

GIVE YOUR GROUP A SAFE AND REWARDING FUTURE

Aegon Life Group Gratuity Insurance Plan

A unit linked Group Gratuity Plan



IN THIS POLICY, THE INVESTMENT RISK IN INVESTMENT PORTFOLIO IS BORNE BY THE POLICYHOLDER. THE LINKED INSURANCE PRODUCTS DO NOT OFFER ANY LIQUIDITY DURING THE FIRST FIVE YEARS OF THE CONTRACT. THE POLICYHOLDER WILL NOT BE ABLE TO SURRENDER / WITHDRAW THE MONIES INVESTED IN LINKED INSURANCE PRODUCTS COMPLETELY OR PARTIALLY TILL THE END OF THE FIFTH YEAR.

INTRODUCTION

Are you running a scheme for your employees that offers benefits like Gratuity that will be payable in the future? Since such liabilities increase with time, it may become difficult to pay the benefits as you go. It is therefore beneficial that the employer sets up a separate fund from which these benefits may be paid out.

Aegon Life Insurance now offers a market linked Group Gratuity Policy designed to fund for such benefits. The contributions that you pay to fund your scheme will be invested in our unit-linked funds and will be available for payment of the benefits when they fall due. Additionally, the product also provides for life cover for all the employees covered under the policy.

AEGON LIFE GROUP GRATUITY INSURANCE PLAN

Aegon Life Insurance offers a unit-linked group Gratuity plan that helps to fund Gratuity obligation in a scientific manner.

WHAT IS THE GRATUITY BENEFIT?

The accrued gratuity benefit is payable on cessation of employment (either by resignation, retirement or termination) as advised by the Policyholder in terms of the provisions of the Trust Deed and the Rules, subject to the availability of sufficient funds in the policyholder's account.

Life Insurance Cover: Aegon Life Group Gratuity Insurance Plan provides greater value to your employees by packaging Gratuity with life cover.

Death Benefit: The accrued Gratuity benefit is payable on cessation of employment due to death as advised by the policyholder subject to the availability of sufficient funds in the

policyholder's account plus the sum assured applicable for individual member.

Under any circumstances, if the account balance is not sufficient to pay the stated benefits, the shortfall will be borne entirely by the policyholder. For all death claims the life cover along with the accrued Gratuity will be payable to the policyholder.

HOW WOULD CONTRIBUTIONS TOWARDS GRATUITY BE MADE?

The contribution payable under this policy every year could be based on the valuation as per AS 15 (revised). The contribution is not level and may vary from year to year. Each contribution received from the policyholder will be allotted in a proportion as selected by the policyholder among the investment funds chosen by the policyholder.

In this document, Contribution refers to the Premium for Gratuity benefit and Premium for life insurance cover is referred as life insurance premium.

HOW WOULD THE LIFE INSURANCE PREMIUM BE PAID?

Life insurance premium is payable in addition to the contribution payable towards funding of Gratuity benefit.

The life insurance premium for the group at inception / renewal of the policy will be calculated based on age specific rates and guaranteed for only one year.

The life insurance premium rate applicable to the new joinees during the policy year will be a unit rate. This unit rate will be calculated as total life insurance premium divided by total sum assured *1000, at the inception/renewal of the policy. This unit rate will remain constant throughout that policy year.

Applicable service tax will be levied on the life insurance premium.

PRODUCT OFFERING

Aegon Life offers a market linked plan that offers higher flexibility and transparency than any other traditional or self-administered Gratuity scheme. We offer multiple fund options to meet your diverse financial goals. The investments will be made in accordance with the fund objectives.

	Segregated Fund Identification Number (SFIN)	Equities	Fixed Interest Securities and Money Market Instruments
Group Debt Fund	ULGF00128/03/ IIGDEBT0138	0%	100%
Group Equity Fund	ULGF00228/03/ IIG EQUITY0138	80%-100%	0% - 20%z

BENEFITS OF AEGON LIFE GROUP GRATUITY INSURANCE PLAN

- **Multiple Investment Options** : Choice of multiple funds with a flexible investment pattern.
- **Switching Option** : While you have chosen a fund option, you have the flexibility of switching between our various funds at any time. Switching between the various funds is allowed depending upon your requirements. We allow unlimited switches free of cost every year.
- **Contribution Redirection** : The contributions can be redirected for investments into fund/s of your choice and need not adhere to the initial investment pattern. We allow unlimited redirection requests free of cost.
- **Transparency** : Portfolio Disclosure of the funds is done on a Quarterly basis. This enables you to achieve better fund management.
- **Additional units** : The Company may add units into the Policy account of the Policyholder at various times in the Policy Term to comply with the existing IRDAI regulations with respect to net yield on the

- **NAV* declaration** : Fund Value.
NAV is declared daily, enabling you to track the performance of the fund chosen by you.*NAV = (Market / Fair value of scheme's investments + Current Assets – Current Liabilities & Provisions) / No. Of units Outstanding under the relevant plan
- **Unit Pricing** : The contribution received in respect of the client is converted into number of units based on the Net Asset Value (NAV) per unit at that point of time.
- **Tax Benefit** : Tax benefits are as per the provisions of the Income Tax Act, 1961. Tax laws are subject to change.

ADDITION OF NEW MEMBER?

All new joinees become a part of the group, if they meet the eligibility criteria (as specified in the scheme rule provide by the policyholder).

The life cover starts from the date of joining the company or as specified in scheme rules provided by Policyholder.

The particulars of the new joiners may be submitted by the policyholder on a monthly basis.

The premium for life insurance cover is payable annually in advance (on a pro-rata basis).

ELIGIBILITY

Eligibility	Employer - employee groups
Policyholder	Employer
Minimum group size	25 employees
Entry Age	Minimum: 18 years age last birthday Maximum: As specified in the scheme rule subject to maximum of 74 years on last birthday

Maximum Maturity Age	As specified in the scheme rule subject to maximum of 75 years age last birthday
Policy Term	Minimum : 1 year Maximum : No limit, however for an individual member the term will be subject to a maximum age of 75 Years on last birthday
Contribution towards Gratuity	No Limit
Life Insurance Premium	Depends on the total sum assured for all members in scheme
Sum Assured	Minimum: Rs.1,000 per member Maximum:As defined in the scheme rule
Premium Payment Mode	Contribution towards Gratuity benefit: Contributions towards Gratuity can be paid any time during the policy term as provided in the scheme rule by the policyholder Life Insurance Premium: Annual renewal premium

CHARGES

- Fund Management Charge: 0.30% p.a. this charge may be increased in future subject to prior approval from IRDAI but shall not exceed 1.35% p.a. for any of the fund/s.
- Premium Allocation Charge: Nil
- Policy Administration Charge: Nil
- Discontinuance charges: Nil

OTHER TERMS & CONDITIONS

- **Free Look Period:** In case of disagreement with any of the terms and conditions of the Policy, You may return the Policy document along with a letter stating the reasons for disagreement within a period fifteen days of receipt of the Policy document (“the free look period”). The Policy will be cancelled and an amount equal to the following will be paid to You: (Fund value as on the date of request received by the Company + proportionate life insurance premium for unexpired period) – (stamp duty + cost of medical examination, if any) The Policy and all the rights under the Policy

shall stand extinguished immediately on the cancellation of the Policy under the free look option.

- **Grace Period:** A grace period of 30 days is given in order to pay the life insurance premium.
- **Discontinuance:** Policy can be discontinued anytime. There is no discontinuance charge. On discontinuance, the policyholder will get the fund value less market value adjustment. Market value adjustment is defined as below: Fund value on date of surrender less market value of investments sold by the fund plus the expenses incurred in the sale of the assets.
- **Discontinuance of life insurance premium:** Policy will discontinue if renewal life insurance premium is not paid within grace period. Policy can be renewed within 2 years from the date of first unpaid life insurance premium. If death occurs within the grace period of 30 days from the date of first unpaid life insurance premium, the death benefit is payable. The death benefit is the accrued Gratuity benefit as advised by the policyholder subject to the availability of sufficient funds in the policyholder’s account plus the sum assured applicable for individual member, provided all due life insurance premiums are paid before expiry of grace period. The investment in the investment funds continues even on termination of the life cover.
- **Revival:** Any policy where a due life insurance premium has not been paid and revival request has been made by the policyholder within 2 years from the date of first unpaid life insurance premium, the following need to be submitted:
 - I. Satisfactory evidence of insurability of the members; and
 - II. Payment in full of an amount equal to life insurance premium applicable as on the date of revival.
- The Effective Date of Revival is the date on which the above requirements are met by the proposer and approved by the Company.
- On revival of the policy, all benefits under the policy will become payable to the policyholder as per the terms and conditions of the policy from the date of revival.
- If the policy is not revived within the revival period then the policy will terminate and the discontinuance value will be paid to the policyholder.
- **Increase / decrease in Sum Assured:** You can increase or decrease the sum assured at the time of renewal of the policy.

- **Method of calculation of Unit Values (Valuation of Unit Linked Funds):** The unit pricing shall be computed as Market value of the investment held by the fund plus value of current assets less value of current liabilities and provisions, if any and divided by the number of units existing on the valuation date (before creation / redemption of units). Units will be created in the Investment Fund/s on receipt by the Company of the contribution (except First contribution) along with a local cheque/demand draft payable at par at the place where the premium/application for switch is accepted by us on the following basis:

- The same day's closing Unit Price shall be applicable if received before the Cut-off time (the "Same Day")
- The next day's closing Unit Price shall be applicable if received after the Cut-off time (the "Next Day")
- In respect of contribution (except First contribution) received with outstation cheques/demand drafts at the place where the contribution is accepted by us, the closing unit price of the day on which cheques/demand draft is realized shall be applicable. In respect of First contribution, the applicable Unit Price will be of the date of commencement of policy or date of realization of the amount by the Company, whichever is later. If the Same Day or the Next Day or the due date of the contribution is not a Valuation Date, then the Company shall apply the Unit Price of the next immediate Valuation Date. Units will be cancelled from the Investment Funds, when an application (including in respect of claims, discontinuance, maturity, and switch) is received by the Company:
- At the same day's closing Unit Price (the "Same Day"), if received before the cut-off time.
- At the next day's closing Unit Price (the "Next Day"), if received after the cut-off time.
- Company will follow the rounding off rules as given under for the computation of unit price and number of units:
- Unit Price will be computed to four decimal places.
- Number of Units will be computed to six decimal places. Cut-off time is 3 p.m. as stipulated by IRDAI.

- **Investment Fund Closure / Modification:** The Company reserves the right to close / modify any Investment Fund at any time by giving a three month written notice of its intention to close/ modify the Investment Fund and from the date of such closure/ modification the Company will cease to create or cancel Units in the said Investment Fund ('Closing Investment Fund'). Closure/

modification of an Investment Fund will be on the happening of an event which in the sole opinion of the Company requires the said Investment Fund to be closed/ modified and such closure / modification of an investment fund shall be subject to prior approval of IRDAI. The Company will require the policyholder who has invested in the Closing Investment Fund to replace it with another Investment Fund/s ('Replacing Investment Fund') in the format specified by the Company and before the date specified in the written notice of the Company. Upon receiving policyholder's confirmation, units in the Closing Investment Fund allocated to the Policy will be cancelled on the last Valuation Date of the Closing Investment Fund. The Company will create Units in the Replacing Investment Fund/s, with proceeds from the cancellation of the Units in the Closing Investment Fund on the last Valuation Date of the Closing Investment Fund. If the Company has not received the confirmation as above from the policyholder for modification of Investment Fund allocation before the closure of the Investment Fund, the Company will: Switch policy funds from the Closing Investment Fund to the most conservative Investment Fund then available; and change policy Allocation Proportion in such a way that the percentage of allocation of contribution to the Closing Investment Fund is added to the percentage allocated to the most conservative Investment Fund option then available. Currently the most conservative Investment Fund option is Group Debt Fund. The Company would however declare the most conservative Investment Fund option from time to time depending upon its then current Investment profile.

Prohibition of Rebates

Section 41 of the Insurance Act, 1938 (as amended from time to time) states: 1) No person shall allow or offer to allow, either directly or indirectly, as an inducement to any person to take out or renew or continue an insurance in respect of any kind of risk relating to lives or property in India, any rebate of the whole or part of the commission payable or any rebate of the premium shown on the policy, nor shall any person taking out or renewing or continuing a policy accept any rebate, except such rebate as may be allowed in accordance with the published prospectuses or tables of the insurer. 2) Any person making default in complying with the provision of this section shall be punishable with fine, which may extend to Rs. 10 Lacs.

Non-Disclosure

Section 45 of the Insurance Act, 1938 (as amended from time to time) states: 1) No Policy of Life Insurance shall be called in question on any

ground whatsoever after expiry of 3 yrs from the date of date of policy i.e. from the date of issuance of policy or the date of commencement of risk or the date of revival of policy or the date of rider to the policy, whichever is later.

2) On the ground of fraud, a policy of Life Insurance may be called in question at any time within 3 years from the date of issuance of policy or the date of commencement of risk or the date of revival of policy or the date of rider to the policy, whichever is later. For this, the insurer shall have to communicate in writing to the insured or legal representative or nominee or assignees of insured, as applicable, mentioning the ground and materials on which such decision is based.

[For full texts of Section 38, Section 39 and Section 45, please refer to the Insurance Act, 1938 \(as amended from time to time\).](#)

Disclaimer

- This product brochure should be read along with the benefit Illustration. The brochure is not a contract of insurance. The precise terms and conditions of this plan are specified in the policy contract.
- This product is underwritten by Aegon Life Insurance Company Ltd.
- Sub-standard lives may be charged extra premiums as per the insurer's underwriting policy
- Insurance is the subject matter of the solicitation
- Insurance cover is available under this product

ABOUT AEGON LIFE INSURANCE

Aegon Life Insurance Company Limited (formerly AEGON Religare Life Insurance Company Limited) launched its pan-India operations in July, 2008 following a multi-channel distribution strategy with a vision to help people plan their life better. The fulfillment of this vision is based upon having a complete product suite, providing customised advice and enhancing the overall customer experience. Aegon, an international provider of life insurance, pensions and asset management and Bennett, Coleman & Company, India's leading media conglomerate, have come together to launch Aegon Life Insurance. This joint venture adopts a local approach with the power of global expertise to launch products that are focused on providing customers with the means to meeting their long-term financial goals. The company is headquartered in Mumbai having 53 branches across 46 cities. The company has around 9600 life insurance agents serving over 4 lakh customers across India.

ABOUT AEGON

Aegon's roots go back 170 years – to the first half of the nineteenth century. Since then, Aegon has grown into an international company, with businesses in more than 20 countries in the Americas, Europe and Asia. In the US, Aegon's leading market, it operates under the Transamerica brand. Today, Aegon is one of the world's leading financial services organizations, providing life insurance, pensions and asset management. Aegon never loses sight of its purpose to help its customers secure their long-term financial future. With around 28,000 employees, it has 635 billion Euros of revenue-generating investments.

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For more details:

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