

## Terms & Conditions

### Aviva Group Gratuity Advantage Non-Participating Linked Plan (UIN: 122L090V02)

**Note: In this Master Policy, the investment risk in the investment portfolio is borne by You**

Your Proposal is the basis of the insurance provided by Us, and is a part of, the Master Policy Document, which means these Standard Terms & Conditions, the Register of Members, the Schedule and any annexure/table and/or unit statements attached to it.

#### 1. Interpretations & Definitions

- a) The terms defined below have the meanings ascribed to them wherever they appear in this Master Policy Document and, where appropriate, references to the singular include references to the plural; references to the male include the female and references to any statutory enactment include subsequent changes to the same:
- i) Age means a Member's age at last birthday.
  - ii) Allocation Proportion means the proportion specified in the Schedule in which We will apply the Contribution received to the purchase of Units in various Funds and the proportion in which We will deduct charges as specified in the Schedule.
  - iii) Allocation Rate means the rate specified in the Schedule at which We allocate the Contribution received.
  - iv) Beneficiary means the person named in the Register of Members.
  - v) Commencement Date means the date specified in the Schedule on which this Master Policy commences.
  - vi) Contribution means the amount paid by You from time to time to Us.
  - vii) Discontinued Policy means a Master Policy where the life cover including the Rider cover(s), if any has been ceased due to non-receipt of due Premium by Us.
  - viii) Funds means internal investment funds established and managed by Us in accordance with Articles (8) and (9).
  - ix) Fund Value means the total number of Units held in the unit account multiplied by their respective Unit Price.
  - x) Funding Status means the status of Your gratuity scheme as being a fully funded scheme or an under funded scheme.
  - xi) Funding Status Certificate means a written declaration provided by You, containing details about the Funding Status of Your gratuity scheme based on Your Actuary's certificate and calculated in accordance with Accounting Standard 15 (Revised) or any other prevailing guidelines issued by the Insurance Regulatory & Development Authority of India and if You are exempt from the said Accounting Standard 15 (Revised) or the prevailing guidelines issued by the Insurance Regulatory & Development Authority of India, then a written declaration by You about the Funding Status of Your gratuity scheme.

- xii) Gratuity Benefit means the lump sum benefit per Member calculated by You in accordance with Your scheme rules (if any, provided to Us at the Commencement Date, or as amended from time to time) and disclosed to Us in writing by You, upon the occurrence of an Insured Event.
- xiii) Insured Event means the earlier of a Member's retirement, death, resignation from service or termination of service.
- xiv) Master Policy means the arrangements established by this Master Policy Document.
- xv) Master Policy Document shall have the meaning ascribed to it in the Recitals.
- xvi) Member means any person who satisfies and continues to satisfy the eligibility criteria at Article (2) (a) and whose name appears in the Register of Members.
- xvii) Member Effective Date means in respect of a particular Member, the date last recorded in the Register of Members.
- xviii) Premium means the amount payable by You to Us in regular instalments in the manner and at the frequency (Premium Frequency) specified in the Schedule for maintaining a life cover and Rider cover(s), if any to Members under the Master Policy.
- xix) Policy Anniversary means the annual anniversary of the Commencement Date.
- xx) Policy Year means the year commencing on the Commencement Date or on any Policy Anniversary thereof.
- xxi) Proposal means the signed, completed and dated proposal form submitted by You to Us, including any declarations and statements annexed to it.
- xxii) Register of Members means a register maintained by Us containing details of each Member, including but not limited to name, age, sex, salary, Sum Assured, retirement date, the Member Effective Date, Beneficiary and any special conditions applicable to a Member.
- xxiii) Rider means a rider, if any issued by Us, attached to and forming a part of this Master Policy.
- xxiv) Schedule means the schedule and any endorsements thereto issued by Us, and, if more than one, then the latest in time.
- xxv) Sum Assured means the amount specified against each Member's name in the Register of Members, payable upon the death of the Member.
- xxvi) Unit means a notional and proportionate part of the unit account created by the allocation of Contribution and created solely for the purpose of determining the benefits under this Master Policy.
- xxvii) Unit Price means the price at which We allocate or redeem Units in each of the Funds as per Article (10).
- xxviii) Valuation Date shall have the meaning assigned to it in Article (9) (b).
- xxix) We, Us or Our means the Aviva Life Insurance Company India Limited.
- xxx) You or Your means the person or entity named in the Schedule who has concluded this Master Policy with Us and who is the Master Policyholder.

## 2) Eligibility Criteria for Membership

- a) A person shall be eligible to become a Member upon the following conditions being satisfied:
- i) The person is not younger than Age 18 and not older than Age 74, at the proposed Member Effective Date;
  - ii) The person is employed by You;
  - iii) You satisfy Us in all respects as to that person's eligibility to become a Member; and
  - iv) The Member's name being entered in the Register of Members.
- b) A Member shall automatically cease to be a Member upon the earlier of:
- i) Failing to satisfy any of the eligibility criteria as per Article (2) (a); or
  - ii) The occurrence of an Insured Event; or
  - iii) Your written request and Our acceptance of the same; or
  - iv) The termination of the Master Policy.
- c) You shall provide Us with any information and/or documentation We request in respect of any actual or prospective Member. If We do not receive the documentation and/or information for that Member within 7 (seven) days of it having been requested, then that Member's name shall be deemed to have been removed from the Register of Members effective from the date of Our request for such information and/or documentation.
- d) You may terminate the Master Policy by giving Us prior written notice of at least 90 (ninety) days.

## 3) Payment of Contribution and Premium

### a) Contribution

Contribution is payable to Us by You in accordance with Your scheme rules subject to following conditions:

- i) Receipt by Us of Your Funding Status Certificate on or at least 7 (seven) days prior to the commencement of each Policy Anniversary;
- ii) You may continue the Master Policy without payment of any Contribution but with payment of the due Premium provided that the Funding Status of the Master Policy is fully funded as per the Funding Certificate received by Us in accordance with Article (3) (a) (i) above and We send you a written notice confirming the continuity of the Master Policy without payment of any Contribution till the next Policy Anniversary;
- iii) If We determine on the basis of Your Funding Status Certificate that the Funding Status is under funded, then no Premium will be accepted by Us and the Policy will become a Discontinued Policy and the provisions of Article 4) will be automatically applicable to Your Master Policy; and
- iv) You must provide Us in writing with details of all such persons eligible to become a Member and those persons who have ceased to be a Member on a monthly basis, at least by the 7th (seventh) day of the following month. If there is any

delay in reporting the data pertaining to additional/discontinuing Members, then in respect of additional Members who have been reported late, We will charge Premium from the Member Effective Date which is applicable for other Members, whose data was reported on time, although the life cover and rider cover, if any for the additional Members will be effective only from the date we receive data of such Members from You, provided the said Member is alive on date of reporting to Us and satisfies the eligibility criteria specified in Article (2) (a). The provision of life cover and/or Rider cover to such additional Members shall be at Our sole discretion, subject always to availability of sufficient advance Premium.

**b) Premium**

- i) Premium is payable on the due dates in the amounts and at the Premium Frequency as specified in the Schedule. Premium shall become due on every Policy Anniversary, if the Premium Frequency is annual. If the Premium Frequency is half yearly, or quarterly, or monthly, then Premium shall become due on the day corresponding with the Commencement Date in every half-year, quarter or month respectively. If the corresponding day does not exist in a particular month, then the last day of that month shall be deemed to be the due date.
- ii) We will allow a grace period of 30 (thirty) days from the due date of the first unpaid instalment of Premium for You to pay the Premium to Us. During this grace period, the benefits under Article (5) and the benefits under applicable Rider(s), if any, will continue to apply.
- iii) If the due Premium is not paid within the grace period then the Policy will become a Discontinued Policy and the provisions of Article (4) will be applicable.
- iv) On each Policy Anniversary, no Premium will be accepted by Us in isolation without any Contribution payment unless We accept in writing that Your scheme is fully funded and in surplus as per the Funding Status Certificate provided by You.

**4) Reinstatement**

- a) You may reinstate a Discontinued Policy within 5 (five) years from the due date of the first unpaid instalment of Premium ('Reinstatement Period'). During the reinstatement period, the Discontinued Policy may be reinstated subject to the following:
  - i) You informing Us in writing at least 7 (seven) days prior to the end of the Reinstatement Period of Your intention to reinstate and the proposed date when You wish to do so. The reinstatement of the Master Policy shall be subject to Our underwriting requirements, as applicable from time to time, and We reserve the right to obtain additional information before reinstating the Master Policy;
  - ii) You paying all Premium in respect of the Members alive at the date of reinstatement;
  - iii) Your Funding Status is fully funded and supported by Funding Status Certificate;
  - iv) The reinstatement of the Master Policy shall not take effect until We have approved Your request for reinstatement which shall only be evidenced by a

written communication from Us confirming this. We have no obligation to reinstate the Master Policy even if You have given Us all documentation requested by Us. We may also (at Our sole and absolute discretion) restrict the terms upon which We agree to reinstate;

- v) The reinstatement of the Master Policy shall take effect from:
  - i) The Policy Anniversary immediately preceding the notice of reinstatement, if less than 6 (six) months have elapsed between the date of the notice of reinstatement and the immediately preceding Policy Anniversary; and
  - ii) The Policy Anniversary immediately following the notice of reinstatement, if at least 6 (six) months have elapsed between the date of the notice of reinstatement and the immediately preceding Policy Anniversary.
- b) If the Master Policy is not reinstated within the Reinstatement Period, then the Master Policy shall immediately and automatically terminate at the date of expiry of the Reinstatement Period and the Fund Value, (as on the date of termination) shall be payable to You at the expiry of the Reinstatement Period, subject to deduction of applicable surrender charge (if any).
- c) During the Reinstatement Period:
  - i) The Sum Assured as mentioned in the Register of Members shall not be payable on the death of a Member;
  - ii) The Gratuity Benefit payable in accordance with Article (5) (a) shall continue to be payable under the Master Policy provided that and only to the extent the Fund Value is sufficient for such purpose;
  - iii) Fund management charges as specified in the Schedule will continue to be deducted till the expiry of the Reinstatement Period.

## 5) Benefits

- a) Upon the occurrence of an Insured Event in respect of a Member, We will pay You the Gratuity Benefit within 7 (seven) working days of Our receipt of Your written notice with complete documentation specifying the occurrence of an Insured Event and the amount to be paid calculated in accordance with Your scheme rules. We will pay You the Gratuity Benefit by redeeming Units in the Allocation Proportion unless You specify some other proportion in writing to Us.
- b) If the Insured Event is the death of the Member and the Master Policy is not a Discontinued Policy, then in addition to the Gratuity Benefit payable as per Article (5) (a) above, We shall pay the Sum Assured and Rider benefits, if any as per Register of Member to You. You shall immediately give the Sum Assured and Rider benefits, if any (without any deductions) to the Beneficiary. No Units from the Fund shall be deducted for payment of the Sum Assured and/or Rider benefits.
- c) Our maximum liability to make payment of the Gratuity Benefit under this Master Policy in respect of all Members shall at all times be limited to the Fund Value only.

## 6) Surrender Value

- a) You may surrender this Master Policy by giving Us written notice and We will pay the Fund Value after deducting the Surrender Charge, if any, as specified in the Schedule.

## **7) Units & Unit Account**

- a) On the Commencement Date, We will open a unit account. We will apply Your Contribution to the allocation of Units to that unit account by reference to the Funds chosen by You in the Allocation Proportion specified, after adjusting for the applicable Allocation Rate (as defined in the Schedule). The allocation of Units will be carried out at the Unit Price.
- b) You may request a Contribution redirection by changing the Allocation Proportion by informing Us in writing of the changes You wish to make. The changed Allocation Proportion will only apply to Contributions received after We are satisfied that the proposed change is in line with Our rules applicable at that time.
- c) You can switch Units between available Funds at any time by informing Us in writing of the switch proposed to be made. All switches are free of charges. We will process a switch after receiving a written request from You and only if We are satisfied that the proposed switch is in line with Our rules applicable at that time for switching.
- d) We will make the switch by redeeming Units from the Fund You wish to switch out and then allocating Units in the Fund You wish to switch in, equivalent to the amount You wish to switch. For each transaction, We will use the Unit Price of the respective Fund that applies on the day of that transaction.

## **8) Funds**

- a) Subject to the approval of the Insurance Regulatory and Development Authority of India, We reserve the right to add, close or amend any Fund or its investment objectives. The only Funds available for You to invest in and the investment objectives together with the risk profile of each Fund are described in Annexure 1 of the Schedule. We shall send You details of any change We may decide to make at least 1 month prior to such change becoming effective.
- b) Units are a proportionate part of a Fund and will be created in a Fund when assets of an equivalent value are added to the portfolio of assets to which the Fund is referenced. The unit account, the Units and the allocation of Units to the unit account are notional and are designed for the sole purpose of determining the benefits under the Master Policy.
- c) Assets may only be withdrawn from the portfolio of assets to which the Fund is referenced when Units of equal value to those assets are redeemed in the Fund. Income received from assets referenced to a Fund will be added to these assets. The amount after allowing for tax, if any, will alter the value of each existing Unit of the respective Fund.
- d) We do not guarantee the price or value of the Units. The price or value of any Unit and Fund will fluctuate depending on the performance of the underlying assets. The assets and any income arising from these assets shall remain Our property at all times. The Master Policy does not confer on You or any other person any title to or any beneficial interest in any of Our assets, or to any income from these assets.

## **9) Valuation of Funds & Unit Price**

- a) The Schedule contains the list of charges and the manner in which they will be deducted.
- b) The Unit Price shall be determined daily as per the regulations/guidelines issued by the Insurance Regulatory and Development Authority of India or any such body authorised by



the Government of India to issue such regulations/guidelines from time to time (the 'Valuation Date'). As per the current guidelines issued by the Insurance Regulatory and Development Authority of India, We will determine the Unit Price of each Fund daily as per the following formula:-

Unit Price = Net Asset Value ("NAV") divided by the number of Units existing in the Fund at the Valuation Date (before any new Units are allocated or redeemed).

The NAV can be calculated in either of the following 2 methods:

- i) When appropriation price is applied: The NAV of a Fund shall be computed as the market value of investments held by the Fund plus the expenses incurred in the purchase of the assets plus the value of any current assets plus any accrued income net of fund management charge less the value of any current liabilities and provisions, if any. This is applicable when We are required to purchase assets to allocate units at the Valuation Date.
- ii) When expropriation price is applied: The NAV of a Fund shall be computed as the market value of investments held by the Fund less the expenses incurred in the sale of the assets plus the value of any current assets plus any accrued income net of fund management charge less the value of any current liabilities and provision, if any. This is applicable when We are required to sell assets to redeem units at the Valuation Date.

The Unit Price of Units of a Fund will be rounded by not less than 3 (three) decimal places.

- c) We shall deduct all expenses, costs and duties related to the purchase and sale of assets of the Funds.
- d) We will make all decisions about the selection and valuation of the assets to which a Fund is referenced.

## 10) Unit Encashment Conditions

- a) Units will be redeemed or created at their Unit Price on the date of redemption or creation of those Units.
- b) Subject to any changes notified by the Insurance Regulatory & Development Authority of India or any such body authorised by the Government of India to notify such changes, Contribution or switching request or any other valid request for payment received by Us (including at any of Our branch offices):
  - i) at or before 3:00 pm on a particular day will be processed at the closing Unit Price on that day, and
  - ii) after 3:00 pm on a particular day will be processed at the closing Unit Price on the next business day,

unless in either case the payment comprises outstation cheques or demand drafts, in which case the payment will be processed at the closing Unit Price on the day of realisation.

## 11) Payment Conditions

- a) It is a condition precedent to Our liability to make any payment that You shall, at Your own expense, give Us:

- i) written notice of the occurrence of an Insured Event as soon as reasonably practicable; and
  - ii) such information and/or documentation that We may request in relation to the Insured Event or in relation to payment of the Gratuity Benefit.
- b) We assume no liability for the payment of any amount to the Member or for Your payment (including any payments to be made by the trustees) of any amount to the Member including the timing of payment or adequacy of payment made by You to any Member or adequacy of payment under this Master Policy being sufficient to discharge Your obligations to Members. You agree to hold Us harmless and indemnify Us against any claim (and expense or loss occasioned thereby) by, from or on behalf of, the Member or his legal heirs or executors or personal representatives or next of kin or any other interested person (whether or not in fact interested) that may be made against or incurred by or involve Us arising out of or in connection with any payment in fact or allegedly due in respect of any Insured Event made by Us to You or attributable to any actual or alleged failure or delay by You in providing or not providing any benefits (whether under this Master Policy or otherwise) to a Member or his legal heirs or executors or personal representatives or next of kin or any other interested person (whether or not in fact interested).
- c) All monies payable by Us shall be paid to You at Your designated offices against a discharge in a form We specify, given by You or on Your behalf by any person duly authorised in writing by You and this shall be a valid discharge to Us in respect of any such payment.

## 12) Miscellaneous

### a) **Taxation**

We are entitled to make such deductions which, in Our opinion, are necessary and appropriate, from any of the benefits receivable under the Master Policy on account of any tax or other payment which may be imposed by any legislation, order, regulation or otherwise upon Us or You.

### b) **Benefits not Assignable**

A Member cannot assign, charge or dispose of his beneficial interest under the Master Policy.

### c) **Appointment of Beneficiary**

- i) Every Member may nominate one or more of his spouse or his children or dependants to be a Beneficiary in accordance with Section 39 of the Insurance Act 1938, as amended from time to time and We shall register that same in the Register of Members and send an endorsement confirming the identity of the Beneficiary.
- ii) We must be given written notice of the change in any Beneficiary. Any nomination and change in nomination will take effect only once We have registered the same in the Register of Members and We send an endorsement confirming the identity of the Beneficiary or the new Beneficiary.
- iii) In the event of the death of a Member, the benefits shall be paid to You for payment to the Beneficiary.



- iv) If there are no Beneficiaries or all Beneficiaries have pre-deceased the Member, then We will pay You, and You shall make the payment to the legal heirs or legal representatives of that Member.
- v) If there is more than one Beneficiary and a Beneficiary dies before a payment becomes due then We will pay to You and You will pay the other Beneficiaries in proportion to their designated shares.

**d) Loan**

No loan shall be granted under this Master Policy.

**e) Partial Withdrawals**

No partial withdrawals are permitted under this Master Policy.

**f) Amendments**

You shall inform Us of any changes or amendments to the gratuity scheme rules as soon as reasonably practicable.

**g) Loss of the Master Policy Document**

- i) We will replace a lost Master Policy Document when satisfied that it is lost. However, We reserve the right to make such investigations into and to call for such evidence of the loss of the Master Policy Document, at Your expense as We consider necessary before issuing a duplicate Master Policy Document. We have the right to charge a fee for the issue of a duplicate Master Policy Document.
- ii) If We issue a duplicate Master Policy Document, it is hereby understood and agreed that the original shall cease to be of any legal effect and You shall indemnify and keep Us indemnified and hold Us harmless from and against any claims, costs, expenses, awards or judgements arising out of or howsoever connected with the original Master Policy Document or arising out of the issuance of a duplicate Master Policy Document.

**h) Notices & Correspondence**

- i) You shall give Us all notices, instructions and correspondence, including notices of transfer, nomination or other transactions in writing at Our address specified in the Schedule or at any of Our branch offices.
- ii) All notices meant for You will be in writing and sent by Us to Your address shown in the Schedule. You shall notify Us of any change in Your address failing which notices or correspondence sent to the last recorded address are agreed to be legally effective and valid.
- iii) Any Master Policy Document or any other communication sent to You by Us through speed post or courier or any other legally recognised mode of posting, at the address specified in the Schedule shall be deemed to have been received by You within 7 (seven) days from the date of dispatch.

**i) Fraud**

If You, or the Member or a Beneficiary or anyone acting on Your or their behalf or at Your or their direction makes or advanced any claim under this Master Policy knowing it to be dishonest, misleading, false or fraudulent in any respect, then this Master Policy shall be void and any amount actually paid or potentially payable shall be forfeited.

**j) Currency & Territorial Limits**

All Contribution, Premium and any payments to be made under this Master Policy are payable in India and in Indian Rupees.

**k) Governing Law & Jurisdiction**

This Master Policy and any disputes or differences arising under or in relation to the Master Policy are subject to and shall be construed in accordance with Indian law and by the Indian Courts.

**l) Entire Contract**

The Master Policy Document comprises the entire contract between You and Us and it cannot be changed or altered unless We approve it in writing by endorsement on the Schedule.

**m) Agent's Authority**

- i) The insurance agent is only authorised by Us to arrange the completion and the submission of the Proposal.
- ii) No insurance agent is authorised to amend the Master Policy Document, or to accept any notice on Our behalf or to accept payments on Our behalf. If any payment meant for Us in any form is paid to an insurance agent then such payment is made at Your risk and the agent will be acting as Your representative.

**n) Fraud, Misstatement and Forfeiture**

Fraud, Misrepresentation and forfeiture would be dealt with in accordance with provisions of Sec 45 of the Insurance Act 1938, as amended from time to time.

A Leaflet containing the simplified version of the provisions of Section 45 is enclosed in annexure – 1 for reference.

## Annexure - 1

### **Section 45 - Policy shall not be called in question on the ground of mis-statement after three years**

Provisions regarding Policy not being called into question in terms of Section 45 of the Insurance Act 1938, as amended by Insurance Laws (Amendment) Act, 2015 which is deemed to have come into force on the 26th day of December, 2014 are as follows:

01. No Policy of Life Insurance shall be called in question on any ground whatsoever after expiry of 3 years from
- the date of issuance of Policy or
  - the date of commencement of risk or
  - the date of revival of Policy or
  - the date of rider to the Policy
- whichever is later.

02. On the ground of fraud, a Policy of Life Insurance may be called in question within 3 years from
- the date of issuance of Policy or
  - the date of commencement of risk or
  - the date of revival of Policy or
  - the date of rider to the Policy
- whichever is later.

For this, the Insurer should communicate in writing to the insured or legal representative or nominee or assignees of insured, as applicable, mentioning the ground and materials on which such decision is based.

03. Fraud means any of the following acts committed by insured or by his agent, with the intent to deceive the Insurer or to induce the Insurer to issue a life insurance Policy:
- The suggestion, as a fact of that which is not true and which the insured does not believe to be true;
  - The active concealment of a fact by the insured having knowledge or belief of the fact;
  - Any other act fitted to deceive; and
  - Any such act or omission as the law specifically declares to be fraudulent.
04. Mere silence is not fraud unless, depending on circumstances of the case, it is the duty of the insured or his agent keeping silence to speak or silence is in itself equivalent to speaking.
05. No Insurer shall repudiate a life insurance Policy on the ground of Fraud, if the Insured/beneficiary can prove that the misstatement was true to the best of his knowledge and there was no deliberate intention to suppress the fact or that such mis-statement of or suppression of material fact are within the knowledge of the Insurer. Onus of disproving is upon the Policyholder, if alive, or beneficiaries.

06. Life insurance Policy can be called in question within 3 years on the ground that any statement of or suppression of a fact material to expectancy of life of the insured was incorrectly made in the proposal or other document basis which Policy was issued or revived or rider issued. For this, the Insurer should communicate in writing to the insured or legal representative or nominee or assignees of insured, as applicable, mentioning the ground and materials on which decision to repudiate the Policy of life insurance is based.
07. In case repudiation is on ground of mis-statement and not on fraud, the Premium collected on Policy till the date of repudiation shall be paid to the insured or legal representative or nominee or assignees of insured, within a period of 90 days from the date of repudiation.
08. Fact shall not be considered material unless it has a direct bearing on the risk undertaken by the Insurer. The onus is on Insurer to show that if the Insurer had been aware of the said fact, no life insurance Policy would have been issued to the insured.
09. The Insurer can call 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 of age of life insured. So, this Section will not be applicable for questioning age or adjustment based on proof of age submitted subsequently.

**(Disclaimer:** This is not a comprehensive list of amendments of Insurance Laws (Amendment) Act, 2015 which is deemed to have come into force on the 26th day of December, 2014 and only a simplified version prepared for general information. Policyholders are advised to refer to Original Insurance Laws (Amendment) Act, 2015 Gazette Notification dated March 23, 2015 for complete and accurate details.)