



*Group Term Insurance Plan*

## ICICI Prudential Group Term Insurance Plan

Are you a conscientious Employer? Have you insured your valuable human assets for a Life Protection cover? Invest in your employees' future and be rewarded with their loyalty and appreciation.

Opt for the ICICI Prudential Group Term Assurance Plan – a flexible solution that insures your employees against unfortunate incidents like death, disability or disease. The benefits under the policy would be payable to the member/ beneficiary on occurrence of the event.

### Advantages of the Plan:

#### You as an Employer can;

- Provide welfare benefits to the employees
- Use this as an employee incentive & Retention tool
- Have simple administration procedures
- Take optional riders at a nominal cost
- Enjoy tax benefits

#### Your Employees;

- Have Insurance protection at a relatively low cost
- Require no medical test (in most cases as per Free Cover Limit\*)
- Get covered 24 hours a day, 7 days a week, anywhere in the world
- Enjoy conversion option to an individual policy (subject to the terms and conditions of the Company\*\*)
- Life Protection with choice of optional riders

\* Free cover limit is the life cover limit upto which no medical underwriting may be required,

\*\* Conditions applicable to conversion option –

- The maximum age at conversion would be 45
- The cover applicable on the individual policy would be the cover availed under the group policy subject to a maximum of Rs 500,000/-

### Eligibility

**Group Size:** Minimum 25

**Age:** from the minimum age of 18 till the maximum age of 70 or normal retirement age of the employee, whichever is earlier

### Benefits Payable

The benefit (life cover) under the policy is payable on the death of the employee to the beneficiary nominated by him.

## Life Cover Details:

The basic term cover can be chosen in the following ways:

- as a multiple of salary
- as a flat cover
- as a grade wise cover
- as a cover against outstanding loan amount

The minimum cover to be taken is Rs. 1 lakh per employee.

## Additional Covers Offered:

We offer additional covers against accident and disabilities as riders to the basic plan for a nominal additional premium.

### Accident and Disability Benefit Rider (ADBR )

- On death due to accident caused by violent, external and visible means, the sum assured under the rider will be paid. The maximum benefit that can be availed of is equal to the basic sum assured subject to a maximum limit of Rs. 10 lakhs
- Death in a mass surface public transport - double benefit payable (ADBR only)
- On total and permanent disability due to accident, the sum Assured under the rider will be payable in ten annual installments, each equal to one-tenth of the amount of accidental cover. On death of such a Member before the last such installment, then the installments remaining unpaid shall become payable immediately. (ADBR)

### Accident Benefit Rider ( ABR )

- Under this rider an amount equal to sum assured under the rider is payable in the event of death of the Life Assured due to accident

### Critical Illness Rider (CI)

- This rider is available in two forms, viz. accelerated and additional benefit. Under the additional benefit critical illness rider, in the event o the life assured surviving 28 days after contracting critical illness, an additional payment equivalent of the sum assured under the rider would be made. Under the accelerated critical illness rider, the death benefit would be paid on diagnosis of the critical illness and the base plan along with the riders would terminate. The total sum assured under all policies under both these riders is Rs 10 lakhs.
- We cover 9 major illnesses which are;
  - Cancer
  - Coronary Artery By-Pass Graft Surgery (CABGS)
  - Heart attack
  - Major Organ Transplant
  - Stroke
  - Paralysis
  - Aorta-surgery
  - Heart valve replacement/surgery
  - Kidney Failure

**Waiting Period** – The CI rider would have a waiting period of 6 months from the date of commencement of risk. This is applicable for the first six months after entry into the group and not for every year. However if the person has joined the group with less than six months in the policy year the balance period would be the waiting period in the next policy year.

The maximum cover that can be taken under this rider is Rs 10 lakhs per employee.

**Exclusions** – The Critical Illness rider shall not have been caused by the existence of Acquired Immune Deficiency Syndrome or the presence of any Human Immunodeficiency Virus infection in the person of the Life Assured, self inflicted injury, drug abuse, failure to follow medical advice, war, whether declared or not civil commotion, pregnancy, breach of law, aviation, other than as a fare paying passenger in a commercial licensed aircraft (being a multi-engine aircraft), hazardous sports and pastimes.

The benefit will not be payable in respect of any illness other than those defined as Critical Illness, nor shall it apply to be payable in respect of any of those said illnesses the symptoms of which have occurred or which has been diagnosed or for which the insured person received treatment, during the first 6 months from the date of policy.

*Kindly contact the advisor for more details on the conditions covered by riders.*

## **Other Policy Details:**

- Term is a one-year renewable contract
- Policy is renewed within specified timelines
- Premiums are payable annually in advance.
- Renewable annually based on mutual discussions & past experience
- Scheme administration in terms of member addition and deletion can be done on a monthly basis
- Grace period of 30 days on annual renewal date:
  - Claim arising in grace period will be considered , provided the policy is renewed
- The Employee should not have remained absent or availed of leave of absence on grounds of health for a continuous period of 7 days or more in the year preceding his admission into the Scheme

**Free Look:** Under the free look period you have the flexibility to review your policy, If, during this period, you wish to return your policy after reviewing the terms and conditions, you may do the same, by returning the original policy certificate, the policy document and a letter stating the reasons for the return. Please note that these must reach our customer service desk within 15 days from the date of receipt of policy at your end. We shall refund the premium paid to you, after deducting certain charges. These charges include a proportionate risk premium for the period of cover, the stamp duty on the policy and/or any expenses borne by the company on the medical examination.

## Tax Treatment

- Premium paid by you is considered as part of the business expenses under Section 37 of Income Tax Act, 1961 and is tax deductible.
- Premium paid by the employer is not treated as a perquisite in the hands of the employee.
- All claim payments are considered as non-taxable receipts and can consequently be considered as tax exempt under Section 10 (10D) of the Income Tax Act, 1961.
- Term Insurance is not a statutory liability, since the benefit under this goes to the beneficiaries of the employees on death of the employees and hence it could be said that FBT is not applicable but there is another prevailing view according to which since the contribution towards term insurance is made by the employer for the employee benefit, the same will be taxed as FBT.
- Service Tax and education cess will be charged as per the applicable rates.

*\*Please refer to your tax consultant for details*

## Employee Additions & Exits

- All new employees become a part of the group, if they meet the eligibility criteria. The cover starts from the date of joining the company.
- The particulars of the new joinees are to be submitted by the Employer on a monthly basis along with the proportionate premium.
- The Employee should not have remained absent or availed of leave of absence on grounds of health for a continuous period of 7 days or more in the year preceding his admission into the Scheme.
- In the event of an Employee not satisfying this condition he shall join the Scheme on the day on which he satisfies the conditions provided that the Benefits may be granted if in any such individual case, the Company is satisfied on the basis of a medical underwriting of the case.
- In case of an individual leaving service or the group, life cover will cease immediately.
- The proportionate premium will be refunded for the employees leaving the scheme.

## Termination of Cover

The cover will cease on the earliest of:

- Date of withdrawal from Employer's service
- Normal retirement date or an earlier age specified for the group by the Employer
- Date of discontinuance of the policy