

# Policy Document

Unit Linked Group Gratuity Plan

**Max New York Life Insurance Company  
Limited**

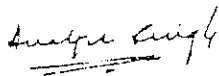
Regd. Office : Max House, 1 Dr. Jha Marg, Okhla,  
New Delhi - 110 020

Max New York Life Insurance Company Limited (the "Company") has entered into this contract of life insurance (the "Policy") with the policy holder ("Policy Holder") on the lives of the persons ("Lives insured") referred to in the schedule to the policy (the "Schedule"). The Policy has been effected on the lives of the Lives Insured based on the proposal, declarations, premium deposit made by the Policy Holder.

This Policy is subject to the terms and conditions stated herein and the Schedule.

The Company agrees to pay the Benefits as per the terms and conditions of this under this Policy.

Signed by and on behalf of  
Max New York Life Insurance Company Limited



Analjit Singh  
Chairman

Date Of the Policy :



THE SCHEDULE

Title – Unit Linked Group Gratuity Plan

Type of Policy – Non Participating

MASTER POLICY NO:<>	PROPOSAL NO.<>	DATE OF PROPOSAL <dd-mm-yy>
DATE OF TRUST DEED:		
POLICY HOLDER :		CLIENT CODE : _____
EMPLOYER:		
<Address 1> <Address 2>		
ADDRESS :		
<Address 3> <Address 4>		
LIVES INSURED – AS PER REGISTER OF MEMBERS MAINTAINED AND UPDATED BY POLICY HOLDER, FROM TIME TO TIME under intimation to and approval of the Company.		
ELIGIBILITY CONDITIONS: As specified in the Terms and Conditions		
EFFECTIVE DATE OF COVERAGE :		
(a) For Original Members -		
(b) For New Members -		
ANNUAL DATE OF RENEWAL OF POLICY – Day[ ] month [ ] of Calendar year		
SPECIAL PROVISIONS :		

AVAILABLE FUNDS: IN THIS POLICY, THE INVESTMENT RISK IN THE INVESTMENT PORTFOLIO IS BORNE BY THE POLICYHOLDER

FUND →	CONSERVATIVE FUND [ low risk]	BALANCED FUND [ medium risk ]	GROWTH FUND [ high risk ]
INVESTMENT TYPE ↓			
Government Securities	50%-80%	20%-50%	0-30%
Corporate Bonds (Investment grade)	0-50%	20-40%	0-30%
Money Market Instruments / Cash	0-20%	0-20%	0-20%
Equities	0-15%	10-40%	20-60%

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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.

**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 higher returns from this fund.

Ratio in which contributions will be initially invested	conservativePlan %	Balanced Plan %	Growth Plan %

<b>COVERAGE SUMMARY :</b>					
<b>Category</b>	<b>No. of Members</b>	<b>Total Sum Assured</b>			
Term Assurance					
Total Initial Gratuity Contribution of Original Members towards Past Service (As per Actuarial valuation as on .....) Rs.....					
No. of equal annual installments towards Initial Gratuity Contribution of Past Service .....					
Total Annual Gratuity Contribution (as per Actuarial valuation as on ..... for the year .....) Rs.....					
Total Contribution towards Funds Rs.....					
Mode of payment of annual contribution: Annual / Semi-annual / Quarterly/ Monthly					
Rate per thousand of sum assured under Term Assurance:					
Mode of payment of Premium for Term Assurance: Annual / Semi-Annual / Quarterly / Monthly					
Total	Modal	Premium	towards	Term	Assurance
Rs.....					
<p><b>Term Assurance :</b> means the one year renewable term assurance effected on the life of a member as specified in this schedule.</p> <p><b>Gratuity:</b> The Annual and Initial contributions (other than premiums payable towards group term insurance) will be allocated to the Unit Account at the Unit Price. Gratuity benefits as specified under the Rules will be paid from the Unit Account by canceling units of equivalent amount at Unit Price. Shortfall, if any, in the Unit Account to cover the gratuity liability shall be met by the policyholder.</p>					
Minimum age of entry of member:					
Maximum age of entry of member:					
NORMAL RETIREMENT AGE :        Years					
AGE ADMITTED : YES/NO :					
Free Cover Limit: Rs.					

Sl. No.	Employee No.	Name of Original Member Insured	Designation	Date of Birth	Date of joining	Last Drawn Salary (Rs.)	Sum Assured Under Term Assurance (Rs.)	Term Assurance Premium (Rs.)
1.								
2.								
3.								



**Policy Administration Charge:**

Rs. 48 per annum per member subject to a minimum of Rs.6000 and maximum of Rs.50,000 per annum. This charge may be increased by the Company after clearance from IRDA but shall never exceed Rs.100,000 per annum per Policy.

**Fund Management Charge as a % per annum of Account Value**

Fund Size	Conservative Fund	Balance Fund	Growth Fund
< Rs.4 Crore	0.75%	0.85%	0.95%
Rs.4 Crore but < Rs.10 Cr.	0.70%	0.75%	0.85%
Rs.10 Cr. & above	0.65%	0.70%	0.85%

**Switching Fee:**

- No fee for the first two switches in a Policy Year if each switch is less than Rs 50 lacs
- Subsequent switches or if switch amount is Rs 50 lacs or more will attract a switch fee of Rs. 500 per switch which amount may be increased after clearance from IRDA but shall not exceed Rs. 1000 per switch.

**Premium Allocation Charge:**

Scheme size [ Number of Members ]	% of Annual Contribution
Less than 250	2.5
250 to less than 350	2.0
350 to less than 500	1.0
500 to less than 750	0.5
750 & above	Nil

**Surrender Charge:**

Policy Year	Surrender Charge as a Percentage of Account Value
4	3.5%
5	3.0%
6	2.5%
7	2.0%
8 and onwards	1.5%

## TERMS AND CONDITIONS

### 1. DEFINITIONS & INTERPRETATION:

- 1.1 In the Policy Document, the words and phrases listed below shall be deemed to have the meanings attributed to them wherever they appear in the Policy Document unless otherwise defined.
- a) **"Account Value"** means the fund value arrived at by multiplying the total number of units held in the unit account multiplied by the unit price;
  - b) **"Actively At Work"** shall mean if on the effective date of the coverage under the group term insurance, an employee is performing in the usual way, all of the regular duties of his job on a full time basis. If the employee is absent on the date the coverage commences due to illness or injury or for any other reason, the coverage shall not commence until the expiry of one month after the date of his joining back the duties and subject to his performing in the usual way all of the regular duties of his job on a full time basis and his signing a health declaration which is countersigned by his employer. If the employee is not at work on the date the coverage commences, solely because such a day is a regularly scheduled day off or a public holiday, the employee will be regarded as being actively at work subject to his satisfying the criteria of actively at work on the immediate next working day. Where group size is less than 200, then in addition to the above, the employee(s) must not have availed leave on sick ground continuously for 5 days during a period of six months immediately preceding the entry date for being considered as actively at work.
  - c) **"Actuarial Valuation"** is the process used by an actuary to estimate the present value of gratuity benefits to be paid under the scheme and the present value of scheme assets and sometimes, of future contribution.
  - d) **"Annual Date of Renewal"** shall be as stated in the schedule;
  - e) **"Anticipated Service"** means the remaining years of service which a member would have completed had he lived up to his normal retirement age;
  - f) **"Assurance"** shall mean in relation to a member the one year renewable term assurance effected or to be effected hereunder on the life of the member;
  - g) **"Beneficiary"** shall include the member, the member's nominee or his legal heirs;
  - h) **"Benefits"** shall mean the sum assured granted under the one year renewable term assurance plan and the gratuity benefit, as specified in the schedule;
  - i) **"Surrender Value"** means the Account Value less the surrender charge calculated as per clause 12.2.
  - j) **"We", "Us", "Our" or "Company"** means Max New York Life Insurance Company Ltd.;
  - k) **"Completed Year of Service"** shall mean continuous service for one year; a period of six months and above will be reckoned as one year.
  - l) **"Disablement"** shall mean such disablement as incapacitates a member for the work which he was capable of performing before the accident or disease resulting in such disablement and which results in termination of his employment.
  - m) **"Effective Date of Coverage"** means the date on which the insurance cover for the members commences and as stated in the schedule;
  - n) **"Employee"** means any person (other than an apprentice) employed on wages, in any establishment, factory, mine, oilfield, plantation, port, railway Company or shop to do any skilled, semi-skilled, or unskilled, manual, supervisory, technical or clerical work, whether the terms of such employment are express or implied;

OR

"Employee" shall mean the permanent employee(s) of the employer employed on wages other than personal and domestic servants or an apprentice and shall include a director who is a whole time bonafide employee of the employer but excludes, where the employer is a Company as defined in Section 3 (1) (i) of the Companies Act, 1956 a director who beneficially owns shares in the employer Company carrying more than five per cent of the total voting power in the employer Company;

- o) **"Entry Date"** or **"Date of Entry"** shall mean (a) in relation to original members, the effective date of coverage and (b) in relation to new members admitted to the benefits of the scheme after the effective date of coverage, shall be the date, which next follows the date on which they become eligible and their names are entered in the register of member.
- p) **"Free Cover Limit"** means an amount specified by the Company in the schedule as the amount of term assurance which the Company shall provide without any evidence of insurability, but the policyholder must certify that the employee(s) have been actively at work. The Company reserves the right to re-determine the free cover limit on any policy anniversary.
- q) **"Funds"** means the unit linked funds as detailed in clause 8 of this policy.
- r) **"Insured Event"** in relation to the one-year renewable term assurance shall mean death of the member, while in service. In relation to Gratuity, it shall mean termination of employment on retirement or resignation or permanent total disablement or death of a member after a continuous service for not less than five years or as may be specified in the policy schedule and provided that the completion of continuous service of five years shall not be necessary where the termination of employment is due to death or disablement.
- s) **"IRDA"** means Insurance Regulatory & Development Authority constituted under the Insurance Regulatory & Development Authority Act, 1999.
- t) **"Member"** shall mean an employee whose name is entered in the register of members maintained by the employer and approved by the Company;
- u) **"Monthiversary"** means the date in every month corresponding most closely with the effective date of coverage.
- v) **"Nominee"** shall mean a person nominated by the member to receive the benefits under the scheme in the event of his death and whose name or names has/ have been entered by the policyholder in the register of member;
- w) **"Normal Retirement Age"** shall mean the age as stated in the schedule on which the member vacates the employment;
- x) **"Original Member"** shall mean a member whose name has been entered in the register of member as on the effective date of coverage.
- y) **"Policy Year"** means a 12 calendar month period commencing with the effective date of coverage and every policy anniversary.
- z) **"Policy"** means this Unit Linked Group Gratuity Plan , the operation, regulation and management of which is governed by the documents comprising the policy documentation, which is made up of the policyholder proposal form (and any additional information policyholder provides in respect of policyholder proposal, these terms and conditions, , the schedule, the endorsements, attached to and forming part of this policy (and if an updated schedule is issued, then schedule means the latest in time), policyholders' written instructions regarding redirection and/or switch given to the Company subject to Company's acceptance of the same.
- aa) **"Policy Anniversary"** means the anniversary of the effective date of coverage.

- bb) **"Policyholder"** mean the Trustees of the scheme.
  - cc) **"Register of Members"** shall mean the register of members kept by the policyholder, which register shall stand amended from time to time under intimation to and approval of the Company and deemed to be incorporated in and form part of the Master policy;
  - dd) **"Retirement"** shall mean termination of the service of a member otherwise than on the normal retirement age.
  - ee) **"Rules"** means the rules of the scheme annexed to the trust deed including any alterations and amendments thereof pre-approved by the Company, certified copy of which has been filed with the Company ;
  - ff) **"Salary" or "Wages"** shall mean all emoluments last drawn which are earned by a member while on duty or on leave in accordance with the terms and conditions of his employment including dearness allowance but excluding overtime wages, bonus, commission, house rent allowance or any other allowance. Provided that in the case of a member employed on piece rated or daily wages, the monthly salary shall be equal to 26 times his daily wages computed on the average of total wages received by him for a period of 3 months immediately preceding termination date excluding overtime wages; where a member is employed, after his disablement, on reduced wages, his wages for the period preceding his disablement shall be taken to be the wages received by him during that period and his wages for the period subsequent to his disablement shall be taken to be the wages as so reduced.
  - gg) **"Scheme"** means the "ABC Company Ltd Group Gratuity Unit Linked Plan" as described in the trust deed and rules;
  - hh) **"Service"** shall mean continuous service as defined in the Payment of Gratuity Act, 1972 ;
  - ii) **"Termination Date"** shall mean in respect of each member the date on which he ceases to be a member of the scheme for any reason whatsoever, and/ or ceases to satisfy the eligibility criteria stated in the policy schedule, whichever is earlier;
  - jj) **"Trust Deed"** shall mean the irrevocable trust deed executed by the employer and the policyholder on the date mentioned in the Schedule, including any alterations and amendments thereof pre-approved by the Company, certified copy of which has been filed with the Company.
  - kk) **"Unit Account"** means the account the Company opens and manages for the policyholder, in which units are allocated following the receipt of contributions and in which units are cancelled for the purpose of paying gratuity benefit and for recovering charges and premium for Group term insurance
  - ll) **"Unit"** means a notional part of the funds created for the purposes set out in and subject to Clause 9.
  - mm) **"Unit Price"** means the price at which the Units are allocated to the Unit Account or cancelled from the Unit Account in accordance with clause 9 and determined on each Valuation Date.
  - nn) **"Valuation Date"** means the date on which the Company values the assets to which each of the funds is referenced for the purpose of declaring the Unit Price. Company will determine the date of valuation, the frequency of which, subject to clause 9.4, shall be at least once per week.
- 1.2 References to the masculine or the singular will be deemed to include references to the feminine and the plural, and vice versa.
- 1.3 References to any statute or statutory enactment shall be deemed to include re-enactment or amendment to the same.



- 1.4 Clause headings are for ease of reference only and have no interpretive value.
- 1.5 Reference to days, unless context otherwise requires, means working days only.

## 2. Benefits

### Term Assurance: -

- 2.1 Subject to the terms and conditions of this policy, an assurance is effected on the life of each member under the Group Term Insurance plan.
- 2.2 Upon happening of the insured event, the Company shall pay to the policyholder for the benefit of the nominee(s) or the legal heirs of the member, the sum assured as specified in the schedule..

### 2.3 Gratuity

Upon happening of the Insured event, the Company shall pay Gratuity Benefit as specified in the Schedule from the Unit Account by canceling the units of equivalent amount from the Unit Account at respective Unit Price.

Shortfall, if any, in the Unit Account to cover the gratuity liability shall be met by the policyholder.

## 3. Premiums

The amount of premiums payable on the effective date of coverage and subsequent due dates shall be calculated in accordance with the terms and conditions contained herein. Such premiums shall be paid by the policyholder to the Company on the date on which the said premiums fall due or within such extended period and subject to such conditions as the Company may prescribe. The payment of premiums shall be continued until the termination of employment of a member unless otherwise specified under this policy.

## 4. Composition of Premium

- 4.1 The premiums payable by the policyholder to the Company shall comprise of :
- i) Amounts required for securing the benefits payable to the members under the group term insurance plan. The premiums due and received in respect of this cover shall not be allocated to the unit account but will be charged to the Policyholder apart from the initial and annual contributions. Premiums for the group term insurance can be paid in monthly, quarterly, half yearly or annual frequency. If the account value permits and the policyholder has not paid the premium before expiry of the grace period as per Clause 5, the Company will appropriate premiums by canceling units from the unit account at their respective Unit Price. ;
  - ii) Initial contribution, based on an actuarial valuation, required to secure the gratuity benefits relating to past service of the members. The initial contribution, as specified in the Schedule shall be made by the Policyholder in one lumpsum on the date of entry or by way of not more than five equal annual installments payable during the first five Policy Years on the annual renewal dates.
  - iii) Annual contributions based on an actuarial valuation, on each annual date of renewal, required to secure the gratuity benefits in respect of the service

completed by the Members in the current accounting year. Annual contributions can be made in yearly, half yearly and quarterly frequency.

4.2 The mode of payment of premium is as specified in the schedule.

**5. Grace Period**

A grace period of 30 days without interest will be allowed for receipt of every premium towards the group term insurance after the respective due dates. Wherever the premium mode is monthly, the grace period shall automatically reduce to 15 days.

During the grace period, the term assurance under the policy will continue to be in force but in the event of any member/s death during the grace period, the Company shall be entitled to deduct the aggregated unpaid premium in respect of term assurance for the entire group from the benefits payable.

**6. Calculation/ Appropriation of Premium**

- i) The total premiums due on the effective date of coverage or on the subsequent annual date of renewal in respect of the group term insurance shall be calculated according to (i) the total number of members on the effective date of coverage or relevant annual date of renewal as the case may be and; (ii) the premiums payable under the policy in respect of the members as per the schedule.
- ii) Subject to clause 35, if any member is admitted to the scheme after the effective date of coverage on any date, other than the annual renewal date, a proportionate premium shall become payable within 30 days of the intimation by the Company to the policyholder of the premium payable to cover the period from the entry date to the next renewal date. Similarly if membership of any member is cancelled after the entry date, the Company shall adjust prorata premium (rounded off to the next month) upto the date of coverage and refund any excess premium or adjust the same against future premiums.
- iii) After appropriating the required amounts towards premiums payable for the life assurance benefits under the term assurance plan, the balance of the premium, if any, will be allocated to the unit account in the funds chosen by the policyholder as per the applicable allocation rates..

**7. Duration, Renewal, Termination and Revival of Term Assurance**

7.1 Subject to the provisions of the terms and conditions of this policy, the term assurance effected hereunder shall continue in force for a period of one year from the effective date of coverage to the following annual renewal date and shall be renewable on each annual date of renewal. At the time of renewal, the policyholder shall furnish a reconciliation statement giving additions / deletions of members and changes, if any, in their last drawn salary. On the basis of this information the Company will determine the amount of premium.

7.2 Subject to clause 4.1(i), if the policyholder does not pay due premiums for the group term insurance on its due date or within the period of grace, the policyholder shall be deemed to have discontinued payment of premiums hereunder and shall not be entitled to resume payment of premiums except with the consent of the Company. All coverage under the term assurance on expiry of grace period shall lapse with effect from the annual date of renewal or the premium due date as the case may be. Company will not accept any

future Annual or Initial Contribution under the Policy unless the group term insurance is revived by the Policyholder as per clause 7.6.

7.3 The group term insurance under this Policy does not carry any surrender value.

7.4 If the policyholder fails to observe or comply with any of the terms and conditions of this policy, the Company may decline to accept further premiums and thereupon the policyholder shall be deemed to have discontinued payment of premiums.

7.5 In case the term assurance lapses, the Company may, on receipt of written request from the policyholder revive the term assurance on such terms and conditions as may be determined by the Company from time to time.

## 8. Funds

8.1 The Company will subject to clause 8.2 maintain a number of unit linked funds. Each fund has its own investment objectives and details of the number and type of funds available for this policy shall be as specified in the schedule.

8.2 Company reserves the right to add, close, combine or alter any fund and shall file with IRDA as per the File and Use procedure. Company will send 60 days prior notice of its intention to add, close, alter or combine any fund. Company will effect a transfer to an alternative fund free of charge if Company receives policyholders' written notice of the alternative fund in which policyholder wishes to invest the contributions before the scheduled date of closure, alteration or combination, failing which policy holder agrees that the Company shall without liability, effect a transfer to what is, in Company's views the most conservative fund available at that time.

## 9. Unit and Unit Price

9.1 Company shall open a unit account as on the effective date of coverage.

9.2 Units will be purchased and cancelled at the unit price. The number of units shall be expressed upto three decimals.

9.3 The allocation of units to the unit account and the unit account itself are a means by which the value of the policy is determined and, accordingly, neither the units nor the unit account give rise to any legal or beneficial ownership or right in policyholders' favour in either the assets to which the funds are referenced or the income from those assets or any surpluses in any funds or in Company's profits or assets.

9.4 The assets underlying each of the funds shall be valued on each valuation date. Company shall always endeavour to value the assets at least once a week. Company may however, defer the valuation date beyond a week under certain extreme circumstances viz. :

- When one or more recognized exchanges where stocks, debts etc. are routinely traded which provides a basis for valuation of a substantial portion of assets of the fund are closed down otherwise than on ordinary holidays

- When, as a result of political, economic, monetary or any circumstances beyond Company's control, the disposal of assets of the fund is not possible, profitable or practical.
  - During periods of extreme volatility of markets
  - Natural calamities, strikes, wars, civil unrest, riots and "bandhs" or any other force majeure or disaster that affect the normal functioning of the Company.
  - If so directed by IRDA.
- 9.5 The maximum value of a fund will be determined and based on the market value/ fair value of assets held by the fund less the expenses incurred in the sale of the assets plus the value of current assets plus any accrued income net of fund management charges less the value of any current liabilities, provisions, if any. The value of all funds may increase, reduce or remain unchanged accordingly.
- 9.6 The minimum value of a fund will be determined and based on the market value / fair value of assets held by the fund, plus the expenses incurred in the purchase of the assets plus the value of current assets plus any accrued income net of fund management charges less the value of any current liabilities, less provisions, if any. The value of all funds may increase, reduce or remain unchanged accordingly.
- 9.7 The policyholders' unit holdings are purely notional and are only for the purpose of determining the benefits under the policy. The underlying assets of all the funds belong to the Company.
- 9.8 A unit price will be calculated for each fund. The Annual and Initial contributions (other than premiums payable towards group term insurance) will be allocated to the Unit Account at the Unit Price. Units will be allocated to and cancelled from the unit account at the unit price.
- 9.9 The unit price shall be determined on each valuation date.
- 9.10 The unit price will not be higher than the maximum value of the fund as per Clause 9.5, divided by the total number of units in the fund at that time with the result being rounded up by not more than 1% of a rupee.
- 9.11 The unit price will not be lower than the minimum value of the fund as per Clause 9.6, divided by the total number of units in the fund at that time, with the result being rounded up by not more than 1% of rupee.
- 9.12 All unit transactions will be made at the next available unit price.
10. **Switch**
- 10.1 This is the facility allowing the Policyholder to change the investment pattern by moving from one fund to other fund(s) amongst the funds offered under this Policy. The policyholder will have the flexibility to switch between available funds unless the Company specifically imposes a complete or partial bar on switching into and out of a specified fund for a time period not exceeding one month if the Company considers this to be in the interest of maintaining the stability of the Funds, or necessary to protect the interest of the policyholders.
- 10.2 All switches will be done on an amount basis i.e. the policyholder will have to specify the amount sought to be switched to/from one or many funds.

- 10.3 The minimum amount that can be switched is Rs. 5 lakhs. This is subject to review from time to time by the Company with approval from the IRDA. However, if the policyholder is switching completely out of a fund, an amount less than Rs. 5 lakhs can be switched.
- 10.4 Company will process the first two switches in a policy year free of any charge provided each switch amount is less than the amount as specified in the Schedule which is subject to change at any time by the Company with approval from the IRDA.. Subsequent switches in a policy year or where switch amount is equal to or greater than the minimum amount of switch as specified in the Schedule, will attract a switching fee as specified in the Schedule .
- 10.5 If the amount of switch is more than Rs. 1 crore, the policyholder shall give a 15 days notice to the Company. The Company reserves the right to determine the time or period during which the switch will be implemented.
- 10.6 Following the receipt of policyholders' written notice, Company will cancel units at the next available unit price in the fund the policyholder wishes to exit and purchase units at the next available unit price in the fund the policyholder wishes to enter.

## **11. Redirection**

- 11.1 Policyholder may redirect future contributions between available funds at any time by giving to the Company 7 day's prior written notice. If policyholder chooses to redirect contributions to more than one fund, the percentage of future contribution that can be redirected into each fund must meet the Company's minimum percentage criteria in force at that time (which is zero currently and subject to change after approval of the IRDA) . Company will apply the redirection to future contributions received from the date following Company's acceptance of the redirection.
- 11.2 The Company shall process all redirections in a policy year free of charge.

## **12. Termination of Policy**

- 12.1 Policyholder may terminate the policy at any time by giving to the Company a three months prior written notice
- 12.2 A surrender charge as specified in the Schedule is payable on the termination of the policy by the Policyholder.
- 12.3 The Company reserves the right to terminate this policy without notice if the total number of Members becomes less than 25 on any policy anniversary.
- 12.4 When the Account Value is equal to or less than one years annual premium for the Group Term insurance, the Policy shall be terminated by the Company and the Units existing in the Unit Account shall be cancelled at the Unit Price and the resultant amount shall be paid to the Policyholder.
- 12.5 The Company may in its absolute discretion, at any time impose a complete bar on surrender of the policy for a reasonable time period but not exceeding one month, in the interest of maintaining the stability of the funds or to protect the interest of existing unit holders.

### 13. Charges

Company shall levy the following Charges:

#### 13.1 Fund Management Charge:

13.1.1 The rate of Fund Management Charge for different funds is as specified in the Schedule.

13.1.2 The Fund Management charge shall be recovered out of the net assets of the fund on each valuation date and the Net Asset Value will be accordingly adjusted.

13.1.3 The rate of Fund Management Charge to be recovered on each valuation date will be equal to the annual rate as mentioned in the Schedule divided by 365 and multiplied by the number of days that have elapsed since the previous valuation date. The fund management charge rates may increase from time to time after clearance from the IRDA, but shall not exceed 2% per annum of the Fund Value in any event.

#### 13.2 Policy Administration Charge:

This is a charge levied at the beginning of each policy month by canceling units for equivalent amount from the Unit Account.

The policy administration charge shall be as per the rates mentioned in the Schedule. Amount equal to 1/12<sup>th</sup> of this administration charge will be recovered every month by cancellation of Units from the unit account. This charge including the minimum and maximum limit on the charge may change subject to approval of the same by IRDA but shall never exceed Rs.100,000 per annum per Policy.

#### 13.3 Premium Allocation charge

Premium Allocation charge at the rate specified in the Schedule will be recovered from the annual contributions before such contributions are allocated to the Unit Account.

13.4 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, in case the Units are held in more than one Fund.

### 14. Rules Specific to very Large Transactions:

The Company shall have the right at its absolute discretion in order to protect the interest of all unit holders, and upon giving notice in writing to the policyholder, to delay / postpone for a period not exceeding one month, 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. Similarly, the resultant account value obtained as a result of encashment of assets may be the value obtained as a consequence of the market transactions. Market transactions may occur over a number of days.

## General Conditions

15. This policy is issued on the basis of policyholder's acknowledgement and agreement that:

- i) "Unit Linked Group Gratuity Plan" is only the name of the policy and does not in any way indicate the quality of the policy, its future prospects or returns.
- ii) The names of the funds as shown in the policy do not in any manner indicate the quality of the funds, their future prospects or returns.
- iii) Company does not guarantee the value of units. Depending on market risk and the performance of the funds to which the units are referenced, the value of units may fall, rise or remain unchanged. There can be no assurance that the objectives of any of the funds will be achieved and none is given by the Company.
- iv) The past performance of any of the funds of the Company is not indicative of the future performance of any of these funds.
- v) The funds do not offer a guaranteed or assured return.
- vi) All benefits payable under the policy are subject to applicable laws.
- vii) By definition this is a non-participating policy.
- viii) This policy or any benefits hereunder are non assignable.
- ix) The employer 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.

## 16. Entire Contract

This policy document contains the entire understanding between the policyholder and the Company in respect of the policy and the benefits available under it. No amendments to this policy or the policy document will be effective if not expressly approved in writing by the Company.

## 17. Membership

It shall be a condition of membership for all new entrants that they must become members hereof on the respective entry dates and the policyholder shall take effective steps to ensure that this is done. In the event of any breach of this condition, the Company shall be entitled to give written notice to the policyholder to pay the premiums failing which this policy will terminate forthwith. No member shall withdraw from the membership of the scheme as long as he is in the service of the employer.

## 18. Policy Review Period

Please examine the policy carefully. You may opt to return the original policy document to the Company with a written request for cancellation of the policy within fifteen days from the date of receipt of this policy. In such an event the premiums paid, adjusted for any adverse movement in account value less charges incurred on account of stamp duty and medical expenses, if any, will be refunded without interest.

## 19. Full Disclosure and Incontestability

This policy has been issued on the representation of the policyholder that the policyholder and member/s has/ have made and/ or caused to be made full disclosures of all relevant facts and circumstances. The Company shall not be



liable for any action taken in good faith upon any data, information or evidence so furnished which shall be or shall prove to have been erroneous or inaccurate. Such of the members' record in original (or certified copies thereof) and the register of member maintained by the policyholder, as in the opinion of the Company have a bearing on the benefits to be provided or the premiums payable hereunder shall be open for inspection by the Company at all times.

Any concealment, non-disclosure, misrepresentation or fraud shall render the policy liable for cancellation and/ or voidable at the option of the Company. If it deems fit, the Company may also forfeit the premium(s) received towards the term assurance.

In case any condition herein contained or endorsement made hereto shall be contravened or in case it shall appear hereafter that an untrue or incorrect averment is contained in the proposal papers or other statements furnished to the Company by the policyholder or that any material information has been withheld, then the benefits under this policy insofar as the same relate to a member shall be void and the relative term assurances shall cease and be determined and the amounts paid therefor to the Company shall be forfeited to the Company.

Company draws the policyholders' attention to Section 45 of the Insurance Act, 1938, which reads as under:

*"No policy of life insurance effected 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. 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."*

**20. Policyholder's obligations to furnish data**

The policyholder shall furnish to the Company all such data, information and evidence as the Company may reasonably require with regard to any matter having any bearing on the assurance effected or to be effected hereunder. The Company shall not be liable for any action taken in good faith upon any data, information or evidence so furnished which shall be or shall prove to have been erroneous or inaccurate. Such of the member's record in original (or certified copies thereof) and the register of member maintained by the policyholder, as in the opinion of the Company have a bearing on the benefits to be provided or the premiums payable hereunder shall be open for inspection by the Company at all times.

**21. Travel, Residence and Occupation**

This policy contains no restrictions as to travel, residence or occupation except as otherwise provided in any special provisions to this policy or by law.



**22. Proof of Age**

The age of the member/s is based on the last birthday attained prior to the effective date of coverage specified in the schedule. All premiums are calculated based on the age at last birthday as per the date of birth of the member/s recorded in the register of member. Should the actual age of the member differ from the one stated in the register of member, then, without prejudice to the Company's other rights and/ or remedies:

- i) if the actual age is higher than that stated in the register of member, the premium paid would be revised accordingly and the policyholder will be liable to pay the balance premium together with interest at such rates as may be decided by the Company from time to time; or
- ii) if the actual age is lower than that stated in the register of members, the policy will continue to be in force as per the terms specified herein and the premiums paid in excess will be adjusted against future payments to be made by the policyholder in respect of that member; or
- iii) if the member/s actual age is such that it would have made him/ her ineligible for the coverage stated in the schedule, then the Company reserves the right, at its discretion, to take such action as it deems fit, including cancellation of respective term assurance and forfeiture of premium(s) received in respect of such member.

**23. Dispute Redressal Cell.**

All consumer grievances may be first addressed to Our Customer Helpdesk at DLF Square Building, 11<sup>th</sup> & 12<sup>th</sup> Floor, Jacaranda Marg, DLF City-II, Gurgaon - 122002, Haryana, India or the servicing General Office and subsequently (if required) to the Insurance Ombudsman, whose address can be obtained from our above Office.

**24. Currency**

The policy is denominated in Indian Rupees.

**25. 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 policyholder from time to time.

Max New York Life Insurance Co. Ltd.,  
DLF Square, 11<sup>th</sup> and 12<sup>th</sup> floor,  
Jacaranda Marg, DLF City, Phase II,  
Gurgaon 122 002, Haryana

All notices meant for policyholder will be in writing and will be sent by Company to the policyholder address as shown in the schedule. If policyholder changes its address, policyholder must notify the Company immediately.

**26. Electronic Transactions**

Policyholder will adhere to and comply with all such terms and conditions as prescribed by the Company from time to time, and all transactions effected by or through facilities for conducting remote transactions including the Internet, World

Wide Web, electronic data interchange, call centres, tele-service operations (whether voice, video, data or any combination thereof) or by means of electronic, computer, automated machines network or through other means of telecommunication, established by Company or on Company's behalf, for and in respect of the policy, or in relation to any of Company's products and services, shall constitute legally binding and valid transactions when executed in adherence to and in compliance with the terms and conditions for such facilities, as may be prescribed by Company from time to time.

**27. Loss of the Policy Documentation**

If the policy document is lost then Company will, pursuant to policyholder written request and upon being satisfied as to the fact and cause of the loss, provide a copy. If a copy is issued, the original Policy document will cease to be of any legal effect. Policyholder agrees to keep Company indemnified and hold Company harmless from any costs, expenses, claims, awards or judgments arising out of or howsoever connected with the original policy document and this is an agreed condition precedent to policyholders' right to any payment under this policy.

**28. Evidence of Insurability**

- (i) For term assurance in excess of the free cover limit, the policyholder shall furnish evidence of insurability satisfactory to the Company in the form and manner prescribed by the Company before the sum assured or increase in sum assured (wherever applicable) is effected under this policy. If the evidence submitted in respect of the member/s is not satisfactory or the assurance on any life involves special risk or hazard of medical or other nature, the Company may modify the terms of acceptance of the assurance.
- (ii) If satisfactory evidence is not furnished or if any member is found to be uninsurable on the entry date or the relevant annual date of renewal, the assurance or increase in assurance (wherever applicable) shall not be effected in respect of the said member.
- (iii) In the absence of a written acceptance by the Company, the sum assured under the term assurance shall be limited to the free cover limit.

**29. Discharge of liability**

The policyholder shall hold this policy and all benefits payable under this policy UPON TRUST for the benefit of the person(s) to whom the benefits are payable in accordance with the schedule. The policyholder shall have no beneficial interest in the same.

The policyholder acts for and on behalf of the members in all matters relating to this policy. No member or any person claiming under him shall have any right or claim against the Company.

A discharge or receipt by the policyholder or any person or persons duly authorized in writing by the policyholder shall be a good, valid and sufficient discharge to the Company for all purposes in favour of the beneficiary(s).

**30. Right to deduct/recover taxes and duties**

Company shall make deductions from any payments to be made under this policy which Company reasonably believes 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 Company. The policyholder will bear the service tax and any other tax, cess, levy, as applicable on this policy.

**31. Fraud**

If policyholder or anyone acting at policyholder's direction or with policyholder's knowledge, or any beneficiary under or in respect of this policy makes or advances any claim knowing it to be false or fraudulent in any way, then this policy shall be void and any amount actually or potentially payable under this policy shall be forfeited.

**32. Governing Law**

Indian law shall govern this policy and the relationship between policyholder and Company.

**33. 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, 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 F.I.R 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.

**34. Suicide exclusion**

Notwithstanding anything stated in the policy, if a member under the policy dies by suicide, whether sane or insane, within one year from the relevant entry date or the effective date of any revival of this policy, whichever is later, the policy coverage towards the one year renewable term assurance in respect of the member shall come to an end simultaneously. In such an event, we will only refund the premium(s) received from the entry date or the effective date of any revival, whichever is later, towards term assurance of the member, without interest, less any expenses incurred by us.

**35. Right to vary rates, terms and conditions**

In the event the rules and/or register of member are amended, such amendments, shall become effective against the Company only if the said amendments are intimated to the Company within 30 days of such amendment and is approved by the Company. In the event of intimation of inclusion of member/s being reported after the said period, the Company reserves the right to call for evidence of insurability of such member/s and cover shall be provided/cancelled only from the date of such intimation upon written confirmation from the Company. Any alteration or amendment that may become necessary in the terms and conditions of this policy on account of any amendment or alteration to the rules and/ or register of member shall be given effect to by appropriate endorsements to the policy signed by an authorised officer of the Company.

The Company reserves the right to revise the premium rates and any other provisions of this policy upon giving to the policyholder two months' notice in writing prior to the annual renewal date, of its intention to do so. Any such variation shall apply to increases in benefits becoming effective hereunder on or after the date of expiry of notice relating thereto and also to all benefits in respect of the members who become members on or after such date.

Any alteration in benefits due to change in salaries of the members shall for the purpose of this policy take effect only from the annual renewable date, which is coincident with or which next follows the date on which the change in salary takes effect.

Any amendment or modification of the scheme shall have effect for the purpose of this policy only to such extent as the Company shall in writing agree and the consequential changes in the relevant provisions hereof shall be given effect to by endorsements to the policy.

The policyholder shall at the request of the Company produce the policy whenever necessary including for the purpose of stamping, reference or inspection.

**36. Nomination**

Notice of nominations including any change thereof, should be maintained by the policyholder in the register and submitted to the Company at the time of claim settlement.



ENDORSEMENTS