

SBI Life Insurance Company Ltd

Turner Morrison Building, G N Vaidya Marg,

Fort, Mumbai - 400 023

Group Gratuity Policy

SBI Life Insurance Company Ltd (which expression includes its assigns and successors), hereinafter called (the 'Company') has received a proposal from the Proposer named in the Schedule hereto, together with a statement and particulars of the Members and the Gratuity Trust Deed and has received the initial premium and contribution amount as mentioned in Schedule I for grant of the benefits detailed in Schedule II.

The Policyholder has agreed to furnish such statements and particulars of Members as may be required by the Company from time to time and also have agreed to pay further premium as provided in Schedule II as and when they fall due. The Company and the Policyholder have agreed that the proposal and the statement together with any report or other document leading to the issue of this Master Policy including but not limited to the Rules of the Gratuity Scheme shall form the basis of this contract.

It is agreed that in consideration of the premium received, and subject to receipt of future premiums as herein stated, the Company will pay the appropriate benefits as herein stated to the Beneficiary (hereinafter defined), on proof to the complete satisfaction of the Company of the benefit having become payable, and provided that the Schedules, terms and conditions contained in this document are complied with.

The Scheme under which the Master Policy has been issued shall be valid for a period of 60 months from the date of this issue of this policy. The Company, however, reserves the right to review the terms and conditions of the Scheme after every 12 months, the first of the revisions being due for review 12 months from the date of Commencement of Risk under the policy (i.e. Policy Anniversary Date). The Company may extend the validity of this Policy for a further period of 12 months at a time, unless the Company and the Policyholder mutually agree otherwise.

This Policy including the premium and benefits under this policy will be subject to taxes and other statutory levies as may be applicable from time to time, and such taxes, levies etc. will be recovered, directly and completely from the Policyholder.

Any amendment to the terms and conditions of this Policy shall be given effect to by an endorsement to the Policy or by suitable exchange of documents signed by an authorized officer of the Company.

The provisions hereinafter contained viz. 'Definitions, General Conditions and the Schedule' form part of this Policy as fully as if recited over the signature affixed hereto.

Schedule I
Policy Details

Participating policy
Master Policy No : XXXXXXXXXXXXXXX

Proposer :

Policyholder : The Trustees-----
Employees Group Gratuity Scheme

Policyholder's Address :

Employer :

Date of Commencement of Risk :

Term : Months from the date of Commencement of Risk

Annual Renewal Date :

Initial No. of Members covered : members {

Initial Premium paid for life insurance cover : Rs. /-
Initial Premium Rs. /-
Service Tax Rs. /-
Total Premium Rs. /- *

*This amount includes service tax calculated at the rate currently applicable, which is 12.24% and the premium rates may vary with changes in service tax.

Mode of Payment of premium and contribution : Annually in advance

Due Date(s) of Premium :----- and annually thereafter

Annual Contribution for the Gratuity Benefit : Rs. /-

Basic Death Benefit (Life Insurance Cover)** :The difference between the Gratuity amount for total services (past as well as future) calculated on the basis of the salary as prescribed by the company and the Gratuity Benefit hereinafter stated. The total benefit payable on death (i.e. the Basic Death Benefit along with the Gratuity Benefit if any, payable on death) will or will not be subject to the limits as stated in the gratuity Act or as per the rules prescribed by the company. This has been further clarified in Clause 9 of Schedule II.

**The Company reserves the right to refuse this benefit for a particular member or to grant a reduced benefit in respect of a particular member where the Company is not satisfied with the evidence of health of that member.

Gratuity Benefit : In accordance with the provisions of the Gratuity Act, 1972 or as per the rules prescribed by the company. The amounts will be advised by the Policyholder to the Company in accordance with the above and will be subject to a balance being available in the Running account at the time of settlement of claim/s.

Signed for and on behalf of SBI Life Insurance Company Limited at Mumbai this
....., 2006.

Authorised Signatory

Schedule II

Expressions	Meaning
1. SCHEME	: ----- Employees Group Gratuity Scheme.
2. EMPLOYER	:
3. MEMBER(S)	: All permanent employees of ----- to whom the Rules of the Scheme apply and who fulfill the Eligibility Criteria and are admitted to the benefits of this Policy.
4. ELIGIBILITY CRITERIA	: All permanent employees of ----- who are aged not less than 18 years and not more than 59 years of age* as on the date of admission to the Scheme. *All reference to age in this document means age as on last birthday
5. BENEFICIARY	: The benefits under this Policy will be paid to the Policyholder.
6. NORMAL RETIREMENT DATE	: The date on which the Member attains the age of 60 years.
7. RUNNING ACCOUNT	: The Account maintained by the Company in respect of this Policy to which will be credited the contributions for past service liability and the Annual contributions from time to time. To further clarify, only amounts actually received by the Company will be credited to the Account. A Fund Management charge depending on the fund size (as detailed and applicable in clause 12, of the schedule II) will be deducted on each Policy Anniversary Date.
8. POLICY ANNIVERSARY DATE	: 12 months from the date of Commencement of Risk under the policy and on the same day of every year thereafter.
9. BENEFITS	: a) On death: In the event of the death of the Member, due to any reason, whilst life cover for that Member is in force, the Basic Death Benefit plus the Gratuity Benefit, if any, as stated in the Schedule I shall become payable. The maximum benefit payable on death (i.e. the Basic Death Benefit plus the Gratuity Benefit, if any) will or will not be subject to the limits as stated in the gratuity Act or as per the rules prescribed by the company. b) At withdrawal from service due to any reason: In the event the Member ceases to be an employee of the Policyholder for any reason, at any time after the Date of Commencement of Risk for that Member, but before he ceases to be the Member under this Policy, provided that the Policy is in full force, the Gratuity Benefit, if any, as stated in the Schedule I shall become payable and all life insurance cover for that member shall cease. The maximum benefit payable on withdrawal from service due to any reason will or will not be subject to the limits as stated in the gratuity Act or as per the rules prescribed by the company. The Gratuity Benefit on retirement or resignation will be payable, provided the Member has completed at least five years of continuous service with the Policyholder.

On payment of the benefits on death or on withdrawal of service, all liability of the Company in respect of that Member would stand automatically extinguished.

10. It is hereby clarified and agreed that the liability of Gratuity lies with the Master Policyholder alone and the Company is merely managing funds and providing life cover to the participating members. In the event of mass exits and consequent withdrawal from the Running Account (to the extent of the Fund) an actuarial valuation will have to be done after such mass exits to ascertain whether the balance in the Running Account is sufficient for the continuing members. In the event of any shortfall therein, the Master Policy holder would adequately replenish the Running Account within a mutually agreed time frame and definitely before settlement of any claims further to such mass exits.

11. TABLE OF RATES : PREMIUMS AND CONTRIBUTIONS

Total Contribution for past service liability payable: Rs.
Annual contribution for Future Service Gratuity (with reference to the current set of employees) received : Rs./-
Annual contribution for Future Service Gratuity (with reference to the current set of employees) payable: Rs. /-
Annual Premium rate for Life Insurance Cover: Rs. /-per annum per one lakh sum assured (This rate is inclusive of service tax calculated at the rate currently applicable, which is 12.24% and the premium rates may vary with changes in service tax)
Total Sum Assured: Rs. /-

[#]As on ----- being the Date of Valuation.

12. FUND MANAGEMENT CHARGES:

Fund Management charges, based on the size of the Fund are as given below:

<u>Sr. No.</u>	<u>Fund size</u>	<u>Fund Management Charge (FMC) as a percentage of the fund in the running account</u>
1	0 < x ≤ 5 crs.	1.50% p.a.
2	5 < x ≤ 10 crs	1.25% p.a.
3	10 < x ≤ 25 crs	1.00% p.a.
4	25 < x ≤ 50 crs	0.75% p.a.
5	50 < x ≤ 100 crs	0.50% p.a.
6	100 < x ≤ 150 crs	0.40% p.a.
7	150 < x ≤ 200 crs	0.30% p.a.
8	>200 crs	0.20% p.a.

13. SURRENDER CHARGES:

In case an employer decides to discontinue the contract with SBI Life, accumulated fund will be refunded, in the following manner and following exit loads (charges) are applicable.

<u>Policy year</u>	<u>Surrender Charges</u>
First year	5% of the Gratuity Fund
Second year	4% of the Gratuity Fund
Third year	3% of the Gratuity Fund
Fourth year	2% of the Gratuity Fund
Fifth year and onwards	1% of the Gratuity Fund

Schedule III
Premiums and Contributions

1. The Policyholder shall pay to the Company the annual contributions for Past Service Liability and Future Service Liability and the premiums for the life insurance cover in respect of each Member, in advance, on the Due Date(s) of Premium as indicated in Schedule I failing which this policy shall lapse.
2. New members recruited subsequent to the Date of Commencement of Risk will be admitted only on the next Due Date of Premium, provided premiums and contributions for such new members have been received by the Company, and member data for such new members has been provided to the Company. Premiums will be calculated from the date such new member is admitted and contributions will be calculated from the date that the new member first becomes a permanent employee of the Employer. For this purpose, the fraction of a month shall be treated as one month.
3. A grace period of 30 days calculated from the Due Date of Premium will be allowed for payment of premiums/contributions. If the premium is not paid on or before the expiry of the grace period, this policy will automatically lapse.
4. If death occurs within the grace period and before the payment of the premium then due, and the claim is admitted, the Basic Death Benefit will be paid only after deducting the premium due for that member.
5. Where life insurance cover/ gratuity benefits have lapsed, it is hereby agreed and understood that the Policyholder would be solely responsible for such lapse and in the event of any benefit becoming payable, the Policyholder would be liable to pay the relevant benefits.
6. On the policy anniversary date each year, the Company will allow such interest being calculated taking into account the opening balance, the annual contribution paid, the amounts appropriated from the Running Account for payment of Gratuity Benefits etc. and the dates of payment of contribution.
7. The Company shall issue to the Policyholder as at the end of each Policy Year a statement showing the interest credited and debited to the Running Account.
8. When a Gratuity Benefit becomes payable, the Company shall deduct such Gratuity Benefit from the then current balance in the Running Account and pay the claim. Upon the death of a Member, the Company shall draw from the Running Account an amount equal to the Gratuity amount accumulated in the relevant Member's account and pay the Death Benefit as described in the Schedule II.
9. Notwithstanding anything herein contained to the contrary, the Company's liability to the Policyholder under this Policy shall be limited to the benefits assured under the life insurance cover effected in respect of the Members, subject to the terms and conditions applicable to them and the accumulated balance standing to the credit of the Policyholder in the Running Account.

Schedule IV
General Conditions

1. For new entrants into the scheme, joining after the Date of Commencement of Risk (as stated in the Schedule), the Policyholder will intimate the Company by the 15th of the month immediately following the date such new entrant becomes a member.
2. The Policyholder shall admit all the eligible employees under the Scheme.
3. This Policy shall come up for renewal on the Annual Renewal Date. If the Policyholder does not renew this Policy on such date(s), the policy shall automatically lapse. If the Policyholder wishes to revive a lapsed policy this may only be done with the consent of the Company and subject to such conditions as may be prescribed by the Company.
4. The Company may vary the premium rates, terms, conditions and provisions of this Policy upon giving to the Policyholder three months' notice in writing. Such variations shall apply in respect of all members with effect from the date of such variation or the next Due Date of Premium and Contribution.
5. Variations in the benefits assured hereunder shall be given effect to by endorsements or by suitable exchange of documents under the signature of a duly authorized officer of the Company.
6. Loans are not available under the policy.
7. The Company shall not be liable for payment of Basic Death Benefit (Life Insurance Cover) under this policy in respect of a Member, if such a Member (whether sane or insane) commits suicide within one year of the date that insurance cover for that Member first commences.
8. A member's cover will cease on the earliest of:
 - a) the date that the member ceases to be a member as defined under this policy,
 - b) the date on which the premium for that member ceases,
 - c) the date on which any claim is admitted under this policy, and
 - d) the date of discontinuance of this Policy.
9. As soon as a claim under this policy becomes payable, the Policyholder shall send the relevant particulars to the Company whereupon the Company shall pay the appropriate benefits.
10. The Company may require satisfactory evidence of age of the Member to be produced before any benefits in respect of him are paid under this Policy.
11. The Policyholder shall furnish proof of existence and identity of the Member or the beneficiary, as the case may be, as required by the Company before payment of any benefits under the Policy.
12. The Company will invest the amount in the Running Account as per the applicable provisions of the Income Tax Rules/ IRDA Regulations. The Company shall be entitled to draw from the Running Account the appropriate amount for payment of benefits as agreed upon as and when such benefits under this Policy become payable. The liability of the Company to pay the Benefits accruing under the Policy is limited to the extent of the availability of the funds in the Running Account. If the funds in the Running Account are inadequate to pay the benefits agreed, the Policyholder shall make additional contribution as required and advised by the Company. The Company is entitled for Fund Management Charges (as detailed and applicable in clause 12, of the schedule II) depending on the fund size and the same could be recovered from the Running Account. The Company will also maintain Gratuity Account in respect of each of the employee admitted under the Scheme.
13. The Company shall not be liable for any action taken in good faith upon any statements and particulars furnished by the Policyholder that shall be, or shall be proved to have been erroneous. Such of the Policyholder's records in original as in the opinion of the Company have a bearing on the benefits provided or the premiums/contributions payable hereunder shall be open for inspection by the Company whenever required.
14. This policy shall be rendered null and void in the following events and all moneys paid in respect of that assurance shall belong to the Company:-
 - a. if any conditions herein mentioned or any endorsements made or any variations evidenced by exchange of documents hereto are contravened; or,

- b. it is found that a statement made
- in the member data given to the Company, or
 - in any other document leading to the issue of the policy, or
 - in any other document necessary to keep the policy in force, or
 - in any other document leading to the grant of insurance cover, or
 - in any other document necessary to keep any insurance cover in force.
- was inaccurate, or false, or not made in good faith, or any material matter or fact was suppressed, then, and in every such case (but subject to the provisions of Section 45 of the Insurance Act, 1938), and all claims to any benefit under this policy shall cease, excepting in so far as whatever relief may be granted as per the law.

provided, however, the Company may, at its sole discretion, grant relief subject to such conditions as the Company may prescribe.

15. The Policyholder shall at the request of the Company produce the Policy whenever required for the purpose of stamping, reference or inspection,
16. The benefits payable hereunder are strictly personal and cannot be assigned, charged or alienated in any way by the Beneficiaries.
17. Where the Company is liable to deduct any tax, levy or any other duties on the benefits to be made under this Policy pursuant to any directive from the Government or any competent authority, the Company shall deduct appropriate amounts for that purpose from the respective benefits and shall not be liable to the Policyholder and/or to the beneficiaries for the sums so deducted.
18. All death claims must be notified to the Company in writing within 3 months of the date of the death of the member along with a copy of the original death certificate.
19. A claim must be made by notice in writing to the Company in the format supplied by the Company. The primary documents normally required for processing a claim are:
 - i. Original Death Certificate from Municipal/Local authorities.
 - ii. Claim form duly filled in.
 - iii. Certificate from the attending physician along with hospital reports.
 - iv. Police panchnama, and FIR copy where applicable.

All claims shall be subject to such other requirements as stipulated by the Company and the legal title of the claimant, satisfactory to the Company. The Company reserves the right to call for any additional information and documents required to satisfy itself as to the validity of a claim.

20. Any notice, information or instruction to the Company must be in writing and delivered to the address intimated by the Company to the Policyholder which is currently:

The Appointed Actuary
SBI Life Insurance Company Ltd
2nd Floor, Turner Morrison Building
G.N. Vaidya Marg
Fort, Mumbai - 400 023

Any such notice, information and instruction shall be deemed to be served 7 days after the posting, or immediately upon receipt by the Company in the case of recorded hand delivery or courier.

The Company may change the address stated above and intimate the Policyholder of such change by suitable means.

Any notice, information or instruction from the Company to the Policyholder shall be mailed to the address of the Policyholder stated in Schedule 1 or to the changed address as intimated to the Company in writing.

21. This policy may be discontinued at the option of the Policyholder or the Company on the expiry of the term of the policy, by giving the other party at least three month's prior notice in writing before expiry of the term, or such shorter notice period or other terms and conditions as agreed between the