



Frequently Asked Questions
Pramerica Life Group Secured Employee Benefit Plan

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A Non-Linked Non-Participating Group Savings Life Insurance Plan

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Frequently Asked Questions

1. What is Pramerica Life Group Secured Employee Benefit Plan?

It is a group savings life insurance plan for employers. You can use it to build and manage funds for employee benefit schemes such as gratuity, superannuation, leave encashment, post-retirement medical benefits, employee welfare funds and similar schemes.

2. Who can take this plan?

You can take this plan as a Master Policyholder/employer for an eligible group of employees or members. The plan is meant for group schemes where benefits are payable according to the scheme rules.

3. Is this plan unit-linked or market-linked?

No. This is a non-linked plan. Your contributions are not invested through unit-linked funds and there is no NAV or fund switching under this plan.

4. Is this plan guaranteed or non-guaranteed?

The plan offers assured returns. The interest rate is declared in advance for each Specified Period and applies to contributions received for that chosen period. The plan also provides an assured benefit as defined in the policy terms.

5. How does the plan work?

From each contribution, the mortality fee, if applicable, and applicable taxes are deducted. The balance is credited to your Policy Account. Each contribution is kept as a separate tranche for the Specified Period chosen by you. Interest accrues on the tranches according to the applicable declared rate.

6. What is a Specified Period and what is a tranche?

A Specified Period is the period for which your contribution is invested. You choose it when making each contribution. Each contribution creates a separate tranche with its own start date, end date and applicable interest rate.

7. What are the contribution payment options?

Your contributions should be made according to the scheme rules. Each contribution is treated as a separate tranche. You may also pay the mortality premium, along with applicable tax, separately into the Policy Account at the policy anniversary.

8. What is Policy Account Value?

Policy Account Value is the value maintained under your policy. It includes contributions credited to the account, less mortality fee, applicable taxes and withdrawals, plus accrued interest across all tranches.

9. What benefits are payable under the plan?

Benefits are payable for death of a member, maturity or vesting of a tranche, surrender, and other valid withdrawals such as retirement, resignation or termination, subject to the scheme rules and policy terms.

10. How much of life insurance cover is provided to the members?

Life cover of ₹10,000 is provided for each member. This cover is not applicable under superannuation schemes.

11. What happens if a member dies?

The death benefit is payable according to the scheme rules, subject to the maximum of the Policy Account Value or the Assured Benefit. For schemes other than superannuation, the life cover of ₹10,000 is also payable.

12. What happens at maturity or vesting of a tranche?

At the end of the Specified Period for a tranche, you have three options. You can transfer the maturity or vesting amount to any existing group employee benefit plan then available with the insurer, reinvest the amount in a new tranche at the then prevailing rate, or withdraw the full maturity or vesting amount. Once the amount is paid or transferred as applicable, that tranche is closed.



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13. Can one withdraw money from the policy?

Yes, withdrawals can be made according to the scheme rules for valid benefit payments such as retirement, resignation, termination or other eligible events. The amount payable is subject to the maximum of the Policy Account Value or the Assured Benefit.

14. Can one surrender or exit the policy?

Yes. You may surrender the policy at any time by giving one month's notice. The company may waive this notice period. The surrender value is the Policy Account Value less any Market Value Adjustment, if applicable.

15. What happens if one stops contributing?

If the Policy Account Value is not sufficient to deduct the mortality premium, the company will ask you to make the required contribution within one month. If the contribution is not received within that period, the policy will automatically terminate after payment of the surrender value. If the Policy Account Value is overfunded, the company may allow nil contribution until further contribution is required; in such cases, the scheme is not treated as discontinued.

16. Are there any charges, fees, taxes or adjustments under this plan?

Yes. The main charges, taxes and adjustments stated for this plan are shown below.

Charge / tax / adjustment	How it applies
Mortality Fee	₹1 per ₹1,000 Sum Assured per insured member in a year. This fee is guaranteed for the entire policy term.
Applicable taxes / GST / cess	Charged separately as per prevailing tax laws. Applicable taxes are also charged separately on the Mortality Fee.
Market Value Adjustment (MVA)	May apply on bulk exits when total exits during the policy year exceed 25% of the Policy Account Value at the beginning of that policy year. Once triggered, future exits in that policy year are subject to MVA.
Free-look cancellation deductions	On free-look cancellation, the refund may be reduced by proportionate risk premium, medical examination expenses and stamp duty charges, if any.

17. Can one take a loan under this plan or use the policy as collateral?

Loans are not available under this product. A separate collateral facility is not stated for this plan, so you should not treat the policy as available for borrowing unless confirmed under the policy terms.

18. How does the plan address market volatility?

The plan is not unit-linked, so your account is not tracked through NAVs or equity fund units. Interest rates are declared in advance for Specified Periods. In case of significant market volatility, the company may revise rates during the month for new contributions, but this does not impact contributions already received before the revision date.