

**IN THIS POLICY, THE INVESTMENT RISK IN THE INVESTMENT PORTFOLIO IS BORNE BY THE POLICYHOLDER.**

**Applicable Service Tax, Cess and any other taxes as imposed by the Government from time to time will be deducted from the premiums received.**

**LIFE INSURANCE COVERAGE IS AVAILABLE IN THIS PRODUCT**

## About Max Life

Max Life Insurance, one of the leading life insurers, is a joint venture between Max India Ltd. and Mitsui Sumitomo Insurance Co. Ltd. Max India is a leading Indian multi-business corporate, while Mitsui Sumitomo Insurance is a member of MS&AD Insurance Group, which is currently amongst the top general insurers in the world. Max Life Insurance offers comprehensive life insurance and retirement solutions for long-term savings and protection. A financially stable company with sound investment expertise, Max Life Insurance has a strong customer-centric approach focused on advice based sales and quality service.

## Max Life Group Gratuity Plus Plan

The purpose of a gratuity scheme is to provide the employees a lump sum benefit, called gratuity, on their exit from service due to:

- Retirement
- Permanent total disablement whilst in service or
- Death whilst in service
- Resignation/Termination from service

After they have put in the minimum required years of service as specified in the Gratuity Scheme Rules. However the minimum required years of service shall not apply in case of death and disablement of the employee due to accident or disease. Gratuity payment is made by the employer as a mark of recognition of the service completed by the employee to the Company. This payment may also act as an incentive for motivating the employee. The Payment of Gratuity Act, 1972 makes it obligatory on the part of the employers who come under its purview, to pay a minimum gratuity to their employees at the rate of 15 days wages based on wages last drawn for each year of service, subject to a maximum of RS. 10 lakhs. The employer can also pay better benefits than stipulated in the Payment of Gratuity Act, 1972.

Max Life Group Gratuity Plus Plan facilitates the employers to fund their gratuity liability in the most effective manner. This plan helps the employer in the following ways:

- The gratuity fund is built up systematically to meet the future gratuity payments
- The fund will earn returns as per the performance of the funds opted by you. Better market performance will increase returns and reduce cost to the employer
- Assistance in the formalities required for the formation of the trust and approval of the fund.
- Assistance in the administration of the Gratuity Scheme
- Minimum cover of Rs 1000 per member. In case the client opts for a higher amount of life cover that is either uniform across all members or based on the future service gratuity liability or as per any other formula given in the scheme rules, the same would be provided under the company's approved group term insurance product.

## *How does the plan work?*

- The employer first creates a trust and appoints Trustees to administer the gratuity scheme. However, it may be noted that the trust may or may not be created by the employer. Therefore under the Policy, either Trustees or the employer can be a Policyholder.
- The Policyholder pays an initial and an annual contribution to Max Life Insurance Company towards gratuity liability. The **Initial contribution** is the contribution required to meet the past service gratuity liability of the Company. The **Annual contribution** is the contribution in respect of the gratuity liability accruing in respect of the service completed by the employees in the current policy year. These payments would normally be based upon the actuarial advice to the Trustees by an Independent consulting actuary (who is not employed by Max Life).
- The Policyholder can invest the contributions in the investment funds offered by Max Life Insurance. Currently Max Life Insurance offers four investment funds under this Plan viz. Conservative Fund, Balanced Fund, Growth Fund and the newly launched Group Gratuity Bond Fund. Max Life Insurance will open and manage a “Unit Account” for the Policyholder in which units are allocated following the receipt of contributions and cancelled for the purpose of paying gratuity benefit and charges
- The employer may also pay a premium for the life insurance cover (if opted) as provided by Max Life Insurance through a separate Group Insurance Plan. This cover could either be the future service liability (e.g. 15 days salary of the member for each year of his ‘Anticipated Service’) or any other amount as per the scheme rules.
- On either leaving service or on death/disability during the service, Max Life Insurance will redeem the units in the investment funds to pay the gratuity benefit. In case of death of an insured member, Max Life Insurance will also pay the sum assured applicable for that member in addition to the gratuity benefit payment in case life cover has been opted by the Policyholder.

## Key Features of the Plan

### 1. *Benefits*

The plan allows employers to opt for life insurance cover together with the gratuity benefit payments.

The Initial and Annual contributions will be invested in accordance with the terms of the Policy and will be made available to make benefit payments as requested by the Trustees. If at any point of time the account value is not sufficient to pay the benefits, the policyholder will pay the shortfall, if any. Liability of Max Life Insurance will be limited to the unit account value.

### 2. *Investment Funds*

Policyholder may choose to invest in any one or more of the four funds: Conservative, Balance, Growth Fund or Group Gratuity Bond Fund in a given proportion chosen by them. At a later date, they may amend this proportion by giving a notice of at least 7 days to the Company.

The Asset Mix of these funds is as follows:

FUNDS				
Asset Type	Conservative Fund ULGF00317/04/06GRATCONSER104 (%)	Bond Fund ULGF00707/02/13GRATPLBOND104 (%)	Balanced Fund ULGF00217/04/06GRATBALANC104 (%)	Growth Fund ULGF00117/04/06GRATGROWTH104 (%)
	Low Risk	Low Risk	Medium Risk	High Risk
Govt. Securities	50 – 80	60 – 100	20 – 50	0 - 30
Corporate Bonds	0 – 50		20 – 40	0 - 30
Money Market Instruments/Cash	0 – 20	0 – 40	0 – 20	0 - 20
Equities	Nil	Nil	10 - 40	20 - 60

The investment objective of these funds is as follows:

**Conservative Fund:** The investment objective of the Conservative fund is to invest mainly in low risk assets e.g. Government Securities and Corporate bonds. This fund will not invest in equities.

**Bond Fund:** The investment objective of Bond fund is to generate good returns in fixed income space (no exposure in equities) by a dynamic mix of investments in Government Securities and Corporate Bonds with liquidity support from a proportion invested in money market instruments. Risk-reward trade-off between government securities and corporate bonds shall be the guiding factor to decide on the mix of the two investment classes.

**Balanced Fund:** The investment objective of the Balanced Fund is to have a mix of Government securities, Corporate bonds, Equities and Money Market instruments so that the risk-return profile of the fund is balanced.

**Growth Fund:** The investment objective of the Growth Fund is to have a mix of Government securities, Corporate bonds, equities and money market instruments with relatively higher exposure in equities in the expectation of increased returns from this fund.

The Company's investment team ensures that the fund achieves its investment objectives, however the Company cannot be held responsible for the adverse returns.

Max Life Insurance may add, amend, alter, combine or close a fund or funds after getting clearance from the IRDA. Max Life Insurance will inform you at least 60 days before such action and you will be allowed to transfer your fund to alternative funds free of any charge provided

your advice is received by Max Life Insurance before the schedule date of such amendment, alteration or the closure.

Policyholder can also switch units from one fund to another fund. The amount of such a switch shall not be less than RS. 5 lakhs unless 100% of units in a particular fund are switched. On any single day the amount of funds switched cannot exceed 25% of the funds available in the client account Or Rs.5 Crores whichever is higher

Max Life Insurance may impose a complete or partial bar on switching into and out of a specified fund for a time period not exceeding sixty days if it is in the interest of maintaining the stability of the funds or necessary to protect the interest of all the policyholders. Such situations may arise under extraordinary circumstances which are beyond reasonable control of the Company such as non-availability of market prices or occurrence of any catastrophe, where the declaration of Unit Price is not possible.

3. *Payment of contributions*

Max Life Insurance will apply the contributions after adjusting for the applicable charges to purchase the units as per the allocation ratio opted by the Policyholder.

4. *Surrender/Termination Value*

The Policyholder may surrender/terminate the policy anytime by giving a three months prior notice in writing to Max Life Insurance. Before expiry of the notice period, Max Life Insurance will cancel the units in your units account and shall pay the fund value less the surrender charge, if any, to the Policyholder.

Upon surrender of the policy, the contract will terminate and all benefits under the policy will cease to exist and Max Life Insurance will be discharged of all liabilities under the policy.

The Company may in its absolute discretion, at any time impose a complete bar on surrender of the policy with prior approval from the Authority, for a reasonable time period but not exceeding sixty days, in the interest of maintaining the stability of the funds or to protect the interest of existing unit holders. Such situation may arise under extraordinary circumstances such as non-availability of market prices, occurrence of a catastrophe, bulk exit request(s) that might lead to fund volatility, etc. where the declaration of unit price is not possible.

5. *Partial Withdrawals*

Partial withdrawals would not be allowed

6. *Top ups*

No top-ups shall be allowed under the schemes

## Charges and Allocation Rate

Following charges are applicable:-

### A. Policy Administration Charge

This charge is nil.

### B. Fund Management Charge as % per annum of the Fund Value

This is a charge levied as a percentage of the value of assets and shall be appropriated by adjusting the net asset value. The rate of fund management charge applicable is given below:

Name of the Fund	Conservative Fund	Bond Fund	Balanced Fund	Growth Fund
Fund Management Charge	0.75%	0.75%	0.85%	0.95%

Company may increase the fund management charge from time to time after clearance from IRDA but shall never exceed 1.35% of the Fund Value per annum.

### C. Premium Allocation Charge

The contribution allocation charge is recovered from the contributions received before allocating the same to the Unit Account. The balance contribution, after deducting the contribution charge, is known as allocation rate and constitutes that part of the contribution that is utilized to purchase (investment) units for the policy. This charge is levied at the time of receipt of contribution. The rate of contribution allocation charge is 1.5% of Contribution amount if fund is less than 1 Crore and NIL for funds 1 Crore or above. Discounts (if any) in the premium allocation charge will be given in line with established principles. Premium allocation charge will be subject to Service Tax and Education Cess as per the applicable laws and shall be entirely borne by the Policyholder. All the charges that are recovered by cancellation of Units, will be deducted in the same proportion as the value of Units held in each Fund, if the Units are held in more than 1 (One) Fund.

### D. Mortality Charge

Mortality charge shall be recovered from the unit account. The rates applicable shall be those consistent with the approved group term product. Mortality Charge would be subject to service tax and education cess as per applicable laws

Specimen Mortality Charges for 1,000 Sum Assured per annum as given below for the Employees involved in the professional/ Managerial/ Clerical and Administrative Staff.

Age (Years)	20	25	30	35	40	45	50	55	60

Premium (RS.)	0.40	0.45	0.47	0.55	0.82	1.24	2.10	3.44	5.23
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All Premiums are subject to applicable taxes and levies including service tax which shall be to the account of the Policyholder and shall be recovered by the prescribed procedure.

#### E. Surrender/Termination Charge

- This is a charge levied on the unit fund at the time of surrender/termination of the contract. The surrender charge will be a percentage of the fund value. If the policy is surrendered prior to third policy anniversary, then surrender charge shall be 0.05% of the fund value subject to a maximum of Rs. 500,000/-.
- There is no surrender charge after the third policy anniversary.
- The Company may in its absolute discretion, at any time impose a complete bar on surrender of the policy with prior approval from the Authority, for a reasonable time period but not exceeding sixty days, in the interest of maintaining the stability of the funds or to protect the interest of existing unit holders. Such situation may arise under extraordinary circumstances such as non-availability of market prices, occurrence of a catastrophe, bulk exit request(s) that might lead to fund volatility, etc. where the declaration of unit price is not possible.

#### F. Switch fee

- The first six switches in a policy year are free provided each switch amount is up to RS. 50 lacs unless 100% of units in a fund are switched to another fund.
- Subsequent switches and switches of more than RS. 50 lakhs shall attract a fee of RS.500 per switch.
- Such subsequent switches fee may be increased with prior approval from the IRDA but will not exceed RS. 1,000/- per switch.
- The Company may impose a complete or partial bar on switching into and out of a specified fund for a time period not exceeding sixty days in the interest of maintaining the stability of the funds or necessary to protect the interest of the policyholders. Such situation may arise under extraordinary circumstances such as non-availability of market prices, occurrence of a catastrophe, bulk exit request(s) that might lead to fund volatility, etc. where the declaration of unit price is not possible
- Switching fee will be subject to Service Tax and Cess as per applicable laws.

#### G. Redirection Fee

- The contributions can be redirected between the available funds at any time by giving a notice of 7 days to the Company.
- The policyholder will need to notify the Company of the amount/proportion of the contribution to be paid into each fund at the time of redirection.
- There is no charge for premium redirection.

## Other Features

### Tax Benefits

You may be entitled to certain applicable tax benefits on your premiums and Policy benefits. Please note that all the tax benefits are subject to tax laws prevailing at the time of payment premium or receipt of benefits by you. Tax benefits are subject to changes in tax laws.

- The initial and Annual contributions made through an approved Gratuity trust can be claimed as business expenditure as per the provisions under section 36 (1) (v) of the Income Tax Act, 1961
- The contribution made by the employer is not a taxable perquisite in the hands of the employees
- Any death benefit under the Unit Linked Group Gratuity Plan is tax-exempt under section 10 (10D) of the Income Tax Act, 1961
- Income on investments is exempt from tax under section 10(25) (iv) of the Act.
- Gratuity benefit received in accordance with Act is exempt for tax as per section 10 (10) (ii) of the Income Tax Act, 1961.

The tax benefits are as per our understanding of the Income tax Act 1961. It is advisable to consult your tax consultant to re-confirm. All applicable taxes/ levies on this Policy, including service tax or any other tax or levy or cess shall be entirely borne by the Policyholder. If any imposition (tax or otherwise) is levied on Us by any statutory or administrative body under this Policy, We reserve the right to claim the same from the Policyholder. Alternatively, We reserve the right to deduct any amount from any payments to be made under this Policy which We reasonably believe to be necessary on account of any tax or other payment imposed or to be imposed under any legislation, order, regulation, rule, judgment or otherwise upon Policyholder, or Us

### Scheme Installation

The employer is required to take the following steps to install the group gratuity scheme:

- Appoint trustees (minimum 2) for administering the scheme, draft the trust deed and rules in consultation with Max Life Insurance and execute the trust deed to establish an irrevocable trust.
- Make an application to **Commission OF Income Tax** for approval under Part 'C' of the Fourth Schedule of the Income-Tax Act, 1961.
- Forward to Max Life Insurance the master proposal form duly signed by the trustees, employees data, copies of trust deed and rules and cheque towards payment of contributions.

### Eligibility Limits

- Minimum Annual Contribution – RS. 500,000 per scheme
- Sum Assured – The face amount shall be Rs 1,000 per member.

In case the client opts for a higher amount of life cover that is either uniform across all members or based on the future service gratuity liability or as per any other formula given in the scheme rules, the same would be provided under the company's approved group term product.

- Group Size – Minimum: 10; Maximum: No limit
- Policy Term - One Year Renewable Scheme

### *Unit Pricing*

The value of a Fund of the policy will be determined and based on the market value at which assets referenced to such Fund can be respectively purchased or sold, together with an addition representing the respective cost of purchasing or deduction representing the cost of selling the assets, plus the value of current assets, plus any accrued income net of fund management charges, less the value of current liabilities, less provisions, if any.

In respect of premiums received by a local cheque or a demand draft payable at par at the place where premium is received or by way of cash before 3:00 p.m. on a business day, the closing NAV of the day on which the premium is received shall be applicable. In respect of premiums received after 3.00 p.m. on a business day, the closing NAV of the next business day shall be applicable.

In respect of premiums received under outstation cheques / demand drafts, the closing NAV of the day on which the cheque / demand draft is realised shall be applicable.

All requests for switch or redirection received up to 3.00 p.m. on a business day will be processed at the closing NAV of the day on which the request is received. All such requests received after 3.00 p.m. on a business day will be processed at the closing NAV of the next business day.

In order to protect the interest of all unit holders, the Company may after giving notice in writing to the Policyholder, delay / postpone, for a period not exceeding sixty days, the execution of very large transactions, which may adversely affect the other unit holders or the fund itself. The number of units actually allocated may reflect the expenditure incurred in the market transactions.

### **Prohibition of Rebates**

Section 41 of the Insurance Act, 1938 states: 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: Provided that acceptance by an insurance agent of commission in connection with a policy of life insurance taken out by himself on his own life shall not be deemed to be acceptance of a rebate of premium within the meaning of this sub-section if at the time of such acceptance the insurance agent satisfies the prescribed conditions establishing that he is bonafide insurance agent employed by the insurer.

Any person making default in complying with the provisions of this section shall be punishable with fine which may extend to five hundred rupees.



**Full Disclosure & Incontestability**

This Policy has been issued on the representation of the Proposer that he has made full disclosures of all relevant facts and circumstances. Any concealment, non-disclosure, misrepresentation or fraud by the Proposer shall render the Policy liable for cancellation and shall be the grounds for the Company to avoid all or any liability and if it deems fit, the Company may also forfeit the Premium(s) received, subject to the provisions of Section 45 of the Insurance Act 1938.

**Section 45 of the insurance Act, 1938**

Under the provisions of Section 45 of the insurance Act, 1938,

“No policy of life insurance effected before the commencement of this Act shall after the expiry of two years from the date of commencement of this Act and 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 statement made in the proposal 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 policyholder knew at the time of making it that the statement was false or that it suppressed facts which it was material to disclose:

Provided that nothing in this section shall prevent the insurer from calling for proof of age at any time if he is entitled to do so, and no policy shall be deemed to be called in question merely because the terms of the policy are adjusted on subsequent proof that the age of the life insured was incorrectly stated in the proposal.”

**Nomination**

As per Section 39 of the Insurance Act 1938, The person named by the member as the nominee/s at the time of commencement of the membership or the person who has been nominated at a later date, will be the person to whom the money payable on death of the member will be paid in the event of death of the member. This nomination only indicates the person, who is authorised to receive the amount, on the payment of which the Company will receive a valid discharge of its liability under the policy. 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 details will be maintained by the policyholder. Max Life will settle all the benefits in favor of the Policyholder or to the person authorized by the Policyholder.

**Expert Advice at Your Doorstep**

Our distributors have been professionally trained to understand and evaluate your unique financial requirements and recommend a policy which best meets your needs. With experienced and trained distributors, we are fully resourced to help you achieve your life’s financial objectives. Please call us today. We would be delighted to meet you.

### **Free Look Period**

The Master Policyholder has a period of 15 (Fifteen) days from the date of receipt of this Policy, to review the terms and conditions of this Policy. If the Master Policyholder disagrees to any of the terms or conditions of this Policy, the Master Policyholder has an option to return this Policy document to Us by stating the reasons for his objection. Upon return of this Policy by the Master Policyholder, this Policy shall terminate forthwith and all rights, benefits including Gratuity Benefit and Compulsory Sum Assured and any interests under this Policy shall cease. In such an event, We shall only refund the Premium paid, subject only to a deduction of a proportionate risk premium for the period on cover and expenses incurred by Us on medical examination of the Members and stamp duty charges. In addition to the deductions, We will be entitled to repurchase the Units at the Unit Price on the date of cancellation.

### **Notice and Admission of Claims**

Subject to full disclosure and incontestability provision stated above and the Policy remaining in full force, we must be notified in writing by the Policyholder within thirty (30) days from the date of happening of Insured Event. Upon receipt of satisfactory proof of the happening of the Insured Event in relation to the member, its cause, together with claimant's statement, original death certificate, employer's certificate towards last drawn salary and leave record, and attending physician's statement and hospital treatment certificate, if any and in case of accidental death First Information Report and postmortem report (wherever applicable), and such other documents as may be required by the Company at that time, we will settle the claim. Policyholder shall also provide proof of existence and identity of the Member or the nominee, as the case may be.

### ***Notices***

All notices meant for the Company whether under this Policy or otherwise must be in writing and delivered to the Company at its following address, or such other address as the Company may notify to the Policyholder from time to time.

Max Life Insurance Company Limited

Plot 90A, Sector 18, Gurgaon, 122002,

Haryana, India.

Tel No: 0124-4219090

Email: [service.helpdesk@maxlifeinsurance.com](mailto:service.helpdesk@maxlifeinsurance.com)

All notices meant for Policyholder will be in writing and will be sent by Company to the Policyholder's address as mentioned in the Policy Schedule. If the Policyholder changes its address, it must notify the Company immediately.

### Disclaimers:

Max Life does not guarantee the value of the units. Depending on the market risk and the performance of the funds to which the units are referenced, the value of the units may fall, rise or remain unchanged. The funds do not offer guaranteed or assured returns. All benefits payable under the policy are subject to applicable laws. By definition this is a non-participating policy. This Policy or any benefits hereunder are non assignable. The employer/Trust is solely responsible and liable for making provision and for payment of gratuity benefit to its employees. The Company undertakes only to manage the funds for the Policyholder and assumes no liability in respect of the gratuity benefit. The actuarial valuation is not an assurance or a guarantee that the funds will perform in a certain way or that gratuity liability will be completely met by the fund. No loan can be availed under the Policy.

Max Life Insurance Company Limited is a joint venture between Max India Limited and Mitsui Sumitomo Insurance Co. Ltd. Max Life Insurance Company Limited, 11<sup>th</sup> floor, DLF Square Building, Jacaranda Marg, DLF Phase II, Gurgaon (Haryana) – 122002. Unit Linked Insurance products are different from the traditional insurance products and are subject to the risk factors. The premium paid in Unit Linked Insurance policies are subject to investment risks associated with capital markets and the NAVs of the units may go up or down based on the performance of funds and factors influencing the capital market and the Policyholder/Insured is responsible for his/her decisions. Max Life Insurance Company Limited is only the name of the Insurance Company and Max Life Group Gratuity Plus Plan is only the name of the Unit Linked Group Insurance Plan and does not in any way indicate the quality of the contract, its further prospects, or returns. Please know the associated risks and the applicable charges, from your insurance agent or the intermediary or Policy document of the Insurer. The various funds offered under this contract are the names of the funds and do not in any way indicate the quality of these funds, their future prospects, and returns. Insurance is the Subject matter of solicitation. Max Life Insurance has been selected as a “Superbrand” of the year for 2013-2014 by Superbrands India Private Limited. **IRDA - Registration No. 104.**

Visit us at: [www.maxlifeinsurance.com](http://www.maxlifeinsurance.com)

Contact toll-free numbers: 1800-180-55-77 (for MTNL & BSNL lines) or 1800-200-55-77 (from other service providers) or SMS ‘Life’ to 54242

### **BEWARE OF SPURIOUS PHONE CALLS AND FICTITIOUS/FRAUDULENT OFFERS**

IRDA clarifies to public that

- **IRDA or its officials do not involve in activities like sale of any kind of insurance or financial products nor invest premiums.**
- **IRDA does not announce any bonus.**

Public receiving such phone calls are requested to lodge a police complaint along with details of phone call, number.