

# SUD Life Group Leave **ENCASHMENT Scheme**

(UIN: 142N017V01 )

Prepared raho. Pay karo



## Leave encashment payouts plus life insurance cover !



## Star Union Dai-ichi

LIFE INSURANCE

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**Sunahra Kal, Suraksha Har Pal**

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As per the amended section 209 (3) of the Company's Act 1956 and Accounting Standard (AS - 15) dated January, 1995, the employers have to account for the liability in respect of leave encashment facility, if any, available to the employees and to provide for the same in their Annual Accounts. SUD Life's Group Leave Encashment Scheme helps

employers by providing scientific funding for this liability.

The organization will submit data of its employees and rules of Leave Encashment to SUD Life. SUD Life will conduct an actuarial evaluation in respect of leave encashment liability and determine the funding requirements which will be furnished to the organization.

The Company will maintain a running account for each scheme, and the contributions net of risk premium will be credited to this account. The funds of all the running accounts will be pooled and invested by SUD Life and interest will be declared at the end of each year based on earnings net of expenses. For determining the size of the fund, the funds of all retirement benefit schemes of the Master Policyholder will be clubbed together.

On the exit of an employee from the service of the employer, or on encashment of leave during his service with the employer, the leave encashment amount will be paid from the fund of the Scheme.

It is highly desirable to provide a value addition to the Scheme by way of a Group Insurance Scheme in conjunction with a group leave encashment scheme so that, in case of death of an employee, additional benefits can be provided to the nominee. The group insurance scheme can be set up as an add-on.

An additional rider benefit, "SUD Life Accidental Death and Dismemberment Benefit Rider" can also be opted for so as to compensate for loss of income resulting through injury/dismemberment caused by accident. Moreover, if an accidental death claim arose, the beneficiary will receive basic sum assured as well as rider sum assured.

### Product features:

- The life insurance cover may be taken either as a flat cover, or graded cover (based on designation/salary of the employees).
- The premium for the life cover is to be paid yearly in advance every year.
- The contributions received will be maintained in a running account of the scheme. In the event of retirement, resignation or death, the accrued leave encashment amount will be withdrawn from the running account and paid to the Master Policy Holder (employer) who will forward it to the beneficiary. However, SUD Life's liability is limited to the fund available in the running account.
- One can avail of an add-on benefit in the form of Group Insurance.
- Additional benefit in the form of SUD Life Accidental Death and Dismemberment Benefit Rider can also be opted for.

### • Eligibility conditions:

#### • Entry Age:

Minimum - 18 years last birthday

Maximum - 69 years last birthday or one year before Retirement age as per scheme rules (whichever is lower)

\* Life cover ceases on attaining the age of 70 years last birthday (65 years for SUD Life Accidental Death and Dismemberment Benefit Rider) or on attainment of the retirement age as per scheme rules, whichever is lower.

### • Annual Contribution:

Minimum - Rs.60,000/- per scheme

Maximum - No limit

- **Sum Assured:**  
Minimum - Rs.1000/- per member  
Maximum - as per Scheme rules  
For lives aged more than 62 years, only fixed sum assured of Rs.1000/- will be offered
- **Life Cover Premium:**  
Minimum - Rs.1000/- per scheme  
Maximum - no limit
- **Group size:**  
Minimum - 50  
Maximum - no limit
- **Minimum term:**  
One year renewable contract
- **Minimum service conditions:**  
As per Scheme rules
- **Payment frequency (to be paid by the employer):**  
Life Cover Premium -yearly, in advance  
Annual contribution - yearly, half-yearly, quarterly, monthly  
Initial contribution - Employer can pay this initial contribution relating to past accrued leave in one lump sum, or in annual installments not exceeding 5.
- **Benefits:**
- **In the event of death:**
  - The accrued leave encashment amount will be payable
  - The sum assured is payable, in case the SUD Life Group Term Insurance Scheme was opted for.
- **In the event of retirement:**
  - The accrued leave encashment amount will be payable
- **In the event of pre-mature retirement/resignation/termination and other events:**
  - The accrued leave encashment amount will be payable
- **In the event of accidental death or dismemberment:**
  - In case of Accidental death or Dismemberment and if SUD Life Accidental Death and Dismemberment Benefit rider is applicable, an extra rider Sum Assured will be payable as per Table A given below.
  - The maximum sum assured allowed under this rider is restricted to the sum assured under base plan and subject to the condition that the premium for all the riders put together (that are attached to the base plan), should not exceed 30% of the premium for the base plan.
  - Further, the sum assured under Accidental Death and Dismemberment Benefit rider cannot exceed the basic sum assured (and is limited Rs.50 Lakh under all SUD Life group insurance policies)



**TABLE A**

<b>Event</b>	<b>% of Rider Sum Assured Payable</b>
Accidental Death	100%
Accidental Dismemberment defined as occurrence of any of the following:	
Loss of all Limbs	100%
Loss of Sight of Both Eyes	100%
Loss of Sight of One Eye	50%
Loss of or Loss of Use of Two Limbs	100%
Loss of or Loss of Use of One Limb	50%
Loss of Speech and Loss of Hearing	100%
Loss of Hearing in both Ears	75%
Loss of Hearing in one Ear	15%
Loss of Speech	50%

**If only part benefit is paid in case of a claim, the cover will continue till the end of the term for the balance rider sum assured.**

\*Please refer to the definitions in pages 5 & 6

- **Surrender charges:**

The Master Policy can be surrendered any time after the completion of one policy year subject to deduction of surrender charges as per the rates given below:

<b>Policy year</b>	<b>Charges as percentage of accumulated fund</b>
1st	Surrender not allowed
2nd	3% of the accumulated fund
3rd	2% of the accumulated fund
4th	1% of the accumulated fund
5th and onwards	Nil

- **Grace period:**

A grace period of 30 days will be allowed for payment of life/rider cover premium. If any member dies during the grace period, the claim shall become payable after receipt of the due and unpaid risk/rider premium and contributions for the year under the master policy.

- **Revival of the policy:**

If the premium for life cover is not paid within the grace period, the life/rider cover ceases immediately. Such a lapsed cover can be revived within 2 years from the date of the first unpaid risk/rider premium. The life cover can be reinstated on receipt of risk/rider premium and contributions due, if any and subject to underwriting rules prevailing at that time.

- **Nomination:**

The particulars of nomination will be maintained by the master policyholder himself. All benefits/payments made by SUD Life will be transferred to the concerned beneficiaries as per the master policyholder's records.

- **Suicide Exclusion :**

If the group member commits suicide, whether sane or insane, within one year from the date of commencement of risk in respect of the particular member under this policy, the premiums paid in respect of that member shall be forfeited, and no claim shall be paid to the nominee of that member under this plan.

This exclusion will be applicable only for the life cover and rider cover. Accrued leave encashment amount will be payable as per Scheme rules.

- **Exclusions:**

No exclusions for Basic Death Benefit

**For SUD Life Group Accidental Death and Dismemberment Benefit Rider:**

1. Persons working in hazardous occupations will be screened suitably or will be offered the product at higher premium rates commensurate with the extra mortality risk.
2. In case the policy holder changes his/her occupation; he/she has to inform the same to the company. If the policy holder takes up any hazardous occupation, he/she will be screened suitably or will be offered the product at higher premium rates commensurate with the extra mortality risk
3. Once applied to a policy, the rate is guaranteed only up to the first policy anniversary
4. The benefit shall be an additional payment to the basic life cover and shall not exceed the base life cover offered under a contract.
5. The Insured will be entitled only to the loss which pays the largest benefit, if more than one loss results from the same Accident. The rider benefit will terminate on the date of the Accident resulting in any of the losses above.

No Accidental Death Benefit or Dismemberment Benefit shall be payable if death is caused directly or indirectly by any of the following:

1. War (whether declared or not), terrorism, invasion, war like activities, civil war,

2. Martial law, rebellion, revolution, insurrection, military or usurped power;
3. Service in the armed forces, or any police organization, of any country at war (whether declared or not) or in a state of conflict;
4. The insured person participating in a riot, a strike, civil commotion or any criminal or unlawful act;
5. Taking or absorbing, accidentally or otherwise, any intoxicating liquor, drug, narcotic, medicine, sedative or poison, except as prescribed by a licensed doctor;
6. Aviation other than as a fare-paying passenger in an aircraft which is authorized by the relevant regulations to carry passengers between established airports;
7. Engaging in or taking part in professional sport or any hazardous pursuits, including but not limited to, diving or riding or any kind of race; underwater activities involving the use of breathing apparatus or not; martial arts; hunting; mountaineering; parachuting; bungee-jumping;
8. The radioactive, explosive or hazardous nature of nuclear fuel materials or property contaminated by nuclear fuel materials or accident arising from such nature.

For the purpose of the benefit payments detailed above, the definitions are as given below:

"Accidental Death" means the death of the Insured which results directly, solely and independently of any other causes from Bodily Injury AND occurs within 180 days of the date of Accident.

"Accidental Injuries" means death or Bodily Injury of the Insured which results directly, solely and independently of any other causes from an Accident AND which occurs within 180 days of the Accident.

"Accident" refers to a sudden, unforeseen and involuntary event caused by external, violent and visible means which occurs while the relevant Supplementary Contract is in force and during the lifetime of the Insured.

"Bodily Injury" means an abnormal bodily condition of the Insured which occurs while the relevant Supplementary Contract is in force and within 180 days of Accident, and caused directly and solely by Accident independent of any other cause and not therefore due to illness or disease. Such Bodily Injury must be evidenced by external signs such as contusion, bruise and wound except in cases of drowning and internal injury.

"Dismemberment" refers to a disability, which:

- a. is caused by Bodily Injury resulting from an Accident, and
- b. occurs due to the said Bodily Injury solely, directly and independently of any other causes, and
- c. occurs within 180 days of the occurrence of such Accident, and
- d. the loss of or loss of use of both arms, or of both legs, or of one arm or of one leg, or of one eye or of both eyes, shall be considered partial and permanent disability, without prejudice to other causes of partial and permanent disability.

'Loss or Loss of use' shall mean physical severance or total and irrevocable loss of use, which: results from bodily injury caused by an accident, and results directly from the said injury and independently of all other causes, and occurs within 180 days of the said accident

'Loss or Loss of use of a limb' shall mean physical severance or total and irrevocable loss of use of an arm at or above the wrist, or of a leg at or above the ankle which: results from Bodily Injury caused by an Accident, and results directly from the said injury and independently of all other causes, and occurs within 180 days of the said Accident

- **Tax benefits:**

For employer: Contributions made to the scheme by the employer are treated as business expense.

The above information is a brief summary of **SUD Life Group Leave Encashment Scheme**. For further details please contact our Customer Service desk at the number or addresses mentioned below:

### Customer Service Desk

Star Union Dai-ichi Company Ltd.

Corporate office: 11th floor,

Raghuleela Arcade IT Park, Sector 30 A.

Opposite Vashi railway station Vashi, Navi Mumbai - 400703

**Contact number:** 02239546300

**Email Id:** [customercare@sudlife.in](mailto:customercare@sudlife.in)

**This is a traditional group term non participating product. The Contract will be governed by the terms expressed in the Master Policy document.**

**Section 41 of 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 rebates as may be allowed in accordance with the published prospectuses or tables of the insurer.

**Section 45 of Insurance Act, 1938:** "No policy of life insurance effected before the commencement of this Act shall after the expiry of two years from the date of commencement of this Act and no policy of life insurance effected after the coming into force of this Act 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 statement made in the proposal or in any report of a medical officer, or referee, or friend of the insured, or in any other document leading to the issue of the policy, was inaccurate or false, unless the insurer shows that such statement was on a 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 of the policy are adjusted on subsequent proof that the age of the life insured was incorrectly stated in the proposal."

### Insurance is the subject matter of solicitation

SUD Life Group Leave Encashment Scheme (UIN: 142N017V01)

SUD Life Group Term Insurance Scheme (UIN: 142N001V01)

SUD Life Group Accidental Death and Dismemberment Benefit Rider (UIN: 142B002V01)



**Star Union  
Dai-ichi**

LIFE INSURANCE

## Star Union Dai-ichi Life Insurance Company Limited

Corporate Office: 11<sup>th</sup> floor, Raghuleela Arcade, Opp. Vashi Railway Station, Vashi, Navi Mumbai – 400703. **Call:** 022 3954 6300

Registered Office: Star House, 3<sup>rd</sup> floor, West Wing, C-5, G Block, Bandra Kurla Complex, Bandra (E), Mumbai - 400051.

For more details **Visit:** [www.sudlife.in](http://www.sudlife.in)