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 traditional non-linked, non participating product. 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.

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 Oriental Bank of Commerce - 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 group comprising employer-employee, non-employer-employee or any other group formed as per IRDA's guidelines on Group Insurance policies issued on July 14,2005.
- No medicals are required under this plan.
- This plan covers a wide variety of schemes like,
  - Defined Benefit (DB) – Gratuity, Leave Encashment, Superannuation or any other DB scheme
  - Defined Contribution (DC) – Superannuation or any other DC scheme

  Under each scheme, only one out of DB or DC cover will be allowed as per the scheme rules.
- The contributions can be determined by you based on the rules of the scheme and the actuarial valuation of liability 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. The contributions can be made at any time and any number of times during the financial year. 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.
- Funds will be invested as per section 27 and 27 A of the Insurance Act, 1938 aiming to provide stable and safe returns.
- At the end of every financial year, the interest amount (based on the weighted average Scheme Account value and the interest rate as decided by the Company) will be added to the Scheme Account of the Master Policyholder. This interest rate would be a non negative number and may be as per the fund size.
- 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. Each member will be covered with a Sum Assured of Rs. 1,000.
- For Pension schemes you have the flexibility to purchase annuities either from us or from any other annuity provider (Open Market Option). There will be no charges for exercising the Open Market Option.
- Interim interest rate will be available for member exits (for DC schemes) and for policy surrenders (all schemes). This interim interest rate will be decided quarterly in advance.
- The tax benefits will be available as per prevailing tax laws.

Eligibility conditions

	Minimum	**Maximum**
Age at entry (last birthday)	Higher of • 18 years • Minimum age as per scheme rules	Lower of: • 79 years • Maximum age as per scheme rules
Maturity age (last birthday)	Not applicable	Lower of: • 80 years • Maximum maturity age as per scheme rules
Group Size	10 members	No limit
Initial Contribution • **Defined Benefit schemes** • **Defined Contribution schemes**	• Rs. 50,000 per scheme • Rs. 1,000 per member per annum	No limit
Sum Assured (per member)	Rs. 1,000	Rs. 1,000

Benefits for your group members

The benefits payable on various events are 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.
- Resignation: On resignation, the benefit amount as per the scheme rules will be paid from the Scheme Account to the member. In case of Pension schemes, annuities may be required to be purchased as per the scheme rules.
- Retirement: On retirement the benefit amount as per the scheme rules will be paid from the Scheme Account to the member. In case of Pension schemes, annuities may be required to be purchased as per the scheme rules.
- In case of any other event as per scheme rules, the benefit will be paid from the Scheme Account.

General Policy Provisions

- Free Look Cancellation: If the 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 market value adjustments, if any.
- Exclusions: No exclusions apply
- Nomination: Nomination may be made in accordance with section 39 of the Insurance Act, 1938 and shall be recorded by the Master Policyholder in the Register of Members.
- Withdrawal: For DB schemes, in case the cumulative withdrawals made in a financial year exceed 15% of the Scheme Account they may be subject to Market Value Adjustment[1]. For DC schemes in case of withdrawals due to reasons other than death, resignation or retirement they may be subject to Market Value Adjustment.
- Surrender: The Master Policy holder may surrender the policy at any time after the first policy year on serving a minimum of 7 working days of notice in writing. On surrender of policy, the Scheme Account value payable will be subject to market value adjustments. The surrender value will be a percentage of the revised Scheme Account, as shown in the table below.

Surrender year	**Surrender Value (as a % of Scheme Account)**
Within 1st policy anniversary	Not allowed
Between 1st and 2nd policy anniversary	97.50%

[1] Market Value Adjustment (MVA) is a percentage deduction from the fund which will be based on the Scheme Account value and the underlying market value of the assets. This is applied in order to protect the interest of existing policyholders when market conditions are depressed. MVA will be applied after due consideration of the prevailing market conditions.

Between 2nd and 3rd policy anniversary	98.00%
Between 3rd and 4th policy anniversary	98.50%
Between 4th and 5th policy anniversary	99.00%
After 5th policy anniversary	100.00%

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; 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 (the surrender value applicable on the interest amount would be same as per the surrender value appliable on the Scheme Account value).

- 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.

- 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.

Section 41 of the Insurance Act, 1938

(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:
Provided that acceptance by an insurance agent of commission in connection with a policy of life insurance taken out by himself on his own life shall not be deemed to be acceptance of a rebate of premium within the meaning of this sub-section if at the time of such acceptance the insurance agent satisfies the prescribed conditions establishing that he is a *bona fide* insurance agent employed by the insurer.
(2) Any person making default in complying with the provisions of this section shall be punishable with fine which may extend to five hundred rupees.

Section 45 of the 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 calf 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.

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Advertisement No:

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Insurance is the subject matter of solicitation