**Memorandum of Understanding**

The Memorandum of Understanding is executed between the **Royal Insurance Corporation of Bhutan Limited (RICB)** hereafter mentioned as the “Corporation” and **…………………………**to as the “**Employer** “for execution of the Group Savings Linked Insurance Scheme for the Employees of the said Employer

1. Whereas the Corporation under the superintendence of its Board of Directors shall administer the Group Savings Linked Insurance Scheme for the Employees of the Employer in accordance with the guidelines of the Scheme laid down by the Corporation.

2. The Corporation shall issue a Master Policy to this effect the said Employer in line with MOU and guidelines of the Group Savings Linked Insurance Scheme.

3. The Corporation and the Employer shall be bound by the guidelines set forth and amended by mutual consent from time to time.

4. The RICB shall pay/credit interest at the rate of **8 %** on Savings component which shall be subjected to revision from time to time. Any revision on the policy terms and conditions of the scheme shall be notified by an endorsement.

5 The Corporation shall not be parties to any litigation that may arise out of the disputes between the Employer and Employee with regard to the operation of the scheme

6. The guideline of the Group Savings Linked Insurance Scheme shall form the integral part of the Memorandum of Understanding and Master Policy.

This Memorandum of Understanding having agreed by both the Corporation and the Employer, the said authorize parties affix their signature herein this day **01st August** month **of** year **2021**.

For and on behalf of For and on behalf of

**Royal Insurance Corporation of Bhutan Ltd XXXX**

 **HEAD, GIS Division** **Employer with Office Seal**

 **RICB, Main Branch**

 **Thimphu**

**MASTER POLICY –(GSLI/1111/00000)**

WHEREAS

1. The Royal Insurance Corporation of Bhutan Limited (hereinafter called the Corporation) has received a proposal from the Employer as hereinafter defined, requesting it to grant benefits, as hereinafter described and to affect the necessary assurances thereof;

2. The Corporation has received from the Employer statement and particulars as hereinafter defined;

3. The Employer has agreed to furnish such statements and particulars of the Members as may in future be required by the Employer from time to time for affecting the assurances

4. The Employer has also declared and agreed that the said proposal and the statement and particulars shall be the basis of this policy; and

5. The Employer has agreed to pay every month premium at the rate agreed and defined in the scheme under the heading insurance Fund.

**Now this policy witnessed as follows**:

1 Subject to the payment of the appropriate premium specified herein and on the proof of the happening of the contingencies stated in respect of the member, the Corporation shall pay to the Employer the benefit in accordance with the terms, provisions and conditions provided in the scheme.

2. An Assurance affected hereunder shall be rendered null and void in the following events and all monies in respect of that assurance shall belong to the Corporation: -

a) If any condition herein mentioned or any endorsement made hereto are contravened, and

b) If it appears that an untrue or incorrect averment is made or mis-statement or suppression of material information is contained in the proposal, statement or any other information relating in the assurance or that any of the particulars referred to above has not been truly and fairly stated; provided, however, the Corporation may, as its sole discretion grant relief subject to such conditions as the Corporation may prescribe.

3. The Employer shall hold this policy and all benefits payable hereunder upon Trust for the benefit of the beneficiary as hereinafter defined and the Employer shall have no beneficial interest whatsoever hereunder.

4. All monies payable to or by the Corporation hereunder shall be paid at the head office of the Corporation or the designated office of the Corporation and the Assurance affected hereunder shall be expressed in Ngultrum. A discharge by the Employer or the beneficiary as described in the schedule of the policy shall be good, valid and sufficient discharge to the Corporation in respect of any payment to be made by the Corporation hereunder

5. Evidence of age of the member satisfactory to the Corporation will be required before any benefits of him/her are paid under this policy.

6. If the Employer does not renew this policy on any renewal date by paying the premiums then failing due as set out in the schedule, he may résumé payment of the premium only with the consent of the Corporation and subject to such conditions as may be prescribed by the Corporation.

7. It shall be a condition of the employment for all future employees of the Employer that they must become Members hereunder on the respective date of joining in the employment and Employer shall take effective steps to ensure that relevant information is furnished to the Corporation and that appropriate assurances are affected hereunder.

8. Variation in the benefits assured shall become effective in terms of the provision of the scheme.

9 The Corporation may vary the rate, terms and conditions and provision of this policy upon giving to the Employer one month’s notice and this shall be effected by an endorsement to the policy signed by an Authorized Officer of the Corporation.

10. The benefits assured hereunder are strictly personal and cannot be assigned, charged or alienated in any way by the member.

11. The provision contained in the scheme shall be the integral part of this policy as fully as if recited over signature affixed hereto.

12. All disputes, which may arise in connection with this policy, shall be submitted to the appropriate Court.

Dated at **Thimphu** on this day **….** of **……** month of the year **…..**

For and on behalf of the

**Royal Insurance Corporation of Bhutan Limited**

**HEAD, GIS DIVISION**

**RICB, MAIN BRANCH**

**THIMPHU**

**DEFINITION**

1. SCHEME : Renewable Group Term Insurance under the Employee’s Group Savings Linked Insurance Scheme

2. EMPLOYER : **XXXX**

 **Thimphu**

3. EMPLOYEE : An employee of the Employer except those

 specifically excluded under the scheme referred to above

4. MEMBER: An employee who is admitted to the benefits of this policy

5. BENEFICIARY: The nominee(s) appointed by the member under the

 Scheme to receive the benefits upon his/her death.

**THE SCHEDULE**

Amount of Sum Assured per : As provided in the scheme under the Heading

Member Rate of Subscription & Insurance cover.

Premium : As flat rates as provided under heading insurance

 Fund in the scheme payable monthly.

When the Sum Assured

Become payable : Upon death of the member or permanent total

 Disablement due to accident and or sick whilst

 in service of the Employer provided the assurance is in force at that time.

To whom payable : The Nominee(s) of the Member or the legal heir or

 The Employer on behalf of the beneficiary

When the Assurance : On the member ceasing to be in the service of the

Terminate Employer or member attains the age of **70.**

Surrender and Paid-up : The assurance affected under the policy will not

Value acquire any surrender or paid up value

Effective date of the Policy : **00/00/0000**