



Allianz 

LIFE GOALS. DONE.

Bajaj Allianz Life Group Employee Care

A Non-Linked Non-Participating Group Savings
Insurance Plan



Bajaj Allianz Life Group Employee Care

Bajaj Allianz Life Group Employee Care is a traditional life non-linked, non-participating group savings insurance product, which can be taken by you (an employer) to manage employee benefits like leave encashment, gratuity, post retirement medical benefits (PRMBS), employee welfare funds and any other group scheme with significant savings element for your employees. This scheme helps in building a substantial fund, to ensure hassle free discharge of your liabilities as a responsible employer.

Why Bajaj Allianz Life Insurance?

Bajaj Allianz is a joint venture between Bajaj Finserv Limited and Allianz SE. Both enjoy a reputation of expertise, stability and strength. This joint venture company incorporates global expertise with local experience. The comprehensive, innovative solutions combine the technical expertise and experience of the 119 year old Allianz SE, and in-depth market knowledge and goodwill of "Bajaj brand" in India.

How does Bajaj Allianz Life Group Employee Care work?

- You can manage the policy as per your requirement with the following options –
 - Option 1: Pooled Level
 - Option 2: Individual Level.
- The contribution made by you will be maintained in individual/pooled policy account, as applicable.
- The contributions have to be paid on the applicable due dates with respect to each individual or pooled policy account, as applicable
- The contribution required, shall be determined by an actuarial valuation through an independent actuary.
- A policy account will be maintained under the scheme and all the contributions, net of premium allocation fee and any applicable GST & cess, will be credited to this pooled policy account/individual-level policy account, and all claims, except the insurance cover, will be settled out of the policy account.
- An insurance cover will be provided under the scheme, as per the needs of the master policyholder. Mortality Fee &, and applicable Goods & Service Tax/any other applicable tax levied, subject to changes in tax laws, will be deducted every month from the individual/pooled policy account, as applicable.
- At the end of each financial year, the company shall credit an investment return and charge expenses to the policy account based on gross return earned in the underlying fund.
- The interest credit to the individual/pooled policy account, will only be to the extent and duration for which the money was invested with the company in a financial year.
- Individual/pooled policy account is the contributions received, net of premium allocation fee & mortality fee including Goods & Service Tax/any other applicable tax levied, subject to changes in tax laws, accumulated at the crediting interest rate.

Benefits Payable

Benefits under Option 1 (pooled policy account):

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 policyholder in accordance with scheme rules will be paid plus sum assured.
On Exits, as per the scheme rules	Payable as allowed in the scheme rules	An amount as decided by the policyholder in accordance with scheme rules.

Benefits under Option 2 (individual policy account):

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	Individual policy account value plus sum assured
On Exits, as per the scheme rules	Payable as allowed in the scheme rules	Individual policy account value

In case of bulk exits due to any event, the benefit payable will further be subject to the application of market value adjustment

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 total of all individual or pooled policy account as at the beginning of that policy year, such an exit shall be termed as a bulk exit. Market Value Adjustment (MVA) if applicable, shall be applied only to the amount which is over & above the amount representing bulk exit.

- Policy managed at Pooled Level: An amount, as requested by you, will be paid, provided such amount grossed up for MVA (if any), does not exceed the balance in the pooled policy account. However, if such grossed up value exceeds the balance in the pooled policy account, then, balance in pooled policy account less MVA (if any) shall be payable. The term grossed up means the amount as payable divided by (1-MVA factor).
- Policy managed at Member Level: Balance in the individual policy account(s) of exiting employee(s) adjusted proportionately for MVA, (if any). The proportion will be based on the balance in each exiting individual policy account

Investment Return

In Bajaj Allianz Life Group Employee Care, Assets will be earmarked under Group Non Participating Controlled Fund. At the end of each financial year, the company shall credit an investment return and charge expenses to the individual/pooled policy account in accordance with Board approved policy of the insurer. The crediting of interest will be dependent on the Policy Account Value at the end of previous Financial Year and any contributions received thereafter, net of any premium allocation fee, mortality fee, any withdrawals and Goods & Service Tax/any other applicable tax levied subsequently, subject to changes in tax laws. The crediting will only be to the extent and duration for which the money was invested with the company. The crediting interest rate will be based on the gross return earned in the underlying fund.

The formula to arrive at the crediting interest rate will be: $\text{Max} [x\% * \text{Gross Return}, 1\%]$;

- where x% will be a fixed percentage in any one financial year, ranging from 100% to 95%; but restricted such that $(1-x\%) * \text{Gross Return}$ is not more than 90 bps; and
- 1% will be the minimum guaranteed crediting rate in any financial year

Option for Additional Allocation

You will have the option, at the inception of the policy, to choose for additional allocation with respect to the contributions received in the first policy year. The additional (extra) allocation is allowed only at the time of first contribution. You will have the option to choose the percentage of additional allocation also, from the options available in the below table. The recovery percentage and the period of recovery as per the below table below.

Additional Allocation (as a % of 1 st year contribution/s)	Recovery % p.a. (applied on the total 1 st year contribution/s)	Period of Recovery (in months)
1%	0.5%	24
2%		48
3%		72
4%		96
5%		120

- Additional allocation will be allotted only after the free-look period.
- As per the table given above, the additional allocation will be recovered each month (starting from the start of the 2nd month), based the applicable recovery %-age, over a fixed period of recovery from the pooled policy account value/individual policy account value, as applicable. For option 2, the recovery amount will be recovered only from those individual members who have been credited with additional allocation.
- In case of Option 1 (pooled policy account), if the policy is surrendered before the end of the Period of Recovery, then, the unrecovered amount (over the remaining Period of Recovery) will be recovered from the surrender value.
- In case of Option 2 (individual policy account), if any member (to whom additional allocation was made) exits due to any reason (i.e., death or any other exit as per scheme rule) before the end of the Period of Recovery, then, the unrecovered amount (over the remaining Period of Recovery) will be recovered from the exiting member's benefit payable at the time of payment of benefit.
- The amount of recovery per month is: $\text{Recovery \% p.a.} / 12 * \text{Total 1st year contribution}$

Top-up Premiums

Top-up premiums/contributions are not allowed in this product.

Market Value Adjustment

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 individual / pooled policy account.

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

Suppose that, the amount requested for exit is Rs. 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 Rs.5,00,000 (Rs. 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

Detailed calculation of MVA :

Particular	Details
Book Value (BV) of your Pooled Policy Account at the beginning of the year	1,00,00,000
Market Value(MV) of 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)	$\frac{\text{MV loss\%}}{(\text{MV} \div \text{BV})} \times 5,00,000 = \frac{10\%}{(90,00,000 \div 1,00,00,000)} \times 5,00,000 = 55,555$
Fund post MVA loss adjustment	555,555
Amount withdrawn from policy account	$30,00,000 + 55,555 = 30,55,555$

Note - All figures are in rupees wherever relevant.

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/total of all individual policy account(s) less Market Value Adjustment (if any) shall be paid and the policy will terminate.

How to set- up Bajaj Allianz Life Group Employee Care?

The Bajaj Allianz Life Group Employee Care 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.
- 4) Pay the future contributions as defined in the scheme rules.

Important Details of the Bajaj Allianz Life Group Employee Care

Parameter	Details
Minimum Size of the Group	10 members
Minimum Entry Age of the Member	18 years
Maximum Entry Age of the Member	79 years
Minimum Age at Maturity of the Member	19 years
Maximum Age at Maturity of the Member	80 years
Minimum Sum Assured of the Member	Rs. 10,000
Maximum Sum Assured of the Member	As per Board Approved Underwriting Policy
Minimum Policy Term	Annually renewable
Modes of premium payment	Yearly/ Half Yearly/Quarterly/Monthly
Minimum balance in the Pooled Policy Account/ Total of all Individual Policy Account (s)	Rs. 1,00,000
Maximum balance in the Pooled Policy Account / Total of all Individual Policy Account (s)	No Limit

All ages mentioned above are age as on last birthday

Non-Forfeiture

If the balance in the pooled policy account/total of all individual policy account(s) is sufficient or overfunded/in-surplus, as per an independent actuarial valuation certificate submitted by you, the company shall allow nil contribution and the policy will be continued.

If the balance in the pooled policy account / total of all individual level policy account(s) becomes less than Rs.1,10,000, the Company will intimate you to pay the contribution within 1 month from the receipt of such notice. If the contribution is not received then 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 the fund has insufficient balance to deduct the mortality fee in respect of the policy within the grace period, the insurance cover under the policy shall cease. 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. At the expiry of the revival period, if the cover is not reinstated, then no benefit would be in respect of life cover shall be payable.

As long as there is sufficient balance in the pooled policy account and all individual-level policy accounts to cover the mortality fee, the company shall renew the policy at every policy anniversary.

- If the policy account/s is/are not sufficient to deduct the due mortality fees, the company will intimate the master policyholder to make contribution within one month to keep the balance in the policy account/s reasonably above mortality fees; else surrender value (as described above) at the time of termination shall be paid and the policy will terminate.

If a few individual policy account/s are not sufficient to deduct the due mortality fees, the company will intimate the master policyholder to make contribution within one month to keep the balance in the policy account/s reasonably above mortality fees; else the balance in the individual policy accounts with respect to those members at the time of termination (net of any MVA) shall be paid. The policy will continue for the other members.

What are the Fees under the Plan?

Fee	Details
Premium Allocation Fee	For Direct Sales - NIL For all other channels - 0.5% of the contribution or Rs. 10 lakh, whichever is lower, shall be deducted at the time of each contribution
Surrender Fee/ Penalty	Nil apart from MVA
Mortality Fee	Flat fee of Rs.1 per 1000 SA per member Mortality Fee is guaranteed for the entire term of the policy

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. There are no other exclusions applicable.

Grace Period

A grace period of 15 days is available for monthly frequency and 30 days for other frequencies, following the Contribution due date, without any penalty or late fee, during which time the Policy is considered to be in-force with the risk cover without any interruption as per the Policy terms and conditions.

Tax Benefits

Premium paid, other benefits and Death Benefit may be eligible for tax benefits as per extant Income Tax Act, subject to the provision stated therein and as amended from time to time. You are requested to consult your tax consultant and obtain independent advice for eligibility and before claiming any benefit under the policy.

Free Look Period

- (1) The policyholder shall be provided a free look period of 30 days beginning from the date of receipt of policy document, whether received electronically or otherwise, to review the terms and conditions of such policy, except if tenure of the policy is less than a year.
- (2) In the event a policyholder disagrees to any of the policy terms or conditions, or otherwise and has not made any claim, he shall have the option to return the policy to the insurer for cancellation, stating the reasons for the same.
- (3) Irrespective of the reasons mentioned, the policyholder shall be entitled to a refund of the contribution paid subject only to a deduction of a proportionate risk contribution for the period of cover and the expenses, if any, incurred by the insurer on medical examination of the proposer and stamp duty charges.
- (4) A request received by the company for cancellation of the policy during free look period shall be processed and contribution shall be refunded within 7 days of receipt of such request.

Termination

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

- a) The date on which you surrender/terminate the Policy
- b) The date on which the Company terminates the Policy, as per Non-forfeiture condition

The Life Insurance Cover on the life of a Member shall terminate on the occurrence of the first of the following events:

- a) The date on which you terminate the Policy
- b) The date on which the Company terminates the Policy, as per Non-forfeiture condition
- c) The date on which the Member ceases to be a Member of the Scheme / exits the scheme
- d) If Life Insurance Cover has lapsed due to non-payment of Contribution and the Policy Account Value is insufficient to deduct the Mortality Fee
- e) On the death of the Member
- f) On Freelook Cancellation

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.

Assignment: Section 38 of the Insurance Act, 1938

Not available.

Nomination: Section 39 of the Insurance Act, 1938

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

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

Prohibition of Rebate would be dealt with in accordance with provisions of Section 41 of the Insurance Act 1938 as amended from time to time

"No person shall allow or offer to allow, either directly or indirectly, as an inducement to any person to take out 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.

Any person making default in complying with the provision of this section shall be punishable with a fine that may extend upto ten lakh rupees."

Fraud & Misstatement- Section 45 of the Insurance Act, 1938

Fraud, Misrepresentation and forfeiture would be dealt with in accordance with provisions of Section 45 of the Insurance Act 1938 as amended from time to time.

Disclaimer

This product sales literature gives the salient features of the plan only. The policy document is the conclusive evidence of the contract, and provides in detail all the conditions, exclusions related to the "Bajaj Allianz Life Group Employee Care".

Contact Details

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Bajaj Allianz Life Group Employee Care

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For More Information: Kindly consult our "Insurance Consultant" or call us today on the TOLL FREE numbers mentioned above. This Sales Literature should be read in conjunction with the Benefit Illustration and Policy Exclusions. Please ask for the same along with the quotation.

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