

KEYMAN INSURANCE / PARTNERSHIP INSURANCE / EMPLOYER-EMPLOYEE SCHEME

Underwriting & Reinsurance Department
C.O. Mumbai

Keyman Insurance

- Proposed by the company on the life of any of its directors who is a keyman
- There can be more than one keyman in a company
- All the directors need not be proposed under KMI
- Only Term assurance plan allowed under KMI

KEY MAN INSURANCE Requirements



- Proposal F. No. 340, signed by the person authorized by the company.
- MHR in prescribed form by Manager Sales/ Marketing Manager.
- Medical Report from the medical examiner with adequate limit.
- Sp. Reports as per SUC of Keyman.
- Copies of ITRs of the company
- Form showing details of income & insurance by the Keyman

KEY MAN INSURANCE Requirements



- Copy of Memo. & Articles of Association
- Copies of audited accounts including Balance sheet & P/L accounts for last three years .
- Certified true copy of Board Resolution containing, S.A. desired, Plan & Term, Name & Signature of the person who is authorized to complete the proposal, Use of seal of the company-Ann. A
- Keyman Quest signed by authorized person./Ann B giving details of policies held under KMI and also role of keyman in company.
- Consent for endorsement.
- Share holding pattern of company on its letter head

Calculation of max. allowable S.A.

- Key man having shareholding in the co. / key partner in a partnership firm – 5 times of avg net profits or 3 times of avg gross profits whichever is lower.
- Key man not having any shareholding/key employee of a proprietary or partnership firm- 10 times of his avg annual salary.

Key Man under partnership & Partnership insurance

- PF in Form No. 340.
- Copy of Partnership Deed.
- Copies of audited accounts including balance sheet & P/L account for last 3yrs
- Letter of Authority in favour of partner signing the proposal form.
- Copy of supplementary deed of partnership.
- Schedule of partners' capital account.

POINTS OF IMPORTANCE UNDER KEYMAN

1. Under no circumstances company is making losses.
2. Shareholding of the L.A. not exceeding 51% and family shareholding not more than 70%.

(Family means own + spouse + minor children).

Employer- Employee scheme

- Eligibility as per individual insurance.
- Employee's shareholding in the employer company should be < 51%.
- Family shareholding in the employer company should be < 71%.
- The definition of family for the purpose of granting insurance under E-E Scheme has been revised to employee, his/her spouse and minor children only.

EMPLOYER-EMPLOYEE SCHEME



Requirements :

- I. Proposal form 300 or 340, if 340 submitted, then details of assignment to be called as assignment has to be done within reasonable period.
- II. The medical examination, special reports will be decided on the basis of SUC for individual life proposed.
- III. If the employer is the proposer i.e. If proposal is submitted in F. No. 340, a separate letter shall be obtained from the employer, stating –
 - The object of insurance
 - The restrictions he desires to impose in respect of surrender, loan etc.
 - That he would assign the policy to the life assured immediately after the issue of policy.
 - That the letter should form part of the proposal.

It is not necessary that all the insurable employees of the employer be covered under the scheme.

- Books of Accounts or I.T. orders for last 3 years of the company to check the profitability of the company as the premium liability lies with the company.
- Income proof of the L.A. as maximum insurance is allowed as per his eligibility.
- Copy of Board Resolution.