourth Schedule of the Income Tax Act, 1961.
- 3) Submit the Master Proposal Form signed by the trustees, the complete employee data in the prescribed format, copies of trust deed and scheme rules, with the contribution.

## Important Details of the Bajaj Allianz Life Group Secure Return

Parameter	Details
Minimum Size of the Group	5 members
Minimum Entry Age of the Member	15 years
Minimum Age at Maturity of the Member	16 years
Maximum Entry Age of the Member	99 years
Maximum Age at Maturity of the Member	100 years or normal retirement age, where normal retirement age would be as per Scheme Rules
Policy Term	As per scheme rules
Minimum balance in the Pooled Policy Account	₹ 50,000
Maximum balance in the Pooled Policy Account	No Limit, subject to Board Approved Underwriting Policy (BAUP)
Life Cover	Mandatory life cover of ₹ 5000 per member under Gratuity, Leave encashment and welfare schemes No minimum life cover under Superannuation scheme

## Non-Forfeiture

When the balance in the policy account is sufficient or overfunded/in-surplus, as per an independent actuarial valuation certificate submitted by the master policyholder, the company shall allow nil contribution and the policy will be continued.

When the balance in the pooled policy account falls below ₹ 55,000, the Company will intimate the master policyholder to make the contribution within 1 month from the receipt of such notice, to keep the balance in the pooled policy account reasonably above ₹ 50,000; else the policy shall be foreclosed and the surrender value as on date of such foreclosure will be paid, and the policy will be terminated.

Notwithstanding this, if independent actuarial valuation certifies that the policy account/s is/are sufficiently funded, the policy be continued.

If Life Cover has been opted-for in the policy:

- a) When the fund has insufficient balance to deduct the mortality fee in respect of the policy within the grace period, the life cover under the policy shall cease
  - i) The Life Cover can be revived within the revival period which would be applicable as per scheme rules from the date of first unpaid contribution, subject to underwriting, if any
  - ii) At the expiry of the revival period, if the cover is not reinstated, then no benefit in respect of Life Cover shall be payable in the policy.
  - iii) Notwithstanding this, if the fund is sufficient in policy account, to deduct the mortality fee, the company will renew the policy at every monthly policy anniversary.
- b) If the policy account is not sufficient to deduct the due mortality fees (but is above ₹ 50,000, as mentioned above), the company will intimate the master policyholder to make contribution within one month to keep the balance in the policy account reasonably above mortality fees; else surrender value [as described in section 8.2b) above] at the time of termination shall be paid, and the policy will terminate.

## What are the Fees under the Plan?

Fees	Details
Premium Allocation Fee	Direct Marketing Channel – Nil Other Channels - Lower of 0.5% of the contribution paid during the year or ₹ 10 lakh
Surrender Fee/Penalty	Nil
Mortality Fee	Flat fee of ₹ 1 per Rs. 1000 Sum Assured per member per annum.
Goods & Service Tax/any other applicable tax levied	As applicable

## Loans

No loans are available under the scheme.

## Suicide Clause

No Suicide exclusion is applicable. On death of an employee due to suicide, the full death benefit as stated under the benefit section shall be payable.

## Nomination: Section 39 of the Insurance Act, 1938

Nomination should be in accordance with provisions of sec 39 of the Insurance Act 1938 as amended from time to time.

## Assignment: Section 38 of the Insurance Act, 1938

Not Applicable

## Grace Period

As applicable under scheme rules

## Tax Benefits

As per applicable Tax Laws

## Free Look Period

The master policyholder has a free look period of fifteen (15) days from the date of receipt of this Policy Document and a period of thirty (30) days in case of electronic Policies and Policies obtained through distance mode, to review the terms and conditions of the Policy and where the Policyholder disagrees to any of those terms & conditions, he has the option to return the Policy to the company for cancellation, stating the reasons for his objection, then he shall be entitled to a refund of the contributions (excluding applicable taxes) paid, subject only to a deduction of any proportionate risk premium for the period of cover and the expenses incurred by the insurer on medical examination of the proposer and stamp duty charges.

## Policy Continuation Option

At the end of the specified duration in the policy, the master policyholder will have the following options to continue the policy

- i) either by continuing the policy for 1 year by default, or
- ii) choose a new specified duration

Both the above options are subject to availability of the product then.

The guaranteed interest rate applicable for the 1 year or the new specified duration chosen will be as per the declared rates prevailing then.

## Termination

The Policy shall terminate on the occurrence of the first of the following events:

- The date on which master policyholder surrenders/terminates the Policy
- The date on which the Company terminates the Policy, as per Non-forfeiture condition
- On Freelook Cancellation
- At the end of specified duration chosen by the master policyholder, subject to the policy not being continued.

## Applicability of Goods & Service Tax

Goods & Service Tax is charged based on type of policy communication address of Policy Holder. This may change subject to change in rate/state in address of the Policy Holder as on date of adjustment.

## Why Bajaj Allianz Life Insurance?

Bajaj Allianz Life Insurance Co. Ltd., one of India's leading private life insurers, is a joint venture between Bajaj Finserv Limited, one of the most diversified nonbanking financial institutions in India, and Allianz SE, one of world's leading global insurer and asset manager. This joint venture Insurance Company incorporates global expertise with local experience. The comprehensive, innovative solutions combine the technical expertise and experience of Allianz SE, and in-depth market knowledge and goodwill of "Bajaj brand" in India.



## Prohibition of Rebate: Section 41 of the Insurance Act, 1938

“No person shall allow or offer to allow, either directly or indirectly, as an inducement to any person to take out or re-new 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.

Any person making default in complying with the provision of this section shall be liable for a penalty that may extend up to ten lakh rupees.”

## Fraud & Misrepresentation: Section 45 of the Insurance Act, 1938

Fraud & Misrepresentation would be dealt with in accordance with provisions of Sec 45 of the Insurance Act 1938 as amended from time to time.

## Contact Details

Bajaj Allianz Life Insurance Company Limited, Bajaj Allianz House, Airport Road, Yerawada, Pune - 411 006.

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IRDAI is not involved in activities like selling insurance policies, announcing bonus or investment of premiums. Public receiving such phone calls are requested to lodge a police complaint.

All Charges applicable shall be levied. This brochure should be read in conjunction with the Benefit Illustration. The Policy document is the conclusive evident of contract and provides in details all the conditions and exclusions related to Bajaj Allianz Life Group Secure Return. Please ask for the same along with the quotation

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