

Secure the financial needs of your employees with **guaranteed returns***.

Financial schemes offered:



Gratuity



Superannuation



HDFC Life Group Traditional Secure Plan

A Single Premium Traditional Non-Participating Group Plan



Sar utha ke jiyo!

*Applicable on maturity of each tranche within the Master Policy.

HDFC Life Group Traditional Secure Plan

A Single Premium Traditional Non-Participating Group Plan

Everyone wants to avail the benefits of life insurance at different walks of life irrespective of socio economic background or profession. A group life insurance especially comes in handy covering a defined group of people, for example, employees of an organization. It has several advantages, chief among which is a life cover made available to employees so long as they belong to the group that is applying for insurance, and secondly a maturity benefit when they exit the group.

HDFC Life Group Traditional Secure Plan is a Single Premium, Traditional, Non Participating Group Plan which offers assured returns on the Master Policyholder's contribution. This product is offered only to employer-employee groups and may be purchased by the Master Policyholder (MPH) to back Superannuation or Non Superannuation liabilities like Gratuity.

HDFC Life Group Traditional Secure Plan offers:

- Interest crediting at end of each financial year.
- Income Tax Benefits to Master Policyholder as per prevailing Tax Laws.
- Withdrawals from the policy under defined circumstances in a financial year.
- Multi-year guarantee feature which offers returns over a specified period.
- Annuitisation of benefits from Superannuation funds with option to choose insurer for the same.
- Assured benefit applicable for Superannuation Schemes.

CHECK YOUR ELIGIBILITY

To join this Plan, the scheme members need to fulfill the following conditions:

Parameters	Minimum	Maximum
Age at Entry (last birthday)	18 years	75 years
Policy Term	1 year	Annually renewable. Policy to continue indefinitely until its surrender, or expiry of membership term of existing members and there are no new members
Premium Payment Term	Single Pay	
Maturity Age (last birthday)	19 years	85 years
Contribution from MPH	1 Crore per tranche	No Limit

Minimum group size is 10 members and new members can join at any well defined date as per scheme rules.

POLICY STRUCTURE

Each contribution will have a separate Tranche with respective interest rate based on the Specified Period, the minimum Specified Period being one year. Each tranche under the policy will have a commencement date and an end date based on the chosen specified period.

For each contribution/tranche made from the MPH, a new tranche number will be generated.

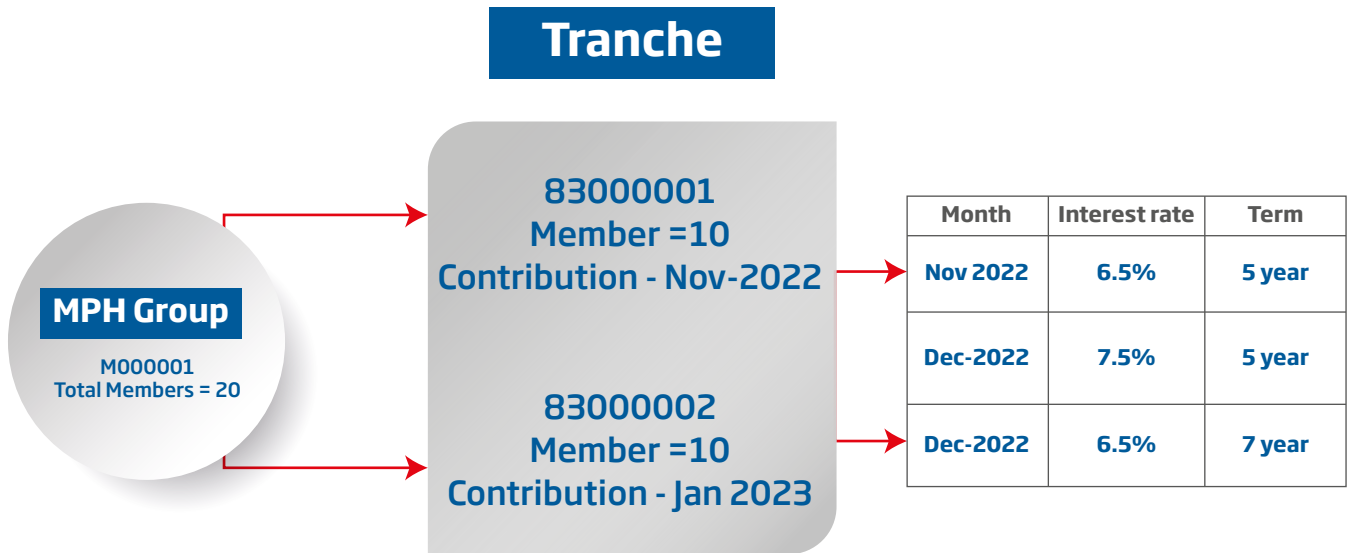


Figure 1 - Illustration of Policy Structure of the MPH

The number of members in a tranche is fixed as on commencement date of the tranche. Further addition of members is not allowed in any existing tranche.

Policy commencement date will be the date when first contribution is received. Count of members will be maintained at policy and tranche level.

There has to be a separate master policy for Superannuation schemes and Non Superannuation schemes like Gratuity.

INTEREST RATE DECLARATION

The interest rates declared are for specified period applicable for a given tranche. The minimum specified period shall be one year.

INTEREST CREDITING

The Company will declare interest rates at the beginning of each month for all specified periods and the same interest rate will be applicable on the contributions to be received in that month for that specified period. Interest rate declared shall be valid for specified period. However, in case of significant volatility in the market, the Company reserves the right to revise the interest rates during the month also, however, it shall not impact the contributions already received prior to the date of such revision.

The interest rates for the specified periods shall be declared based on the expected yields to be earned on the underlying funds over the tenure and determined such that the difference between the gross and net yield doesn't exceed 80 bps, from which any expenses incurred would be met.

The Contribution, net of withdrawals and mortality charge, accumulates at the interest rate applicable to each specified period as chosen by the Policyholder. The interest shall be credited at the end of each financial year and for any tranche created during the financial year, interest will be credited on the pro-rata basis.

The interest rate credited to each Tranche and expenses charged to such Tranches shall be in accordance with the Board approved policy of the insurer.

BENEFITS TO THE POLICY HOLDER

Benefits on Death

For Non Superannuation Schemes like Gratuity schemes -

A sum of Rs. 5,000 will be paid by the company to the trustees/ beneficiary in addition to the benefit payable in accordance with the scheme rules of the employer. The benefit payable from the policy account value shall be subject to a maximum of 10% of the policy account value at the start of the financial year.

For Superannuation schemes -

Benefit is payable in accordance with the scheme rules of the employer. The benefit payable from the policy account value shall be subject to a maximum of 10% of the policy account value at the start of the Financial Year or the assured benefit.

For both types of schemes, in the first financial year of every new tranche created, no benefits will be payable from the policy account value of that tranche.

On payment of death benefit, all benefit in respect of the member will cease.

Benefits on Maturity

The maturity/vesting amount shall be equal to the maximum of policy account value at the end of the specified period or the assured benefit. At the end of specified period the policyholder shall have the following three options:

- **Option 1 (Default option):** If the Master Policyholder has an existing traditional policy (HDFC SL Group Traditional Plan), the maturity/vesting amount should be transferred into that and in this case the tranche will be closed.
- **Option 2:** The Master Policyholder can choose to reinvest the maturity/vesting amount in a new tranche of its choice at existing interest rates at that time. In this case the policy will continue with a new tranche created.
- **Option 3:** The Master Policyholder can choose to withdraw the entire maturity/vesting amount. Once this benefit is paid, the existing tranche will be closed.

On maturity/vesting of the tranche, all benefits in respect of the member associated to that tranche will cease and there shall be no further benefit payable.

Assured Benefit

For a Superannuation tranche, there will be an assured benefit applicable on death and vesting. The assured benefit will be in the form of 1% p.a. guaranteed return on the policy account value at the start of the policy year.

Benefits on Surrender

The Master Policyholder may surrender the policy at any time, by giving one month's notice. Such notice period can be waived by the company.

The surrender benefit shall be the master policy account value less surrender charge as per the prevailing regulations less Market Value Adjustment (MVA) charge. The surrender charges as per current regulations are 0.05 percent of the master policy account value with a maximum of Rupees Five Lakhs if the policy is surrendered within third annual renewal of the policy, nil otherwise.

On surrender of the policy all rights, benefits and interests under the Policy shall be terminated.

Surrender can be executed on tranche level and interest needs to be accumulated on pro-rata basis for that financial year.

MVA Calculation

MVA shall be applicable on bulk exits during any policy year of the tranche within the specified period. At the time of each exit, the Insurer shall calculate total exits (including current exit request) during the policy year of the tranche.

If the sum of total exits during the policy year of the tranche is less than 25% of policy account value at the beginning of policy year of the tranche, no MVA shall be applied. During any exit, if the total exits during the policy year of the tranche become greater than 25% of policy account value at the beginning of year, below MVA factor shall be applied on exit amount above 25% of policy account value at the beginning of policy year of the tranche.

MVA factor is expressed as below:

Market Value (MV) Loss % = $\text{Max}(0, (\text{Policy Account Value} - \text{Market Value}) / \text{Policy Account Value})$

MVA factor = $[\text{Market Value loss}\% \div (\text{Market Value} \div \text{Policy Account Value})]$

,where Policy Account Value means an Account Value which is the accumulation of contributions received net of withdrawals and mortality charges plus accrued interest in a Tranche and Market Value means market value of the assets in respect of the Policy Account Value.

Once the MVA has been triggered during the policy year of the tranche, all future exits till the end of policy year of the tranche shall be subject to MVA.

At the end of each policy year of the tranche, total exits shall be reset and above mentioned steps will be repeated.

Benefits on Withdrawal

For Non Superannuation Schemes like Gratuity Schemes:

Withdrawals from the policy account would be permitted in the following circumstances:

- to meet death claims
- to meet normal retirement claims
- to meet other valid benefit payments as per the scheme rules

The withdrawal amount requested by the policyholder will be paid from the policy account value subject to the overall benefit capped to 10% of the policy account value at the start of the financial year.

For Superannuation Schemes:

Benefit amount will be payable in accordance with the Superannuation Scheme Rules of the Employer subject to the overall benefit capped to 10% of the Policy Account Value at the start of the Financial Year.

For both types of schemes, in the first financial year of every new tranche created, no benefits will be payable from the policy account value of that tranche.

ANNUITY PURCHASE

The provisions relating to the annuitisation of benefits wherever applicable will be as per scheme rules of the MPH.

Where the group policyholder maintains superannuation funds with more than one insurer, the group policyholder shall have the option to choose the insurer to purchase an annuity.

MORTALITY CHARGE

A mortality charge of Re 1 per 1000 of sum assured will be levied only on Non Superannuation Schemes like Gratuity Schemes.

There are no Mortality charges for Superannuation schemes.

Mortality charges will be deducted from each tranche. In case of renewal also, the mortality charges will be deducted from the tranche on policy anniversary.

TERMS & CONDITIONS

It is recommended that the Master Policyholder reads this brochure & benefit illustration and understands what the plan is, how it works, the risks involved before purchase.

A. Exclusions:

Suicide Exclusion:

In case of death due to suicide, the nominee/beneficiary of the Scheme member covered shall be entitled to Sum Assured, if applicable, and benefits as per the scheme rules, as available on the date of death.

B. Exclusions, if any (e.g. occupational hazard, travel):

There are no exclusions for the death benefits.

C. Cancellation in the Free-Look period:

1. In case the Master Policyholder is not satisfied with the terms and conditions specified in the Master Policy, he has the option of returning the Master Policy to the Insurer stating the reasons thereof, within 15 days from the date of receipt of the Master Policy Document, as per IRDAI (Protection of Policyholders' Interests) Regulations, 2017.
2. In case of the Product is sold through Distance Marketing mode, the period will be 30 days from the date of receipt of the letter along with Master Policy. Distance Marketing refers to insurance policies sold through any mode apart from face-to-face interactions such as telephone, internet etc.

3. On receipt of the letter along with the Master Policy (original Policy Document is not required for policies in dematerialized form), the Insurer shall arrange to refund the premium paid by the Master Policyholder, subject to deduction of the proportionate risk premium for period on cover plus the expenses incurred by the Insurer on stamp duty (if any).

D. Grace Period for Non-Forfeiture Provisions

This is a single premium policy hence grace period is not applicable.

E. Prohibition of Rebates: In accordance with Section 41 of the Insurance Act, 1938, as amended from time to time:

1. No person shall allow or offer to allow, either directly or indirectly, as an inducement to any person to take 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 provisions of this section shall be liable for a penalty which may extend to ten lakh rupees.

F. Non-Disclosure: In accordance with Section 45 of the Insurance Act, 1938, as amended from time to time:

1. No policy of life insurance shall be called in question on any ground whatsoever after the expiry of three years from the date of the policy, i.e., from the date of issuance of the policy or the date of commencement of risk or the date of revival of the policy or the date of the rider to the policy, whichever is later.
2. A policy of life insurance may be called in question at any time within three years from the date of issuance of the policy or the date of commencement of risk or the date of revival of the policy or the date of the rider to the policy, whichever is later, on the ground of fraud: Provided that the insurer shall have to communicate in writing to the insured or the legal representatives or nominees or assignees of the insured the grounds and materials on which such decision is based.
3. Notwithstanding anything contained in sub-section (2), no insurer shall repudiate a life insurance policy on the ground of fraud if the insured can prove that the mis-statement of or suppression of a material fact was true to the best of his knowledge and belief or that there was no deliberate intention to suppress the fact or that such mis-statement of or suppression of a material fact are within the knowledge of the insurer: Provided that in case of fraud, the onus of disproving lies upon the beneficiaries, in case the policyholder is not alive.
4. A policy of life insurance may be called in question at any time within three years from the date of issuance of the policy or the date of commencement of risk or the date of revival of the policy or the date of the rider to the policy, whichever is later, on the ground that any statement of or suppression of a fact material to the expectancy of the life of the insured was incorrectly made in the proposal or other document on the basis of which the policy was issued or revived or rider issued: Provided that the insurer shall have to communicate in writing to the insured or the legal representatives or nominees or assignees of the insured the grounds and materials on which such decision to repudiate the policy of life insurance is based: Provided further that in case of repudiation of the policy on the ground of misstatement or suppression of a material fact, and not on the ground of fraud, the premiums collected on the policy till the date of repudiation shall be paid to the insured or the legal representatives or nominees or assignees of the insured within a period of ninety days from the date of such repudiation.

5. 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.

G. Nomination: Sec 39 of insurance Act 1938 as amended from time to time

1. The policyholder of a life insurance on his own life may nominate a person or persons to whom money secured by the policy shall be paid in the event of his death.
2. Where the nominee is a minor, the policyholder may appoint any person to receive the money secured by the policy in the event of policyholder's death during the minority of the nominee. The manner of appointment to be laid down by the insurer.
3. Nomination can be made at any time before the maturity of the policy.
4. Nomination may be incorporated in the text of the policy itself or may be endorsed on the policy communicated to the insurer and can be registered by the insurer in the records relating to the policy.
5. Nomination can be cancelled or changed at any time before policy matures, by an endorsement or a further endorsement or a will as the case may be.
6. A notice in writing of Change or Cancellation of nomination must be delivered to the insurer for the insurer to be liable to such nominee. Otherwise, insurer will not be liable if a bonafide payment is made to the person named in the text of the policy or in the registered records of the insurer.
7. Fee to be paid to the insurer for registering change or cancellation of a nomination can be specified by the Authority through Regulations.
8. A transfer or assignment made in accordance with Section 38 shall automatically cancel the nomination except in case of assignment to the insurer or other transferee or assignee for purpose of loan or against security or its reassignment after repayment. In such case, the nomination will not get cancelled to the extent of insurer's or transferee's or assignee's interest in the policy. The nomination will get revived on repayment of the loan.
9. The provisions of Section 39 are not applicable to any life insurance policy to which Section 6 of Married Women's Property Act, 1874 applies or has at any time applied except where before or after Insurance Laws (Amendment) Act 2015, a nomination is made in favor of spouse or children or spouse and children whether or not on the face of the policy it is mentioned that it is made under Section 39. Where nomination is intended to be made to spouse or children or spouse and children under Section 6 of MWP Act, it should be specially mentioned on the policy. In such a case only, the provisions of Section 39 will not apply.

H. Taxes

Indirect Taxes

Taxes and levies shall be levied as applicable. Any taxes, statutory levies becoming applicable in future may become payable by the Master Policyholder by any method including by levy of an additional monetary amount in addition to premium and or charges.

Direct Taxes

Tax will be deducted at the applicable rate from the payments made under the policy, as per the provisions of the Income Tax Act, 1961 as amended from time to time.

Contact us today



To buy: **1800-266-9777** (Toll free)
(Available all days 10am to 7pm)



Visit us at **www.hdfclife.com**



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HDFC Life Group Traditional Secure Plan (UIN: 101N174V01) is a single premium, traditional, non participating group plan. This Product Brochure is indicative of the terms, warranties, conditions and exclusions contained in the insurance policy. Please know the associated risk and applicable charges from the insurance agent or the intermediary or the policy document. ARN: PP/04/23/1753.

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