



Shriram Life

Group Traditional Employee Benefit Plan

A non-linked non-participating group Saving insurance plan

(UIN: 128N054V02)

As a caring employer you are paying the employee benefits like Gratuity and Leave Encashment Benefits from the company's revenue. These benefits increase every year as the employees' salary and their service increase each year. A prudent financial planning and long term investment strategy can be ensured by setting up a fund with Shriram Life. We value your employees as your most important assets and present **Shriram Life Group Traditional Employee Benefit plan**, a non-linked non-participating Group saving insurance plan.

KEY FEATURES



Efficiency

Management and administration of employee benefit liabilities in a more efficient manner



Safety

Capital guarantee on the fund under management



Guaranteed returns

Minimum guaranteed interest rate of 0.1% p.a. for entire term of the policy



Savings

Tax Benefits to both Employee and the Employer of the group

EMPLOYERS WHO CAN BUY THIS PLAN

- Employers who currently do not have a scheme and wish to set up one
- Employers who have a scheme with another life insurance company and looking for a switch over
- Employers who have a scheme with another life insurance company but wish to maintain funds with more than one Insurer

TO SET UP THE SCHEME WITH SLIC

- Submit Master proposal form, copy of Trust Deed/ scheme rules, employees data etc along with the payment towards scheme liabilities

- Once the proposal is accepted, the employer/Trustee(s) will become the policyholder

ELIGIBILITY CONDITIONS

Eligible groups	Employer-employee groups
Minimum Group size	10 employees
Minimum Age at entry	14 years age last birthday
Maximum Age at entry	75 years age last birthday
Maximum Exit age	76 years last birthday
Policy term	Annually renewable
Mode	Yearly
Life Insurance Cover	Rs. 1,000/- (fixed) per member
Minimum Initial Contribution	Rs. 100,000/- per policy
Maximum Contribution	In accordance with the funding requirements as per the scheme rules. The trustee or employer or policyholder shall be required to confirm that such funding is required as per extant accounting standard governing the measurement of long term employee benefits.

CONTRIBUTIONS

- The premium shall be made in accordance with the funding requirements as per the scheme rules. The trustee or employer or policyholder shall be required to confirm that such funding is required as per extant accounting standard governing the measurement of long term employee benefits.
- The product shall not allow any top-ups, unless required to address the underfunding of the scheme as per extant accounting standard governing the measurement of long term employee benefits.

CHARGES

Mortality Charge	Re. 1 per Rs. 1000 Life Insurance Cover per member is applicable on the life Insurance Cover
Surrender Charge	1 st , 2 nd , 3 rd policy year: 0.05% of the policy account value as on date of surrender subject to a maximum of Rs.5, 00,000 4th year onwards: Nil

The expenses charged to funds shall be in accordance with the Board approved policy of the Company

BENEFITS

(a). Benefits payable on death:

Upon death of the scheme member the following benefits shall be paid to the group policyholder:

- i. Any amount requested by the group policyholder to be able to pay employee benefits as per the scheme rules.
This amount will be debited from the policy account subject to maximum available in the policy account.
- II. Life Insurance Cover of Rs. 1,000/-

(b). Benefits payable on Maturity:

There is no maturity benefit under this policy.

(c). Benefits payable on exits other than death:

Upon exit of the scheme member from the group due to reason other than death, amount requested by the group policyholder will be paid to the group policyholder to be able to pay employee benefits as per the scheme rules. This amount will be debited from the policy account subject to maximum available in the policy account

Benefits payable on death:	i. Any amount requested by the group policyholder to be able to pay employee benefits as per the scheme rules. This amount will be debited from the policy account subject to maximum available in the policy account. II. Life Insurance Cover of Rs. 1,000/-
Benefits payable on Maturity:	There is no maturity benefit under this policy.
Benefits payable on exits other than death:	An amount requested by the group policyholder will be paid to the group policyholder to be able to pay employee benefits as per the scheme rules

HOW THE PLAN WORKS

- The company shall maintain separate policy account which shall record all receipts and payments made in respect of this product.
- In addition to the policy account in respect of this product, scheme-wise policy accounts will also be maintained for each scheme in respect of all the members in that scheme. Individual member-wise records shall not be maintained. All the claims other than life insurance cover (i.e. Rs.1000) will be settled from this policy account. The company does not guarantee any adequacy of the value of such policy accounts and shall not bear any shortfall that might arise between the policy account value and the actual benefits as per the scheme rules.
- The mortality charges will be deducted from the policy account.

Interest on the policy account shall be credited as follows:

1. **Guaranteed Interest rate:** A minimum non zero positive interest rate of 0.1% p.a. will be guaranteed for the entire term of the policy term will be credited at the end of every financial quarter
2. **Regular Interest Rate:** In addition to the above, a non-zero positive interest rate will be declared annually by the Company at the end of each financial year.

The crediting interest rate shall be in accordance with the Board approved policy of the Company.
The actual return earned will be calculated using money weighted rate of return.

Interest rate credited to each fund and expenses charged to such funds shall be in accordance with the Board approved policy of the Company.

Such interest rates shall be declared by the Company at regular intervals based on the fund size with appropriate disclosure in the Company's website.

Interest rates shall be declared in such a way that there shall be no discrimination amongst identical policyholders in terms of fund size.

The principle to arrive at the non-zero positive regular interest rates is as below:

The non-zero positive interest rate will be derived by taking into consideration:

- the current year's earned return on the funds invested, net of appropriate expenses and margins
- last year's declared rate for the product
- long term target rate for the product.

The crediting interest rate shall be in accordance with the board approved policy of the company.

The non-zero positive regular interest rates for the policies will be declared based on the respective fund sizes. The difference in interest rates for various slabs would be based on the weightage of the fund in the respective slab of the whole fund under the portfolio.

This interest accrued will be credited at the end of every financial year, and will form a part of the principal at the beginning of the next financial year.

An Interim interest rate shall be declared for exits during the financial year as per the board approved policy.

On every Annual Renewal Date (ARD), group policyholder is required to submit a written declaration about the funding status of the scheme

The trustee or employer or policyholder shall be required to confirm that such funding is required as per extant accounting standard governing the measurement of long term employee benefits

SURRENDER OF THE POLICY

- If the policy is surrendered before third policy anniversary, surrender value payable will be: Policy account value less surrender charge less Market Value Adjustment as approved by IRDAI, if any.
- No surrender charges except the Market Value Adjustment are levied if the policy is surrendered after three years.
- In case of bulk exits, the Market Value Adjustment will be made to the policy account value.

MARKET VALUE ADJUSTMENT (MVA)

MVA is applicable in the case of bulk exits and complete surrender of the policy. Bulk exit is defined as the transaction which involves the amount to be paid on total exits in any event that exceeds 25% of the total policy account value of the scheme at the beginning of the policy year where exit shall be as per the scheme rules and exit shall mean exit of the member from the group/scheme.

MVA Amount = MVA factor * policy account value which is over and above the amount representing bulk exit, net of surrender charges if any

MVA factor= Maximum (0, 1- (Market Value^{##} / policy account value))

Where market value is derived from the revaluation of assets earmarked separately for the product at the time of Market Value Adjustment is carried out.

The revaluation of assets at the time of market value adjustment is carried out on the entire portfolio of assets

MVA Amount, if any, will be deducted from policy account value as on date of surrender.

NEW MEMBERS

New members will be allowed to join on 1st of the following month in which the member will become eligible.

TERMINATION OF THE POLICY

The Policy will be deemed as terminated on occurrence of any of the following events:

- i. Upon mutual agreement by both Shriram Life Insurance Company and the Group Policyholder, or
- ii. Surrender of the policy, or
- iii. The policy account value becomes insufficient to pay for the scheme benefits

TERMINATION OF INSURANCE COVER

Life Cover in respect of any member will terminate on the earliest of the following:

- i. The date of cessation of employment/membership as per scheme rules
- ii. The date on which the member attains maximum maturity age
- iii. The date of death of the member
- iv. The date on which the master policy is surrendered
- v. The policy account value is not sufficient to recover mortality charges

TAX BENEFITS

Tax benefits are available as per the provisions of the Act and may be subject to amendments from time to time. It is advised to consult your tax adviser in this regard.

GST

GST and any other tax as applicable shall be levied as per the tax laws in force from time to time.

EXCLUSIONS UNDER THE POLICY

Suicide - Not Applicable

Free Look Period

The policy holder has a period of 15 days from the date of receipt of the policy document to review the terms and conditions of the policy and where the policy holder disagrees to any of those terms or conditions, he has the option to return the policy stating the reasons for his objection, when he shall be entitled to a refund of the premium paid, subject only to a

deduction of a proportionate risk premium for the period on cover and the expenses incurred by the Company on medical examination , if any, and stamp duty charges.

The insured member has a period of 15 days from the date of receipt of the certificate of insurance to review the terms and conditions and where the insured member disagrees to any of those terms or conditions , he has the option to return the certificate of insurance stating the reasons for his objection, when he shall be entitled to a refund of the premium paid, subject only to a deduction of a proportionate risk premium for the period on cover and the expenses incurred by the Company on medical examination , if any, and stamp duty charges.

A request received by the Company for free look cancellation of the policy shall be processed and premium shall be refunded within 15 days of receipt of the request.

For any delay, the Company shall pay penal interest at a rate, which is 2% above bank rate from the date of request or last necessary document if any whichever is later, from the insured/claimant as stated above

The policy shall not be offered on distance marketing mode.

SECTION 41 OF THE INSURANCE ACT, 1938: *as amended from time to time:*

- (1) No person shall allow or offer to allow, either directly or indirectly, as an inducement to any person to take out, renew, or continue an insurance contract 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 rebates as may be allowed in accordance with the published prospectus or tables of the insurer.
- (2) Any person making default in complying with the provisions of this section shall be liable for penalty which may extend to ten lakh rupees.

About the Company

With a pan India presence with over 400 offices, Shriram Life is your trusted partner for prosperity. At Shriram life we strive to provide our customers with elegant solutions tailored to individual needs.





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For further details, please contact our nearest office

SHRIRAM LIFE INSURANCE COMPANY LIMITED

IRDA of India Reg No.128

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 Make your payments online at ' www.shriramlife.in ' Simple and Secure...	 Toll Free No : 1800 3000 6116

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