



# Pramerica Life Group Traditional Employee Benefit Plan

A Non-Linked Non-Participating Variable Fund Based Group Insurance Plan



**Pramerica**



**LIFE INSURANCE**



As an employer, you want to provide the best opportunity to your employees while ensuring the interest of your Company. It is important to strike a balance between these twin objectives without compromising on either.

Presenting “Pramerica Life Group Traditional Employee Benefit Plan” which is a Non-Linked, Non-Participating, fund based, variable insurance group product offered to employer-employee groups to provide financial security to employees and helps you provide solutions for a better work place as well as helps in being one of the key differentiators while attracting talent. As an employer, you can use this plan for provisioning of employee benefits i.e. funding gratuity, leave encashment and post-retirement medical benefits.

This plan can be offered to employer-employee groups under Defined Benefit Schemes only.

## Key Benefits of Plan

- Composite solution to cater to the requirements of Gratuity, Leave Encashment and Post-Retirement Medical Benefits payable to the employees as per scheme rules.
- Guaranteed Minimum Floor Rate of 2% p.a. for the entire policy term accumulating on the balance of the Scheme Account.
- Additional Interest Rate declared at the beginning of every quarter.
- Professionally managed fund with high service levels.

## Key Features

- The Company will maintain a pooled fund at Master Policy level. The pooled fund maintained for every scheme is referred to as Scheme Account. The Scheme Account Value will be calculated by crediting all contributions received & interest credited less all applicable charges and withdrawals, as per scheme rules.
- Scheme Benefit: As per the scheme rules, the benefit on various events (like resignation, death, retirement, disability, termination or sickness) will be paid from the respective Scheme Account as per scheme rules.
- Insurance Benefit: The flat life cover of ₹5,000 will be provided to each member under the scheme on yearly renewable basis. If the Master Policyholder wants higher risk cover, the same may be arranged through a separate one year renewable Group Scheme of the Company open for sale from time to time.
- Contribution: The contribution with respect to defined benefit group fund based schemes shall be made in accordance with the Actuary's certificate as per AS 15 (Revised), as amended from time to time, obtained by the employer. In case the Scheme Account Value is overfunded as per such certificate, the Company may allow “nil contribution” under the schemes until further contribution is required. In all such cases of nil contribution, the scheme shall not be treated as discontinued. No top up is allowed under defined benefit schemes, unless required as per Actuary's certificate in accordance with the AS 15 (Revised), as amended from time to time, to address the underfunding of the schemes.

- Interest Credits: The following interest credits will be applicable to all the contributions credited to the scheme account on pro-rata basis.
  - Minimum Floor Rate: Minimum floor Rate is 2% per annum and is guaranteed for the entire policy term. It shall be credited to the balance of the Scheme Account at the end of every financial quarter.
  - Additional Interest Rate: The additional interest rate shall be declared at the start of every financial quarter and applied at the end of every quarter which will be over and above the minimum floor rate. Contributions net of withdrawal would be given proportional interest. This may vary based on fund size.
  - Residual Additions: Non-zero positive residual additions, if any, shall be credited to the scheme account value at the end of each policy year. Such non-zero positive residual additions shall be determined in order to comply with the maximum reduction in yield as stipulated in IRDAI (Linked Insurance Product), Regulation 2013 at the end of each year starting from the fifth policy year. For determining the non-negative residual addition, we shall be maintaining shadow account for each scheme at the end of each policy year as per the IRDAI (Non-Linked Product) Regulation 2013.

- Premium Allocation Charges: A flat charge of 0.50% of contribution received under the Scheme. However, no such charges shall be applicable in respect of policies sold through Direct Sales Force.
- Bulk Exits: If the amount to be paid on total exits in any event exceeds 25% of the Scheme Account Value at the beginning of the financial year, such transactions shall be treated as bulk exits, where exit shall be as per the scheme rules except for exits other than death and retirement. Market Value Adjustment (MVA) shall be applied only to the amount which is over & above the amount representing bulk exit.
- The Market Value Adjustment (MVA) may be applied to adjust the amount payable on bulk exits. MVA is related to the decrease in the value of the assets held by the company at the time of exit. This decrease in value can be passed on to the Master Policyholder.

MVA Amount = MVA Factor X Amount to be paid on total exits over and above the 25% of the Scheme Account Value at the beginning of the financial year, where MVA Factor = Maximum (0, Scheme Account Value – Market Value) / Market Value.

Where Market Value is derived from the revaluation of entire assets earmarked separately for the product at the time of market value adjustment is carried out. MVA Amount, if any, will be deducted from Scheme Account Value.

## Eligibility Criteria

	Minimum	Maximum
<b>Entry Age (Last Birthday)</b>	Higher of <ul style="list-style-type: none"> <li>• 18 years</li> <li>• Minimum age as per scheme rules</li> </ul>	Lower of <ul style="list-style-type: none"> <li>• 79 years</li> <li>• Maximum age as per scheme rules</li> </ul>
<b>Maturity Age (Last Birthday)</b>	Not Applicable	Lower of <ul style="list-style-type: none"> <li>• 80 years</li> <li>• Maximum retirement age as per scheme rules</li> </ul>
<b>Group Size</b>	10 members	No Limit
<b>Initial Contribution (Per Scheme)</b>	₹50,000	No limit
<b>Sum Assured (Per Member)</b>	₹5,000	₹5,000

## Benefits For Your Group Members

- The benefits are payable on various events viz. Resignation, Death, Retirement, Disability, Termination or Sickness as per scheme rules.
- The benefit amount as per scheme rules will be paid from the Scheme Account.
- In case of death, we will additionally pay the sum assured of ₹5,000 as death benefit.
- At all times the amount of scheme benefit will be limited to the availability of funds in the scheme account value.

## Charges

- Mortality Charge: Mortality premium will be ₹1 per mille per member in a year. The applicable taxes as per the prevailing law will be charged separately on the mortality charge.

## Surrender

The Master Policy will acquire a surrender value immediately. The Master policyholder may surrender the complete Master Policy at any time after serving minimum notice period of 7 working days.

In such case, the surrender benefit shall be equal to the Scheme Account Value. The surrender value so calculated shall be after crediting interest rates on pro-rata basis but may also be subject to Market Value Adjustment (MVA).

## General Policy Provisions

- Scheme Rules: Scheme rules are the set of rules governing the benefit structure, eligibility of membership & other terms of the scheme. The scheme rules will provide the details of benefits such as type and size of benefits, how and when benefits are payable. The scheme rules would be submitted along with the Proposal Form.
- Termination of insurance cover – Life cover in respect of any member will terminate on the earliest of the following:
  - The date of cessation of employment.
  - The date on which the member attains the maximum maturity age as per scheme rules.
  - The date of death of the member.
  - The date the master policy is surrendered.
  - Upon cancellation of the Policy under the free look option.
- Loans: No loans are available under the scheme.
- Suicide Clause: No suicide exclusion is applicable.

- **Grace Period:** For payment of life cover premium, grace period of 30 days from due date will be allowed. If the life cover premium is not received by the end of Grace Period, then the applicable Mortality Charge (including any GST or any other levy by whatever name called under the provisions of applicable tax laws) under the Master Policy shall be deducted from the Scheme Account Value and the Death Benefit shall continue for all Insured Members.
- **Free Look Cancellation:** In case the Master policyholder does not agree with the terms and conditions of the Master Policy, then the Master policyholder may approach the Company with a written request for free-look cancellation stating the reasons for objection within 15 days from the receipt of the Master Policy. The Company will refund the Contribution and Annual Premium paid by the Master policyholder after deducting the proportionate risk premium, any expenses incurred by the company towards medical examination of the member and the stamp duty charges. This product will not be sold via Distance marketing mode.
- The contributions may be paid in one or more installments during the year or by such date as mutually agreed between the Master policyholder and the Company subject to the Actuary's certificate in accordance with AS 15 (revised), as amended from time to time. Only yearly mode is allowed for payment of life cover premium.
- If at any point of time, the Scheme Account Value falls below ₹50,000, the Master Policy will automatically terminate and the Scheme Account Value less all the applicable charges shall be paid to the Master Policyholder.
- The company's maximum liability to make any payment under a Master Policy in respect of all members for all events other than death shall at all times be limited to the Scheme Account Value. In case of death of the member, company's maximum liability will be restricted to the life cover of ₹5,000 plus the benefit payable from Scheme Account, if any with respect to that member.
- Tax Benefits under the policy will be as per the prevailing Tax laws and are subject to amendments from time to time. For tax related queries, contact your independent tax advisor. The Goods and Services Tax & applicable cess (es)/levy, if any levied by the government will be charged separately as per the prevailing tax laws as amended from time to time.

## Nomination & Assignment

Nomination may be made in accordance with section 39 of the Insurance Act, 1938 (as amended from time to time).

Assignment may be made in accordance with section 38 of the Insurance Act, 1938 (as amended from time to time).

## Section 41 of the Insurance Act 1938: Prohibition of rebate

In accordance with 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 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.
2. Any person making a default in complying with the provisions of this section shall be punishable with fine which may extend to ten lakh rupees.

The brochure gives the salient features for the product. Please refer to policy document for further details of the terms and conditions.

## About Pramerica Life Insurance Limited (PLIL)

Pramerica Life Insurance Limited is a joint venture between DHFL Investments Limited (DIL), a wholly-owned subsidiary of Piramal Capital and Housing Finance Limited ("PCHFL")\* and Prudential International Insurance Holdings, Ltd. (PIIH), a fully owned subsidiary of Prudential Financial, Inc. (PFI). Pramerica Life Insurance Limited represents the coming together of two renowned financial services organizations with a legacy of business excellence spread over decades.

Pramerica Life Insurance Limited, started operations in India on September 01, 2008 and has a pan India presence through multiple distribution channels which have been customized to address the specific insurance needs of diverse customer segments. The Company is committed to providing protection and quality financial advice to its customers.

Pramerica is the brand name used in India and select countries by Prudential Financial, Inc.

Prudential International Insurance Holdings, Ltd. and Prudential Financial, Inc. of the United States are not affiliated with Prudential Plc. a Company incorporated in the United Kingdom.

For further information on the Company, please visit [www.pramericalife.in](http://www.pramericalife.in)

\*As part of the implementation in compliance of the NCLT order dated June 7, 2021, PCHFL has been merged into and with Dewan Housing Finance Corporation Limited ("DHFL") by way of an amalgamation by a scheme of arrangement, and in accordance with approved scheme of arrangement, the name of the merged entity has been changed from Dewan Housing Finance Corporation Limited to "Piramal Capital & Housing Finance Limited" vide the certificate of incorporation issued by the Registrar of Companies, Mumbai dated 3rd November, 2021.

## **About Piramal Capital & Housing Finance Limited**

Piramal Capital & Housing Finance Limited (PCHFL), a wholly owned subsidiary of Piramal Enterprises Limited (flagship company of the Piramal Group), is a housing finance company engaged in retail and wholesale lending.

In retail lending, PCHFL is one of the leading players that addresses the diverse financing needs of the under-served and unserved people of 'Bharat' market. It has over 1 million customers and presence in 24 states with a network of over 300 branches. It offers multiple products, including home loans, small business loans to Indian budget conscious customers at the periphery of metros and in Tier I, II and III cities. In wholesale lending, it caters to both real estate as well as non-real estate sector and offers multiple products including construction finance, structured debt and senior secured debt.

The Piramal Group also has strategic partnerships with leading global funds such as CDPQ, CPPIB, APG, Ivanhoe Cambridge and Bain Capital.

## **About PFI**

PFI\*, a financial services leader with \$1.7 trillion of assets under management as of September, 2021 has operations in the United States, Asia, Europe and Latin America. Prudential's diverse and talented employees are committed to helping individual and institutional customers grow and protect their wealth through a variety of products and services, including life insurance, annuities, retirement-related services, mutual funds and investment management. Prudential International Insurance Holdings & Prudential Financial Inc. of the United States are not affiliated with Prudential Plc, a Company incorporated in the United Kingdom. In the U.S., PFI's iconic Rock symbol has stood for strength, stability, expertise and innovation for more than a century. For more information, please visit [www.prudential.com/about](http://www.prudential.com/about)

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YOUR FAMILY'S FUTURE TODAY.**



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1800 102 7070**



**SMS 'LIFE' TO  
5607070**



**EMAIL  
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This product provides Life Insurance coverage. Pramerica Life Group Traditional Employee Benefit Plan UIN: 140N072V01. Goods & Service Tax and applicable cess will be charged over and above the quoted premium.

IRDAI Registration No. 140. Pramerica Life Insurance Limited. Registered Office and Communication Address: 4th Floor, Building No. 9, Tower B, Cyber City, DLF City Phase III, Gurgaon-122002. CIN: U66000HR2007PLC052028. Website: [www.pramericalife.in](http://www.pramericalife.in). The Pramerica mark displayed belongs to 'The Prudential Insurance Company of America' and is used by Pramerica Life Insurance Limited under license.

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