

Sample Policy Contract

The values mentioned in the variable fields are only indicative and are not real

Plan Name - Kotak Gratuity Group Plan  
UIN - 107L010V01

### **SCHEDULE**

#### **Policy Details**

Master Policy No.:

Name of the Policyholder:

Date of Commencement:

First Anniversary Date:

Date of issue:

Plan Name: Kotak Gratuity Groupplan

Plan Description: Annually Renewable Gratuity Cum Term Cover  
for Groups

Participating: No

### **MEMBER**

A Member under this policy means a person who is a member of the Policyholder's Gratuity Trust (within the terms of the Gratuity Trust Deed, a copy of which is annexed hereto), who falls within the age range indicated by the Company for this policy and in respect of whom a contribution is made by the Policyholder.

Maximum age\* at entry of the Member : 59 years (one year less than the normal retirement date).

\*Age is defined as the age of the Member on his/her last birthday (as per the English calendar) immediately before the date of commencement of cover for that Member.

This policy will only cover those Members whose details are mentioned in Annexure MD (and updated from time to time based on Member data supplied by the Policyholder) up to the "First Renewal Date" mentioned above or such later date up to which this policy has been renewed, and is subject to the terms and conditions hereinafter stated.

## **BENEFITS PAYABLE**

### **A. Benefit payable on death of the Member:**

<b>Benefit</b>	<b>Benefit description</b>	<b>Benefit Basis</b>
Basic Life cover (BLC)	Basic life cover based on Future Service Gratuity** (subject to a maximum of Rs.3,50,000/-)	15 days' pay (based on the Member's last drawn pay, as provided in and subject to the terms and conditions in the Gratuity Trust Deed) for each remaining year of service or part thereof in excess of six months (as reckoned from the date of death) up to the normal retirement age of the Member i.e. 60 years.
Gratuity**	Gratuity payable as per the Gratuity Trust Deed and Rules	15 days' pay (based on the Member's last drawn pay as provided in and subject to the terms and conditions of the Gratuity Trust Deed) for each completed year of service (or part thereof in excess six months) at the time of claim.

\*\*The extra amount over and above the accumulated past service gratuity that would have been payable to the deceased Member had he/she continued in the employment of the Employer settling the Gratuity Trust up to the Normal Retirement Date.

For the purpose of calculating the number of years of service, a period of six months and above will be reckoned as one year.

### **A.B. Benefit payable on survival of the Member :**

<b>Benefit</b>	<b>Benefit description</b>	<b>Benefit Basis</b>
Gratuity***	Gratuity payable as per the Gratuity Trust Deed and Rules	15 days' pay (based on the last drawn pay as provided in and subject to the terms and conditions of the Gratuity Trust Deed) for each completed year of service (or part in excess thereof completed) at the time of the claim.

\*\*\* This benefit shall be payable on the Member attaining retirement age (or on retiring from service before attaining the Retirement age with the consent of the Employer settling the Trust), or on the Member's resignation or termination after, in each such case 5 years from the date of joining employment of the employer settling the Gratuity Trust (within the terms of the Gratuity Trust Deed and Rules and Regulations thereunder).

Benefits hereunder shall be payable subject to the terms and conditions appearing in this Policy Contract.

**COMPANY’S LIABILITY**

The Company’s total liability under this Policy at any time shall be limited to the selling value (determined in the manner hereinafter stated) of the balance of any units held in terms of this Policy, after adjustment for any outstanding income, expenses, taxes, levies, fees, rebates and charges.

All benefit payments shall be subject to the deduction of tax and any other duties as may be payable by the Company and the applicable laws at that time.

**ALLOCATION OF PREMIUMS FOR PAST SERVICE GRATUITY**

The Policyholder has elected to allocate the Gratuity Premiums to the following fund(s):

	<b>Fund \$</b>	<b>Allocation Percentages</b>
1	Money Market Fund	
2	Gilt Fund	
3	Bond Fund	
4	Balanced Fund	
	Total	

\$ Please refer Annexure (FD) for the description of Funds currently available.

The unit holding will comprise the aggregate of unit balances in each Fund. The unit balance in respect of a particular Fund is the aggregate of the units bought (monies allocated to that Fund divided by the prevailing Buying Price) and the units added to the Fund by virtue of switching to this Fund from another Fund, minus the units sold (amounts withdrawn by the Company periodically to meet benefit payments and expenses/charges divided by the prevailing Selling Price, or, amounts switched out of this Fund divided by the prevailing Selling Price). Please refer to Annexure (CH) for details of the charges.

The Buying Price is the price declared by the Company from time to time, calculated by dividing the total value of the assets in that Fund plus the trading costs associated with purchasing assets, by the total number of units issued in that Fund.

The Selling Price is the price declared by the Company from time to time, calculated by dividing the total value of the assets in that Fund minus the trading costs associated with selling assets, by the total number of units issued in that Fund.

Trading costs shall include but not be limited to brokerage costs, stamp duty (if any), demat account operation charges, postal charges etc.

Appropriate adjustments to unit prices may be made by the Company to give effect to any changes in the prevailing tax laws or other legislation. The unit prices shall be determined solely by the value of the underlying assets in the Fund as outlined above and the Company does not in way undertake or guarantee returns on the monies invested under this policy.

Unit prices will be available from the Company on request and on the website of the Company.

### **BENEFICIARY**

The benefits under this policy are payable to:

- the Policyholder, or
- the legal representatives/assigns of the Policyholder, or
- to such person as directed by a court of competent jurisdiction in India.

The benefits shall be limited at all times to the monies payable under this policy.

### **PREMIUMS PAYABLE**

The premiums for the first year (i.e. up to the first anniversary date) are specified below:

<b>Particulars of Benefits/Charges</b>	<b>Rate/Basis</b>	<b>Amounts (Rs.)</b>
<b>1. Insurance Premiums:</b> Basic Life Cover		
<del>1.2.</del> <b>Gratuity Premiums:</b> Gratuity		
<del>1.3.</del> <b>Charges:</b> Member record fee		
Administration charges		
<b>Total Premium:</b>		

**Comment [HM1]:** this i didnt know what to keep and what not hence deleted

Special Conditions, if any : None

Signed for and on behalf of OM Kotak Mahindra Life Insurance Company Ltd. at Mumbai on

**Authorised Signatory**

## **1.1. TERMS & CONDITIONS**

### **1. Proof of Age**

The Policyholder shall submit a declaration in writing of the age(s) of the Members covered/persons to be covered under this policy, at inception and at every renewal date. The Company shall not be liable for payment of any benefits in respect of a Member for whom such a declaration has not been given.

For a person to be covered under this policy he/she must fall within the age range hereinbefore mentioned.

If at a future date, the age is found to be different from the age declared, without prejudice to the Company's other rights and remedies including those under the Insurance Act, 1938, and any other laws then prevailing, the Company will have the right to refuse a claim in respect of the concerned Member or at its discretion convert the claim for a lower claim amount based on:

- the correct age,
- the premium rates then in force, and
- the premiums paid on the policy.

The Company may at any time call for proof of age from the Policyholder or the concerned Member and the Policyholder or Member must provide the same when required.

### **1.2. Payment of Premiums**

#### **a. Insurance Premiums :**

Insurance premiums are calculated on the date they are due to be paid. The cost of insurance is deducted yearly from the Policyholder's funds. Premium rates generally increase with age and depend on age, gender, occupations and living standards of the Members. The rates are not guaranteed and may be adjusted to reflect the underlying experience of the overall pool of lives.

The Company will advise the Policyholder of the amount of insurance premiums payable and such premiums will be met by liquidating units standing to the credit of the Policyholder. No Basic Life Cover will be provided unless the value of Unit Holding (based on the selling price declared by the Company) is sufficient to meet the premiums.

#### **b. Gratuity Premiums :**

Premiums will be based on the actuarial valuation of the past service gratuity liability and assets of the Gratuity Trust. The premiums for past service gratuity will be paid in the manner agreed to between the Company and the Policyholder.

The Policyholder has the option to make additional payments during the year, which shall be allocated as herein stated.

On payment of premiums by the Policyholder, the Company will appropriate monies received first towards the outstanding charges, then towards insurance premiums and finally towards the premium on past service gratuity.

If any death claim occurs before the payment of the premium then due, and the claim is admitted, the claim will be settled only once the insurance premium has been paid. If any Gratuity claim is received, and such claim is accepted, the claim shall be settled only if the value of units held by the Policyholder on that date is sufficient, after meeting all costs, charges and insurance premiums then due. Should the value of units as aforesaid be insufficient, the gratuity claim will only be paid up to the amount so remaining to the credit of the Policyholder.

### **1.3. Renewal**

Unless terminated by either party hereto, in accordance with clause 7 hereof, the Policy Contract shall automatically stand renewed for further term(s) of One Year each, from the Renewal Date mentioned above, at such revised Premium Rates and charges as may agreed upon.

Future insurance and gratuity premium will be advised to the Policyholder, on the Policyholder furnishing all data and information necessary for re-assessing the premiums before the end of each policy year. The Policyholder shall submit such data at least 60 days prior to each renewal date. In the event that such data is not submitted as mentioned herein above, the Company shall restrict the benefits based on the member data available with it on the date of such renewal(s).

### **1.4. Allocation of Monies to Fund(s)**

The premiums paid (excluding taxes (if any)), are used by the Company to buy units of the Funds that the Policyholder has elected to link this policy to. Each Fund will be valued at the prevailing market price of the assets in that Fund.

The Policyholder must inform the Company of the percentage allocation to each Fund. As a result of differences in the performance of the selected Funds, the apportionment of the realizable value between these Funds will differ from the allocation percentages originally selected by the Policyholder, for which the Company is not liable in any way

The Policyholder may elect to amend the allocation percentages for future premiums. This will be effective from the next premium due date and will not affect existing unit holdings. There is no charge for such election.

The Policyholder also has the option to switch all or part of its holding from one Fund to another at any time subject to minimum switch amounts prescribed by the Company from time to time. Switching shall be done by liquidating the units of one Fund at the prevailing Selling Price, and converting the money so realised into units of the desired Fund at the prevailing Buying Price. Switching charges as per annexure CH shall apply. Any such change in the allocations of units or switches between assets must be communicated in writing to the Company.

However, if on any day the Company receives aggregate switch requests, which would have the effect that the net cash flow into or out of any Fund exceeds 5% of the total assets (of all holders) in that Fund, then the Company may process these requests at any time within 10 working days at the relevant unit prices applicable at the date of processing.

The Company has the right to close any Fund at any time and can ask the Policyholder to select another Fund at that time.

The Company will periodically liquidate such number of units as are necessary to meet certain charges referred to in Annexure (CH).

Units are created and cancelled at the market value prevailing on the next occasion that Unit Prices are determined.

#### **4.5. Active Employment**

In order to participate as a member under this policy, a person should be in active employment (i.e. should not suffer from injury, illness etc) on the Effective date

The "Effective Date" shall mean the latest of:

- the date the employee joins the service of the Employer settling the Gratuity Trust;
- the date of commencement of the policy;
- the date of increase in the benefit under this policy, or extension of the benefits under this policy.

If the member is not at work solely because such a day is a regularly scheduled day off, a scheduled annual /casual vacation day or a public holiday, he will nonetheless be regarded as being actively at work. In the event that a person is not in active employment as aforesaid on the effective date, then he/she must thereafter be in active employment for 30 successive days and the Policyholder must duly certify that such person was in fact in active employment for 30 successive days, before cover can commence or stand increased for such a member.

#### **4.6. Basic Life Cover**

The Basic Life Cover will be subject to the following:

- where the age at entry of a new entrant to this policy is greater than 55 years, participation in this policy will be subject to evidence of health and such further terms and conditions as may be stipulated by the Company.
- no employee will be covered above age 60
- cover may be limited or declined as a result of failure to provide satisfactory evidence of good health

However, if the Policyholder desires to increase the cover for any employee(s), the Company may consider such increase on evidence of health to the complete satisfaction of the Company and subject to such additional requirements and conditions including but not limited to revision of premium rates as may be stipulated by the Company.

No increase in cover will take effect unless the Company has been notified in writing of the change and the selling value of the unit holding is sufficient to meet the premiums on such increase.

The Member will continue to be covered for the period of any authorized leave of absence that is granted to him/her by the employer in the normal course of his employment. Leave for a period beyond 12 months shall not be covered under this policy, unless otherwise agreed to in writing by the Company.

#### **1.7. Termination of the Policy**

If the Policyholder wishes to terminate the policy three months notice will be required. The Company will thereupon, after deducting all outstanding amounts pay the then current value of the units (based on selling price) subject to the charges stated in Annexure (CH).

The policy and/or the benefit in respect of any member will be terminated by the Company if,

- the selling value of the unit holdings is insufficient to meet the charges, the insurance premiums or the benefits, or
- any condition herein contained or endorsed hereon is contravened, or
- it is found that a statement made
  - in the Member data given to the Company, or
  - in any other document leading to the issue of the policy, or
  - in any other document necessary to keep the policy in force

was inaccurate, or false, or not made in good faith, or any material matter or fact was suppressed, then, and in every such case (but subject to the provisions of Section 45 of the Insurance Act, 1938) the policy shall be void, and/or claim(s) to any benefit under this policy shall cease and all monies that have been paid in consequence of this policy shall belong to the Company, excepting in so far as whatever relief may be granted as per the law. Additionally, the Policyholder shall also repay to the Company all the monies paid to it by the Company consequent upon admittance of any claim(s), till the date of termination.

#### **2.8. Suicide**

Where a Member joins the service of the Employer settling the Trust, after the date of commencement of the policy, any Basic Life Cover benefit claim arising as a result of the Member committing suicide within a year of his/her being admitted as a Member will not be admissible.

#### **3.9. Loans**

Loans are not available under the policy.

#### **4.10. Termination of Insurance Cover**

A Member's cover will cease on the earliest of:

- a) A claim in respect of that Member being paid out;
- b) Date of the Member withdrawing from the service of the Employer settling the Gratuity Trust, or date he ceases to be a Member;
- c) The Member attaining the age of 60 years,
- d) The date the selling value of the unit holding is insufficient to meet the premiums, or
- e) The date of termination of the policy.

#### **5.11. Member Data**

At inception, the Policyholder must provide up to date Member Data mentioned in Annexure MD to the Company on or before the date of commencement of the policy. Subsequently, Member data must be given on or before the date of renewal to enable the Company to update its records and calculate premiums. A grace period of 7 days will be allowed for providing the Member Data to the Company. Cover for a Member will commence only after the Company has received the Member Data in respect of that Member.

The Company shall not be liable for any claim except as provided for in this document and for only those persons disclosed in the latest relevant Member Data and within the limits herein mentioned.

#### **6.12. Notice**

Any notice, information or instruction to the Company must be in writing and delivered /faxed/ emailed to the address intimated by the Company to the Policyholder which is currently:

Group Operations  
OM Kotak Mahindra Life Insurance Company Limited  
11/12 Krishna House  
2<sup>nd</sup> Floor, Raghuvanshi Mills Compound  
Senapati Bapat Marg,  
Lower Parel,  
Mumbai 400 013.

The Company may change the address stated above and intimate the Policyholder of such change by suitable means.

Any notice, information or instruction from the Company to the Policyholder shall be mailed to the following address:

or to the changed address as intimated to the Company in writing.

Any such notice, information and instruction shall be deemed to be served 7 days after the posting, or immediately upon receipt by the Company / Policyholder in the case of recorded hand delivery or courier.

#### **7.13. Claims**

All claims must be notified to the Company in writing within 3 months of the date of the claim event (e.g. death / resignation etc), along with the necessary documents.

The primary documents normally required for processing a death claim are:

- Intimation of the claim event (i.e. death) in writing in the Company's format signed by the authorised representative of the Policyholder. This intimation shall include the following:
  - details of the policy under which the life insured is covered
  - name and other particulars of the concerned member

- a statement that the claim event has occurred
- date of claim event
- place where the claim event occurred (i.e. residence/ hospital etc.) and the full postal address of such place
- cause of claim event
- Proof of age of the life insured (for example attested copy of birth certificate/school leaving certificate etc.)
- Proof that the life insured is a member as defined under this policy
- Extract of the Leave Records of the deceased, duly certified by the Policyholder, for such period(s) as may be specified by the Company
- Original death certificate issued by the Municipal Authority
- Last attending Doctor's Certificate stating the exact cause of death
- If death has occurred in a hospital, all case history papers
- If the death is due to an accident or any other unnatural cause, the following shall be required:
  - A certified copy of the FIR filed with the Police authorities
  - A certified copy of the Post Mortem Report/Autopsy Report
  - A certified copy of the Driving License if death occurred while driving
- Particulars of Beneficiary(ies), if any, in writing in the Company's format signed by the authorised representative of the Policyholder.
- Proof of identity of the beneficiary, if claim is payable to the beneficiary.

All claims shall be subject to the provisions of this policy document, such other requirements as stipulated by the Company and the legal title of the claimant, satisfactory to the Company. The Company reserves the right to call for any additional information and documents required to satisfy itself as to the validity of a claim.

If the settlement of a Gratuity benefit claim would have the effect that the net cash flow out of a specific fund exceeds 5% (five percent) of total assets (of all holders) in the applicable fund, the Company reserves the right to delay settlement up to 10 working days from the date of notification. Settlement shall be effected at the Selling Price applicable on the date of processing.

All amounts due under this policy are payable subject to the terms and conditions set forth herein and in Indian Currency at the office of the Company situated at Mumbai, but the Company at its absolute discretion may fix an alternative place of payment for the claim at any time before or after the claim arises.

### III. ANNEXURES

#### Annexure: FD

##### Funds Description

###### (A) Money-Market Fund:

The portfolio will consist of money market investments such as treasury bills, commercial paper, certificates of deposit, short-term deposits, bills of exchange, bonds and Government securities with maturity less than one year etc. Investments in instruments other than government securities will have minimum rating of P1 or equivalent.

Portfolio Particulars	Minimum	Maximum	Risk profile
Investment in money market instruments/ Bank Deposits/ cash/ call money	100%	100%	Low

Money market investment should not be more than 10 % of overall investment.

###### (B) Gilt Fund:

The portfolio will primarily consist of securities issued or guaranteed by the Government of India as per the following indicative investment pattern.

Portfolio Particulars	Minimum	Maximum	Risk profile
Investment in securities issued by and/ or Guaranteed by the Central Government	80%	100%	Low
Investment in short term Bank deposits/Call Money / Cash	0%	20%	Low

###### (C) Bond Fund

The portfolio will consist of highly rated debt instruments including corporate debt, Government securities, money market instruments and bank deposits.

Portfolio Particulars	Minimum	Maximum	Risk profile
Investment in debt securities	25%	100%	Low to Medium
Investment in securities issued by and/ or Guaranteed by the Central Government	0%	75%	Low
Investments in money market instruments, bank deposits, call money and cash	0%	20%	Low

**(D) Balanced Fund**

The portfolio will consist of shares of well-managed companies and in highly rated securities. Short-term investments will also be made with bank

<b>Particulars</b>	<b>Minimum</b>	<b>Maximum</b>	<b>Risk profile</b>
Investment in equity shares of Blue Chip companies	30%	60%	Medium
Investment in securities issued by and/ or guaranteed by the Central Government	20%	70%	Low
Investment in short term Bank deposits/Call Money / Cash	0%	20%	Low

**The Company may add more funds to those listed above from time to time.**

## Annexure: CH

### Charges and Premiums

The charges are expressed as initial set up costs and ongoing charges. All charges and premiums except the Fund Management Charges listed below will be met by liquidating units in proportion to the underlying funds chosen by the client.

#### ONGOING CHARGES

##### a. Activity Fees

Accounting reports and Member data	Rs. 20 per Member per annum subject to a minimum of Rs. 15,000 and a maximum of Rs. 30,000 per annum
Transaction fee	Rs. 100 per switch, redemption and claim

All the above ongoing charges and limits will be revised from year to year to offset the effects of inflation.

Administration Charge 0.3 % p.a. of assets

##### b. Fund Management Charges

The Fund Management Charges depends on the Funds selected and are outlined below:

<b>Fund</b>	<b>Charges as a % of the value of the assets in each fund</b>
Money Market Fund	0.6 % per annum
Gilt Fund	1.0 % per annum
Bond Fund	1.2% per annum
Balanced Fund	1.3 % per annum

These charges will be taken daily from the assets in each Fund, and will thus be reflected in the unit prices (selling and buying).

### **Credit for Large Funds**

For large funds, a credit will be given in the fund account on the last day of the financial year. This credit will be given at the following rate:

1)	For an annualised balance at or below Rs. 2 crore	Nil
2)	For an annualised balance in excess of Rs. 2 crore, but less than 10 crore	0.25% p.a. of the proportionate asset value exceeding Rs. 2 crore calculated on the average daily balance.
3)	For an annualised balance in excess of Rs. 10 crore	0.25% p.a. of the proportionate asset value between Rs. 2 crore and Rs. 10 crore, plus 0.5% p.a. of the proportionate asset value exceeding Rs. 10 crore calculated on the average daily balance.

This credit will be given as an addition of units to the Policyholder's funds.

The above monetary limits will be revised from year to year to offset the effects of inflation.

### **Alterations to Policy Charges**

The Company will vary the Rupee amounts at the end of each financial year by a percentage in line with the movement in the Consumer Price Index.

The Company reserves the right to change the charging bases in future but only if a change takes place for all similar policies and on prior written notice to the Policyholders. The Company reserves the right to change asset management charges but guarantees the total asset charges will not exceed those above by more than 0.75% of assets.

**Annexure: MD**

**Member Data**

<b>Field Description #</b>
<b>First Name</b>
Middle name
<b>Last Name</b>
<b>Gender (M/F)</b>
<b>Date of Birth</b>
<b>Employee No.</b>
<b>Joining Date</b>
<b>Date of entry into Groupplan</b>
Category (if applicable)
<b>PF based Monthly Salary</b>
Total Monthly Salary
Salary month & year
No. of working days
Days worked
Date of retirement
Date of exit from Groupplan##
Exit reason##

# Fields in **bold** are mandatory

## Should be provided when the Member's cover is terminated.

**The above format may be altered by the Company from time to time with prior written notice to the Policyholder.**