

Your people, your trust... our accountability

IndiaFirst Group Term Plan



A Joint Venture of



Before you start reading

Important Note

IndiaFirst Group Term Plan is referred to as the Plan throughout the brochure.

How will this brochure help you?

This brochure gives you details of how the Plan works. It's an important document to refer to.

To help your understanding

We've done our best to explain everything as simply as possible; however you are likely to come across some terms you are unfamiliar with. Where possible, we've explained these.

We have used plain language that's easy to understand and believe this brochure is a good place to start when considering a risk cover.

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Introduction

Your people, your trust... our accountability

Groups work with and exist only because of their members. Members could be your customers, employees or any other individuals associated with you. No matter what your area of work, the value that individual members bring to your group cannot be underestimated.

While being an important part of your group or organisation, your members are also an essential part of their family. It hence becomes your responsibility to ensure basic financial security for them.

Our IndiaFirst Group Term Plan is a yearly renewable plan that helps you provide your members with a life cover, thus securing their families against uncertainties of life.

Executive Summary

Key features

For you, the master policyholder

- You can now provide life cover at reasonable rates to your members – be it your employees or your customers
- You have the flexibility to automatically cover the life of all your members or offer it as a voluntary scheme where your members may choose to participate
- You have the flexibility to choose between three premium paying frequencies
- The plan provides you the flexibility of adding new members during the plan year
- You can also opt for the Employees Deposit Linked Insurance (EDLI) scheme under this plan
- The plan is renewed yearly
- The plan is simple to administer

For you members

- Your member can get a life cover at an extremely reasonable price
- In the unfortunate event of the member's demise, the sum assured is paid to the nominee
- The joining procedure is simple and convenient
- Your members can enjoy tax benefits on the premium you pay under section 80C

Risk factors

- The sum assured is paid to the nominee through you, the master policyholder
- You may deduct any amount due before paying the proceeds to the nominee. However, this is not applicable under EDLI
- Minimum group size is 50
- Tax laws are subject to change from time to time. Please speak to your tax consultant before deciding to invest in any financial planning tool

Please read the entire brochure to understand how this plan can work for you.

1. What is IndiaFirst Group Term Plan?

IndiaFirst Group Term Plan is a pure term plan offered to a group of individuals having a similar interest such as account holders, credit card holders, depositor/creditor groups, social sector groups, affinity groups, employer-employee groups etc.

2. Who can be a part of this plan?

This plan has two entities, the 'Master Policyholder' and the 'Member'.

Who is the Master Policyholder?

Master Policyholder is the entity or organisation that provides this plan to its members/customers/employees. The master policyholder holds the Master Policy.

Who is the Member?

The member could be a customer, employee or any individual associated with the group. The member is the Life Assured under this plan. The insurance cover will be on the life of the member.

The age limits for a member are -

	Employer-Employee group	Non Employer-Employee group
Minimum age at entry	18 years (last birthday)	14 years (last birthday)
Maximum age at entry	70 years (last birthday)	70 years (last birthday)

3. What is the group size to whom the cover can be offered?

Minimum group size	50 members except for term assurance in lieu of EDLI, which will be as per the EPFO requirements
Maximum group size	No limit

4. What are the cover options under this plan?

	Voluntary cover	Compulsory cover
Master policyholder	Chooses to participate in the scheme	Chooses to participate in the scheme
Member	May choose to participate in the plan and pay premiums accordingly	Obligatory participation in the plan
Life cover	Will be on the life of the individual member	Will be on the life of the individual member

5. What is the minimum and maximum cover that you, the master policyholder can offer?

Minimum cover	Rs. 5,000/- per member
Maximum cover	Rs. 5,00,00,000/- per member

6. What is the term of the plan?

This is a yearly renewable term plan. It is available to the members of the group for one year from the date of issuance.

7. What is the frequency of payment of premiums?

- Monthly (through ECS or direct debit)
- Six monthly
- Yearly

8. How does this plan work?

	Voluntary cover	Compulsory cover
Procedure	<p>The scheme will be open to eligible members at the inception of the plan</p> <p>Interested members need to fill up the membership form available with the master policyholder</p> <p>They are also required to fulfill certain underwriting requirements</p>	<p>The master policy automatically includes all eligible members of the group as per the prescribed limits (once they fulfill the underwriting requirements, if any)</p>
Premium payment	<p>Premium will be paid by you, the master policyholder</p> <p>The same is usually collected from your members</p>	<p>Premium will be paid by you, the master policyholder</p> <p>You may or may not choose to collect the same from your members</p>
Insurance cover	<p>Starts once the premium is received and all underwriting criteria are met</p>	<p>Starts once the premium is received and all underwriting criteria are met</p>
Example	<p>Master policyholder: Bank</p> <p>Members: Savings account customers</p> <p>Premium: Paid by the bank by directly deducting the same from the members savings account</p>	<p>Master policyholder: ABC Company Ltd.</p> <p>Members: Employees</p> <p>Premium: Paid by the company. Life cover provided to employees as an additional benefit</p>

You, the master policyholder, are required to fill in the proposal form and provide the necessary details post which we will send you a quotation. The master policy is issued once this quotation is accepted by you.

9. What are the tax benefits under this plan?

Currently you are eligible for the below mentioned tax benefits. These are subject to change from time to time. However, you are advised to consult your tax consultant.

What are the tax benefits on the premiums paid?

Option I: You, the master policyholder, pay the premium without recovering the same from your members.

You can claim deduction under section 37(1) of the Income Tax Act 1961 for the entire amount paid as premium.

Option II: You, the master policyholder, pay the premium but recover the same from your members. There are no deductions applicable to you. However, your members can claim deductions under section 80C.

Are death benefits tax-free?

Yes, death benefits are also tax-free under section 10 (10D) of the Income Tax Act, 1961.

10. What happens in case of the member's demise?

In the unfortunate event of the member's demise during the plan term, we will pay the sum assured to the nominee through the master policyholder.

11. What is the maturity benefit payable under this plan?

There is no maturity or survival benefit payable under the IndiaFirst Group Term Plan.

12. What is the 'Experience Rating Benefit'?

Experience rating adjustment, if any, will be allowed as per IRDA guidelines.

The profit sharing result is calculated as under - Premiums (excluding service tax) received during the period

- Less: I. Claims & related payments
- ii. Expenses
 - iii. Increase in provision for outstanding claims
 - iv. Increase in provision for 'Incurred But Not Reported' (IBNR) claims
 - v. Loss carried forward

where,

- Expenses are maximum up to 25% of the premiums received during the period
- Stamp duty expenses of 0.02% of sum assured is

added. If the Profit Sharing Result is negative, the corresponding amount shall be carried forward as a Loss Carried Forward

- If the Profit Sharing Result is positive, the corresponding amount will be adjusted in the renewal premium only and shall be determined as follows -

Layer experience	Refund percentage
0-30%	50%
Greater than 30%	80 %

'Layer is based on profit as a percentage of premiums'

13. What happens in case a member chooses to enter the scheme during the plan year?

In this case, the cover as well as the premium will be for the balance period left in the plan year, i.e. till the master policy comes up for renewal.

For example -

Plan term: 1 March, 2010 to 28 February, 2011

New member joins: 1 November, 2010

Premium to be calculated for: 3 months (December 2010, January 2011 and February 2011)

14. What are your options if you, the master policyholder, miss paying your premiums?

We provide you a grace period of 30 days for all premiums falling due within 1 year of the date of commencement.

15. What happens in case the member commits suicide?

If the new member insured commits suicide within 12 months from the date of inception of the membership, whether sane or insane at that time, no

sum assured will be payable. However, this is not applicable for other members.

16. You are prohibited from accepting rebate in any form

Prohibition of Rebate: Section 41 of the Insurance Act, 1938 states -

- 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 punishable with a fine which may extend to five hundred rupees

17. What happens incase of submission of information which is false or incorrect?

Indisputability Clause: Section 45 of the Insurance Act, 1938 states -

No policy of Life Insurance shall, after the expiry of two years from the date on which it was effected, be called in question by an insurer on the ground that a statement made in the proposal for insurance or any report of a medical officer or referee or friend of the Insurer or in any other document leading to the issue of the Policy, was inaccurate or false, unless the insurer shows such statement was on material matter or suppressed facts, which it was material to disclose and that it was fraudulently made by the policy holder and that the policy holder knew at the time of making it that the statement was false or that

it suppressed facts, which it was material to disclose. Provided that 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 and conditions of the policy are adjusted on subsequent proof that the age of the life insured was incorrectly stated in the proposal.

18. About IndiaFirst Life Insurance

IndiaFirst Life Insurance Company Limited is a joint venture of Bank of Baroda, Andhra Bank and Legal & General Group (UK).

Bank of Baroda is one of the largest public sector bank in the country with an enviable network of over 3050 branches that spreads across the geography of India and over 70 branches across 22 countries globally. This behemoth financial institution is over 100 years old and has been built on financial prudence, corporate governance and most importantly - the trust of valuable customers like you.

Andhra Bank has been serving the Indian customer for over 85 years and currently has a network of over 1557 branches. The bank has developed best in class deposit and lending schemes for its valued customers.

Both the banks are nationalised and provide best in class products and services to every Indian citizen.

Legal & General Group is one of UK's leading financial institutions with a heritage of over 170 years. It provides life assurance, pensions, investments and general insurance plans to over 5.5 million customers across UK. It brings rich fund management and insurance experience to India.

Insurance is the subject matter of the solicitation.

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