

# Group Term Life Insurance

Group term life Insurance is an employer provided life insurance coverage, which forms a part of employee benefits solutions. We have highlighted below few key parameters offered by Insurers in the market.

## Features Of Group Term Life Insurance

- Group Term Life Insurance is a one year renewable policy
- Death due to any cause are covered worldwide, 24x7
- Suicide can be covered from day one depending upon insurer from the policy inception date or member joining date in the policy period
- All employees should be actively at work at the time of taking the policy
- Employees covered should be permanent/full time employees
- The owner of the policy is the Organization and employees are members of this policy
- Addition / Deletion is allowed in this policy
- Life cover which can be offered to any employee is based on flat/graded /multiple of salary subject to group underwriting by Insurer

## Benefits to Group Administrator

- Cover to members at an affordable premium
- Serves as retention tool and loyalty building measure for employers
- Simple administration process for addition and deletion of members
- Premium paid by policy-holder is eligible for tax deduction, as per prevailing tax laws
- No medicals for members up to Free Cover Limit (FCL). FCL will vary from scheme to scheme & shall depend on the number of members & average sum assured of group
- Flexibility to pay premiums in yearly, half-yearly or quarterly mode. Any mode other than Annual has rate/premium implication.
- Sum Insured can be changed during the policy term in case of promotion or change of grade
- Competitive pricing and smooth claim settlements





## Benefits to Members

- Financial security of family members and dependents
- No medical examination up to Free Cover Limit
- Cover for 24 hours, 7 days a week
- The benefit (life cover) under the policy is payable on the death of the employee to the beneficiary nominated by him/her

## Benefit Structure

- The Life cover/Sum Assured could be Flat i.e. same cover for all employees (e.g. 10 Lakhs flat cover for all employees) OR
- The Life cover can be Graded (different cover for different grades e.g. 10 Lakhs for Manager, 5 Lakhs for Asst. Manager; etc) OR
- The Life cover could be a multiple of Salary (1 x CTC, 2 x CTC or 3 X CTC)

**Please note:** The benefit structure once chosen, can be changed at policy renewal & the maximum allowable Life Cover to any employee is 10 x CTC

## Riders



### Accident Death Benefit Rider (ADB)

Under this rider an amount equal to sum assured is payable in event of death of the Life Assured due to accident.



### Accident Death and Dismemberment Benefit Rider (ADDB)

Under this rider, an amount equal to sum assured is payable in event of death of the Life Assured due to an accident and also for disability suffered as per TnC.



## Critical Illness Rider (CI)

This rider is available in two forms, viz. accelerated and additional benefit. Under the additional benefit critical illness rider, if the life assured survives for 28 days after being diagnosed with a critical illness, an additional payout equal to the sum assured under the rider will be provided. Under the accelerated critical illness rider, the death benefit will be paid upon diagnosis of a critical illness, and the base plan along with any other riders will be terminated. The Sum Insured under this rider varies between INR 5 lakhs to 50 lakhs subject to maximum of base SI and also depends upon the group underwriting values.

## Cover for major illnesses

(May differ as per insurer)



Cancer



Kidney Failure



Heart Attack



Major Organ  
Transplant



Stroke



Paralysis



Aorta-surgery



Coronary Artery  
By-Pass Graft  
Surgery (CABGS)



Heart valve  
replacement  
/surgery

## Waiting Period

The CI rider would have a waiting period of 6 months from the date of commencement of risk. This is applicable for the first six months after entry into the group and not for every year. However if the person has joined the group with less than six months in the policy year the balance period would be the waiting period in the next policy year.





## Exclusions

The Critical Illness rider shall not have been caused by the existence of Acquired Immune Deficiency Syndrome or the presence of any Human Immunodeficiency Virus infection in the person of the Life Assured, self inflicted injury, drug abuse, failure to follow medical advice, war, whether declared or not civil commotion, pregnancy, breach of law, aviation, other than as a fare paying passenger in a commercial licensed aircraft (being a multi-engine aircraft), hazardous sports and pastimes.

The benefit will not be payable in respect of any illness other than those defined as Critical Illness, nor shall it apply to be payable in respect of any of those said illnesses the symptoms of which have occurred or which has been diagnosed or for which the insured person has received treatment, during the first 6 months from the date of policy.

## Terminal Illness Benefit

The policy offers benefit whereby an advance payment of part of the sum insured may be made in the event that an insured employee is diagnosed with a terminal illness, such that, life expectancy is unquestionably short.



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