

## Make fulfilling their promises a part of your business plan



**Canara HSBC Oriental Bank of Commerce Life**

### **Group Traditional Plan**

A Non-Linked Non-Par Life/Pension Group Savings Insurance Plan

**Solution for all Employee benefit schemes like Gratuity, Leave Encashment,  
Superannuation and Post Retirement Medical Benefits**

**For more information, ask your bank branch staff**

**Purchase of any insurance products by a bank's customer is purely voluntary and is not linked to availment of any other facility from the bank**

**Canara HSBC Oriental Bank of Commerce Life Group Traditional Plan**

Canara HSBC Oriental Bank of Commerce Life Insurance Company Limited presents Group Traditional Plan which is a Non-Linked Non-Par Life/Pension Group Savings Insurance Plan. This plan caters to the needs of employers, trustees or group administrators who would like to fund their group members' retirement and or other welfare benefit schemes i.e. gratuity, leave encashment, post retirement medical benefit and superannuation.

**Partner with Us**

Canara HSBC Oriental Bank of Commerce Life Insurance Company Limited is a company formed jointly by three leading financial organizations - Canara Bank and Oriental Bank of Commerce, which are two of India's largest nationalized banks in terms of aggregate business, along with HSBC Insurance (Asia Pacific) Holdings Limited.

The shareholding pattern of the Joint Venture is as follows - Canara Bank - 51%, HSBC Insurance (Asia Pacific) Holdings Limited - 26% and Punjab National Bank - 23%.

At Canara HSBC Oriental Bank of Commerce Life Insurance Company Limited, our aim is to provide you with a transparent range of life insurance solutions designed to simplify our customer's lives.

**Key features of this plan**

- This is a group savings plan and can be opted for by employer-employee group for the funding of scheme benefits, payable to their employees as per schemes rules.
- No medicals are required under this plan.
- This plan covers a wide variety of schemes like,
  - Defined Benefit (DB) - Gratuity, Leave Encashment, Superannuation or Post Retirement Medical Benefits schemes
  - Defined Contribution (DC) - Superannuation schemesUnder each scheme, only one out of DB or DC cover will be allowed as per the scheme rules. In addition, each member in DB/DC scheme will be covered with a Sum Assured of Rs. 1,000. Hybrid schemes will not be covered under this product.
- The contributions will be determined by the Master Policyholder (group administrator / employer / trustee) based on the rules of the scheme. This plan will allow for payment of contributions for current year's service (Annual Contributions), past service (Past Service Contributions/ Initial Contribution) as well as transfer of accumulated funds from other similar schemes (pension or non-pension). Transfer of accumulated funds from other similar schemes implies that transfer-ins of accumulated funds from like schemes (i.e. gratuity to gratuity, superannuation to superannuation) maintained by you with other insurance companies will be allowed. Such transfer-ins and/or other contributions are allowed at any time and any number of times during the financial year. For such transfers and / or contributions, the Master Policyholder is required to take the necessary approvals required at its end as per extant accounting standard governing the measurement of long term employee benefits.
- At the end of every financial year, the interest rates will be declared in arrears, as per Board Approved Interest Rate & Expense Policy. The interest amount (based on the weighted average Scheme Account value and the interest rate as declared by the Company) will be added to the Scheme Account of the Master Policyholder.
- Explicit mortality cost of Rs. 2 per 1000 Sum Assured plus Goods and Services Tax & applicable cess (es)/levy, if any, calculated at member level on pro-rata basis will be levied through deduction in the annually declared interest rate.
- Interest rate may also vary depending on the fund size. In order to decide the applicable fund size slab basis which the interest rate shall be declared such that the interest income credited to a client, the total of the scheme account values as at the end of the financial year pre interest credit, across all schemes under for that client within this product equals the total interest income calculated, shall be considered. Such interest rates will be declared with appropriate disclosure on our website.
- The minimum interest rate is at 0.01% p.a. for every fund size slab.
- Interim interest rate applicable for interest credits on member exits (for DC schemes) and for Master Policy surrenders (all schemes) during a financial year shall be as per Board Approved Interest Rate & Expense Policy. Further the interim interest rate shall be 0.01% p.a.
- For DC schemes, member level scheme accounts (up to two accounts per member) will be maintained. In addition a Master Policyholder scheme account will be maintained in case it is required. For DB schemes one Master Policyholder level scheme account will be maintained.
- The benefit amount may differ from scheme to scheme and shall be as per scheme rules agreed with Master Policyholder at inception.
- For Pension schemes you have the flexibility to purchase annuities either from us or from any other insurer with which you have a superannuation policy without any charge.
- Tax Benefits under the policy will be as per the prevailing Tax laws and are subject to amendments from time to time. For tax related queries, contact your independent tax advisor.

### **Eligibility conditions**

	Minimum	Maximum
Age at entry (last birthday)	Higher of: <ul style="list-style-type: none"><li>• 18 years</li><li>• Minimum age as per scheme rules</li></ul>	Lower of: <ul style="list-style-type: none"><li>• 79 years</li><li>• Maximum age as per scheme rules</li></ul>
Maturity age (last birthday)	Not applicable	Lower of: <ul style="list-style-type: none"><li>• 80 years</li><li>• Maximum maturity age as per scheme rules</li></ul>
Group Size	10 members	No limit
Initial Contribution <ul style="list-style-type: none"><li>• Defined Benefit schemes</li><li>• Defined Contribution schemes</li></ul>	Rs. 50,000 per scheme Rs. 1,000 per employee per annum	No limit

### **Benefits for your group members**

The benefits on various events will be based on a pre-defined formula as prescribed in the scheme rules (as agreed with the Master Policyholder at inception) and are payable as hereunder:

- **Death benefit:** The death benefit as per the scheme rules will be paid from the Scheme Account to the beneficiary. Additionally, we will pay the sum assured of Rs. 1,000 as death benefit per member.
- **Resignation:** On resignation, the benefit amount as per the scheme rules will be paid from the Scheme Account to the member.
- **Retirement:** On retirement the benefit amount as per the scheme rules will be paid from the Scheme Account to the member.
- In case of any other event as per scheme rules (as agreed at the inception of contract with Master Policyholder), the benefit will be paid from the Scheme Account.
- In case of DC schemes, there shall be an assured benefit that shall be applicable on each of such individual accounts wherein the absolute amount to be paid on maturity shall result in non-zero positive return.

### **General Policy Provisions**

- **Free Look Cancellation:** If the Master Policyholder is not satisfied with the features of the policy, he/she can return it within 15 days from the date of receipt of the policy. The amount payable in case of free look cancellation will be contributions made till date subject to deduction of stamp value.
- In case of pension schemes, annuities may be required to be purchased on various events. In such cases, if the Master Policyholder maintains Superannuation policy with more than one insurer, the Master Policyholder shall have the option to choose any insurer to purchase available annuity.
- **Exclusions:** No exclusions apply
- **Policy Term :** There is no policy term and the contract continues till the last member exits the scheme or the Master Policyholder surrenders the policy.
- **Nomination:** Nomination may be made in accordance with section 39 of the Insurance Act, 1938, as amended from time to time, and shall be recorded by the Master Policyholder in the Register of Members.
- **Exits:** Except for exits as allowed as per scheme rules, no other withdrawals shall be allowed for Pension schemes.
- **Loan Facility :** There is no loan available under this plan.
- The liability of the Company under this product at any time is limited to the value of the Scheme Account and the term cover of Rs. 1,000 per member. The life cover for a member would terminate on the earlier of the following events:
  - Attainment of maturity age, or
  - Attainment of retirement or scheme exit age, or
  - Date of cessation of employment or date of exit from the scheme, or
  - Death of a member, or
  - Surrender of Master Policy, whichever is earlier.

## **Policy Surrender**

The Master Policyholder may surrender the policy at any time. On surrender of Master Policy, the Scheme Account value payable shall be subject to market value adjustments as mentioned below.

On surrender of the policy the Master Policyholder will have two options:

- Accept the interest amount as per the interim interest rate applicable at the time of surrender post which all the benefits under the Policy shall cease; or
- Accept the surrender value (without the interest amount for the financial year in which the scheme is being surrendered) and wait till the financial year end for the interest amount to be allocated.

## **Market Value Adjustment (MVA)**

Scheme Account value shall be subject to Market Value Adjustment (MVA) upon bulk exits and complete surrender. MVA is related to the decrease in the value of the assets held by the Company in the non-participating fund associated with this product at the time of the bulk exit / surrender. This decrease in value can be passed on to the Master Policyholder. If the amount to be paid on total exits during the policy year exceeds 25% of the Scheme Account value as at the beginning of the year, such transactions shall be treated as bulk exits, where exit shall be as per the scheme rules and that exit shall mean exit of the member from the group.

Market Value Adjustment shall not be applicable for the amounts below the amount which represents the bulk exits and shall be applied only to the amount which is over and above the amount representing bulk exit. Further, MVA shall be applied only if there is a need for the Company to realize the investments at losses.

In case of DB schemes, where the Scheme Account Value is insufficient to cover a proposed withdrawal after adjusting for MVA, if applicable, the Company may restrict the amount of withdrawal or foreclose the Master Policy by paying out the surrender value to the Master Policyholder.

## **MVA Calculation**

MVA Amount shall be derived by following formula:

MVA Amount = MVA Factor \* Amount over and above the 25% of the Scheme Account Value at the beginning of the Policy year (including the Interim Interest accrued)

MVA Factor = Maximum (0, Total Scheme Account Value – Market Value) / Total Scheme Account Value

Where

- Total Scheme Account Value is the sum of the Scheme Account Value (including the Interim Interest accrued) of all the schemes written under the product at the time the market value adjustment is carried out.
- Market Value is derived from the revaluation of entire assets earmarked separately for the product at the time market value adjustment is carried out.

## **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 punishable with fine which may extend to ten lakh rupees.

**Section 45 of the Insurance Act, 1938** as amended from time to time will be applicable. For full text of the provisions of this Section, please contact the Insurance Company or refer to the policy contract of this product on our website [www.canarahsbclife.com](http://www.canarahsbclife.com)

This product brochure gives only the salient features of the plan and it is indicative of terms and conditions. This brochure should be read in conjunction with the benefit illustration and the Terms & Conditions for this plan available on our website. For further details on all the conditions and exclusions related to this plan, please contact your financial advisor/ branch manager.



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**Canara HSBC Oriental Bank of Commerce Life Insurance Company  
Limited (IRDAI Regn. No.: 136)**

**Registered Office:** Unit No. 208, 2nd Floor, Kanchenjunga Building,  
18 Barakhamba Road, New Delhi - 110001

**Corporate Office:** 139 P, Sector 44, Gurgaon - 122003

**Corporate Identity No.:** U66010DL2007PLC248825

**Website:** www.canarahsbclife.com

**Call:** 1800-103-0003/1800-180-0003

**E Mail:** groupinsurance@canarahsbclife.in

**BEWARE OF SPURIOUS /FRAUD PHONE CALLS !**

- **IRDAI is not involved in activities like selling Insurance policies, announcing bonus or investment of premiums. Public receiving such phone calls are requested to lodge a police complaint.**

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