

Bajaj Allianz Group Employee Care

A Traditional Group Variable Insurance Plan



Bajaj Allianz Group Employee Care

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

The plan offers a Guaranteed Interest Rate, which will be guaranteed for the entire term of the policy and an Additional Interest Rate, which may be declared by the company at the start of each financial quarter.

LIFE GOALS. DONE.

Bajaj Allianz Life Insurance Co. Ltd.



How does Bajaj Allianz Group Employee Care work?

- The contribution made by you with respect to your employees will be maintained in a Policy Account under the scheme.
- From each contribution of yours premium allocation charge, any applicable GST will be deducted and the balance will be credited to the Policy Account
- Mortality charge, applicable GST, will be deducted every month from the Policy Account.
- The company offers a Guaranteed Interest Rate (GIR) of 1.5% compounding per annum as long as the policy is with us. An Additional Interest Rate (AIR) may be declared by the company at the start of each financial quarter for that quarter. The Policy Account will be first credited with the GIR and then credited with the AIR declared, if any.
- Any payment or exit from the Policy Account will get credited for GIR/AIR only for the period it remained invested in the account.
- The GIR and AIR credited to the Policy Account will only be to the extent and duration for which the fund remains invested.
- At the end of each financial year a return enhancer shall be provided such that the difference between the Gross Return and the net return will not be more than 90 bps
- Non-zero positive residual additions, if any, shall be credited to Policy Account in order to meet the maximum reduction in yield at the end of each membership year starting from the fifth membership year as stipulated in Regulation 37 of IRDA (Linked Insurance Products) Regulations, 2013
- Policy Account is the accumulated value of your premium paid less premium allocation charge, mortality charge on account of your members enhanced by GIR and AIR, if any, less applicable GST on all the mentioned charges.
- The investment pattern of the fund is governed by the IRDA regulation on the controlled fund.

Benefits Payable

In case of unfortunate death of an employee whilst in service, before the normal retirement date, the benefits payable will be equal to the sum assured* ,if any plus the benefit payable from the Policy Account as per the scheme rules, with respect to that employee.

In case of events other than death like retirement, resignation, termination etc. of an employee, as specified in the scheme rules, benefit as decided by you, in accordance with the scheme rules, will be paid. The benefit will be paid from the Policy Account.

At all times, the liability of the company is limited to the extent of the balance in the Policy Account.

** As chosen for the member, based on the maximum and minimum allowed under the plan.*

Bulk Exit

If the total amount on exit, due to any event, as defined in the scheme rules, in a policy year (including the current exit amount) exceeds 25% of the balance in the Policy Account as at the beginning of that policy year, such an exit shall be termed as a bulk exit. Market Value Adjustment (MVA) shall be applied only to the amount which is over & above the amount representing bulk exit. MVA losses (if any) shall be adjusted from your Policy Account.

Market Value Adjustment

The market value adjustment is a factor to cover the market value losses of the underlying investment in relation to the balance in the Policy Account.

For example, let's assume, that the book value of your 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 book value.

Suppose that, the amount requested for exit is ₹ 30,00,000 from 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

| | |
|--------------------------|-----------|
| 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 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 | 30,00,000 |
| Amount representing bulk exit (MVA applicable on this amount) | $30,00,000 - 25\% * 1,00,00,000 = 5,00,000$ |
| 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 | 55,555 |
| 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 Policy Account less surrender penalty (if any), less Market Value Adjustment (if any) shall be paid and the policy will terminate.

Riders

None

How to set- up Bajaj Allianz Group Employee Care?

The Bajaj Allianz 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 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 |
| Maximum Age at Maturity of the Member | 80 years |
| Minimum Sum Assured of the Member | ₹ 5,000 <i>*There is no health or life cover for Post Retirement Medical Benefit scheme and Employee Welfare Scheme</i> |
| Maximum Sum Assured of the Member | No limit |
| Minimum Policy Term | Annually renewable |
| Regular Contribution Frequency | Yearly/ Half Yearly/ Quarterly/Monthly |
| Minimum balance in the Policy Account | ₹1,00,000 |
| Maximum balance in the Policy Account | No Limit |

Non-Forfeiture

If regular contribution from you in any policy year is not received by the Company in time (within the grace period) *as the fund is certified to be overfunded / in-surplus by your actuary as per AS15 (Revised), then*, the balance in the Policy Account shall keep on accumulating subject to deduction of mortality charge, at the GIR, any AIR & Non-zero positive additions, if any, less applicable fund management charge, till the balance in the Policy Account falls to the level of ₹ 1,10,000 (due to payment of benefits for the reason of death, retirement, exits etc as per scheme rules).

As long as there is sufficient balance in the policy account to cover the mortality charge the company shall renew the policy at every policy anniversary and also, subject to the balance in the Policy Account not being below ₹ 1,10,000; in which case, the company will intimate you to make contribution. However if the balance in the Policy Account falls below ₹ 1,00,000, the policy will be terminated and the surrender value as on date of termination shall be paid to you.

What are the Charges under the Plan?

| Charges | Details |
|----------------------------|--------------------------------------------------------------------------------------------------------------|
| Premium Allocation Charge* | 0.5% of the contribution or ₹ 1 lakh, whichever is lower, shall be deducted at the time of each contribution |
| Fund Management Charge | Nil |
| Surrender Penalty | Nil |
| Mortality Charge | Flat charge of ₹1 per 1000 SA per member Mortality Charge is guaranteed for the entire term of the policy |

* This charge would be aligned to the commission payable

Revision of Charges

After taking due approval from the Insurance Regulatory and Development Authority, the Company reserves the right to revise the above mentioned charges:

- Fund Management Charge up to a maximum of 1.35% per annum.
- The Company will give a notice of three (3) months to the policyholders for any changes in charges. The Policyholder who does not agree with the modified charges shall be allowed to surrender immediately and terminate the Policy.

Sample Illustration

Indicative projection based on the prescribed growth rate of 4% by the regulator is as follows.

| Policy Year | Opening Balance ₹ | Premium Received ₹ | GIR ₹ | AIR ₹ | Account Value at the end ₹ | Surrender Value ₹ | Sum Assured ₹ | Death benefit ₹ |
|-------------|-------------------|--------------------|----------|----------|----------------------------|-------------------|---------------|-----------------|
| 1 | | 2,500,000 | 37,690 | 59,638 | 25,82,837 | 25,82,837 | 1,00,00 | 26,82,837 |
| 5 | 109,54,162 | 2,500,000 | 2,03,792 | 322,468 | 139,65,931 | 139,65,931 | 1,00,00 | 140,65,931 |
| 10 | 272,39,416 | 2,500,000 | 4,50,731 | 7,13,210 | 308,88,867 | 308,88,867 | 1,00,00 | 309,88,867 |

Indicative projection based on the prescribed growth rate of 8% by the regulator is as follows.

| Policy Year | Opening Balance ₹ | Premium Received ₹ | GIR ₹ | AIR ₹ | Account Value at the end ₹ | Surrender Value ₹ | Sum Assured ₹ | Death benefit ₹ |
|-------------|-------------------|--------------------|----------|-----------|----------------------------|-------------------|---------------|-----------------|
| 1 | | 2,500,000 | 38,344 | 1,56,869 | 26,80,724 | 26,80,724 | 1,00,00 | 27,80,724 |
| 5 | 109,54,162 | 2,500,000 | 2,24,293 | 9,17,597 | 156,80,984 | 156,80,984 | 1,00,00 | 157,80,984 |
| 10 | 272,39,416 | 2,500,000 | 5,51,628 | 22,56,750 | 385,66,073 | 385,66,073 | 1,00,00 | 386,66,073 |

Projections shown above are after consideration of GST.

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

The company will pay the policy proceeds to you. The individual employees can nominate the person(s) to whom the policy proceeds will be payable by you upon their death. A change in nomination may be made by the policyholder at any time during the term of the policy and must be registered with the Company. Nomination is effected as per section 39 of the Insurance Act, 1938.

Grace Period

A grace period of 15 days is available for monthly frequency and 30 days for other frequencies.

Tax Benefits

As per applicable Tax Laws

Free Look Period

Within 15 days [thirty (30) days in case this policy is issued under the provisions of IRDA Guidelines on Distance Marketing* of Insurance Products] from the date of receipt of the policy, you have the option to review the terms and conditions and return the policy, if you disagree to any of the terms & conditions, stating the reasons for your objections. You will be entitled to a refund of the contribution paid, subject only to a deduction of proportionate mortality charge for the period of cover and the expenses incurred by the company on medical examination of the members and the applicable stamp duty charges.

** Distance Marketing includes every activity of solicitation (including lead generation) and sale of insurance products through modes other than in person.*

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 123 year old Allianz SE, and in-depth market knowledge and goodwill of "Bajaj brand" in India. Competitive pricing and quick honest response have earned the company the customer's trust and market leadership in a very short time.

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 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 provisions of this section shall be punishable with a fine which may extend to five hundred rupees.”

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

“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 a statement made in the proposal for insurance 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.”

Applicability of Goods & Service Tax

Goods and 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.

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 Group Employee Care”.

Contact Details

Regd. Office Address

Bajaj Allianz Life Insurance Company Limited, G.E. Plaza, Airport Road, Yerawada, Pune - 411 006.
Reg. No.: 116 | Fax: (020) 6602 6789. | www.bajajallianzlife.com | CIN: U66010PN2001PLC015959

SMS LIFE @ 56070

For any queries please contact:

Sales: 1800 209 0144

Service: 1800 209 7272

Mail us : customercare@bajajallianz.co.in

Chat: <https://goo.gl/PdEyZu>

Bajaj Allianz Group Employee Care :

UIN 116N116V02

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- IRDAI does not announce any bonus. Public receiving such phone calls are requested to lodge a police complaint along with details of phone call, number.

For More Information: Kindly consult our "Insurance Consultant" or call us today on the TOLL FREE numbers mentioned above. This brochure 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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