

CreditAccess Sarvochchah Nidhi

Gratuity Solution UIN: 163N007V02



About the Product:

CreditAccess Sarvochchah Nidhi gratuity solution is designed to meet the gratuity obligation in a planned and systematic manner for Employer-Employee, Non-Employer-Employee or any other group as defined in their Gratuity Scheme Rule of the respective groups.

This plan offers flexibility with respect to managing contributions and risk cover for their group members.

Working of the Plan:

- Employer or Group with more than 500 members needs to create a Trust and appoint trustee (who will be Master Policyholder) for the Gratuity Benefit. Wherever the group size is less than 500, employer or group can directly become a Master Policy Holder.
- Employer or Group needs to get their gratuity liability valuation assessed from a certificated Actuarial Assessor.
- Employer or Group needs to pay the relevant contribution towards gratuity liability as per the assessment.
- Each contribution will also carry a risk cover towards the death benefit.

Key Features and Benefits

Death Benefit:

On the death of the insured member due to any reason, sum assured of Rs.10,000/- is payable along with the Gratuity Benefit as per confirmation from MPH complying with the relevant Scheme Rules of the MPH.

Gratuity Benefit:

Payable to MPH on Member's resignation, retirement, or termination of service on any grounds. The amount of benefit payable will be guided by the details submitted by MPH and limited to the availability of funds in the Master Policyholder Account (MPA).

In case where the MPA balance is insufficient to cover the benefits as requested by the MPH, then MPH to provide additional contribution to us to enable disbursement of said benefits. The responsibility resides with MPH to ensure sufficient contributions are made to enable gratuity benefit payouts. Company's total liability for gratuity benefit is limited to the total value in the Master Policy Account (MPA).

Surrender Benefit

The MPH can surrender anytime during the term of the policy. Subject to the following

- If the Master Policy is being surrendered within the first three years from the initial inception date; then a surrender charge of 0.05% will be applied on the MPA with a maximum of Rs 5,00,000. The surrender payout will be done in 5 working days from the complete request received date.
- There are no surrender charges after three full years completion from the initial inception date.

Coverage Details

- ✓ **Age:** 18 to 74 years at entry.
- ✓ **Death Benefit:** ₹10,000
- ✓ **Policy Term:** Annually renewable.
- ✓ **Minimum Group Size:** 10.

Investment Returns

Each master policyholder will have a master policy account reflecting their accrued value, credited with the contributions paid after deducting all applicable charges and risk premium.

This account will earn on a guaranteed minimum annual interest rate. All withdrawals and payouts are deducted from this policy account.

- Your contributed funds will be invested as stipulated by IRDAI.
- The fund will be invested as per section 27, 27A and 27D of the Insurance Act, 1938. The assets backing this product shall be kept segregated and the policy account value under this product. The valuation of assets shall be in accordance with IRDAI (Assets, Liability and Solvency Margin of Life Insurance Business) Regulations, 2016 and other relevant Regulations.

- Interest on the policy account shall be credited as follows:
- **Guaranteed Interest Rate:** A minimum interest of 0.50% per annum is guaranteed for the policy's term.
- **Regular Interest Rate:** An additional regular interest rate is declared annually, based on a combination of the current year's net earned return, the previous year's rate, and the long-term target rate, considering appropriate expenses and margins.
- Risk Premium payments are not included in the interest rate calculation.
- The regular interest rates are declared according to fund sizes, with rate differences based on fund weightage in the portfolio. Both interest rates are applied on a pro-rated basis.

Annexure

- **Taxes**

Any changes in Tax levy as per the prevailing rules will be applied to the Master Policy Account. The method of such levies will be informed to the Master Policy Holder in advance.

Any Tax benefit under this policy will comply as per the prevailing tax laws, and as amended time to time. Master Policy Holder to consult with their respective tax advisors for necessary clarification.

Section 41 of the Insurance Act, 1938 as amended from time to time: 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. Any person making default in complying with the provisions of this section shall be liable for a penalty that may extend up to ten lakh rupees.

Fraud & Misstatement: Section 45 of the Insurance Act, 1938: Fraud & Misstatement would be dealt with in accordance with provisions of Sec 45 of the Insurance Act 1938 as amended from time to time.

CreditAccess Life Insurance Limited

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