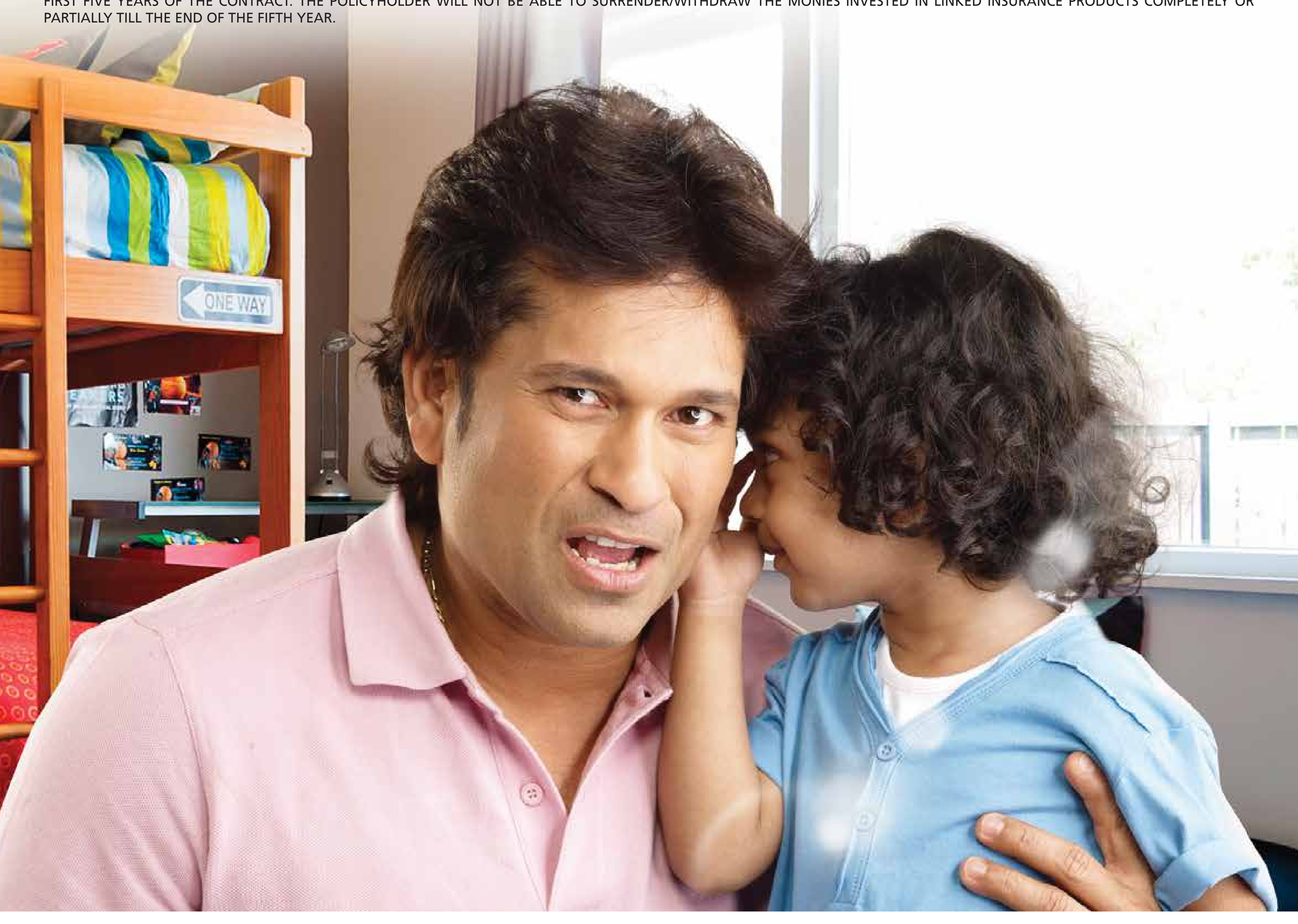
Aviva New Group Leave Encashment Plan

AVIVA
Life Insurance

IN THIS POLICY, THE INVESTMENT RISK IN THE INVESTMENT PORTFOLIO IS BORNE BY THE POLICYHOLDER. THE LINKED INSURANCE PRODUCTS DO NOT OFFER ANY LIQUIDITY DURING THE FIRST FIVE YEARS OF THE CONTRACT. THE POLICYHOLDER WILL NOT BE ABLE TO SURRENDER/WITHDRAW THE MONIES INVESTED IN LINKED INSURANCE PRODUCTS COMPLETELY OR PARTIALLY TILL THE END OF THE FIFTH YEAR.



Many organisations provide their employees with the option of encashing their residual leave during the term of the employment while in service or on account of death, resignation/termination etc. "Accounting Standard (AS) 15 (revised 2005) – Employee Benefits" requires that an Actuarial valuation of a Company's retirement benefits including the leave encashment liability is carried out and reflected in the accounts. Aviva's New Group Leave Encashment (NGLE) Plan enables the Employer to fund their leave encashment liability and meet the outgo as and when it occurs by outsourcing the fund management and Actuarial valuation. Our unit-linked funding approach helps meet the Employer's financial outgo in a cost-effective manner. In addition, Aviva's NGLE Plan provides a life insurance cover with a Sum Assured of ₹ 1000.

Aviva New Group Leave Encashment Plan is a systematic and cost - effective way of meeting your leave encashment liabilities. The Plan provides the following benefits:

Aviva New Group Leave Encashment Plan provides:

- A lump sum fund to meet the leave encashment liability of your employees
- Life Insurance Cover of ₹ 1,000 in case of death while in service
- Flexibility to invest in various unit-linked investment funds
- The option to switch between various funds without any charges

Who is the Master Policyholder?

- The Employer will act as the Master Policyholder

Who is an eligible member?

- Any employee of an organisation aged 18 and above and less than or equal to 70 (unless retirement age is earlier) is eligible for the Aviva New Group Leave Encashment Plan

What is the minimum contribution per Policy?

- The minimum contribution per Policy is ₹ 100,000 at the inception of the plan

Is there any risk cover in the Policy?

- There is a mandatory life insurance cover of ₹ 1,000 for all employees

What are the investment options available to the Master Policyholder?

Aviva„s New Group Leave Encashment Plan offers eight fund options:

Pension Cash Fund	Pension Debt Fund	Pension Secure Fund	Pension Balanced Fund	Pension Growth Fund	Pension Enhancer Fund	Pension Short Term Debt Fund	Pension Income Fund
Objective							
To safeguard the nominal value of the investments	To provide progressive capital growth with relatively lower investment risks	To provide progressive return on the investment	To provide capital growth by availing opportunities in debt and equity markets and providing a good balance between risk and return	To provide high capital growth by investing higher element of assets in the equity market	To provide increased exposure to equity by investing higher element of assets in the equity market	To provide security to investments with progressive returns	To provide returns by investing in safe funds with progressive returns
Composition (Range)							
Money Market & Cash: 80%-100% Debt Securities: 0%-20% Equities: 0%	Money Market & Cash: 0%-40% Debt Securities: 60%-100% Equities: 0%	Money Market & Cash: 0%-40% Debt Securities: 40%-100% Equities: 0%-20%	Money Market & Cash: 0%-40% Debt Securities: 15%-90% Equities: 0%-45%	Money Market & Cash: 0%-60% Debt Securities: 20%-60% Equities: 20%-60%	Money Market & Cash: 0%-40% Debt Securities: 0%-40% Equities: 20%-100%	Money Market & Cash: 0%-100% Debt Securities: 0%-50% Equities: 0%	Money Market Instruments: 0%-40% Government Securities: 0%-30% Corporate Bonds: 0%-100% Other Approved Fixed Income Instruments: 0%-100%
Risk profile							
Low	Low	Low	Medium	High	High	Low	Medium

- The Master Policyholder has the option of investing in any one or a combination of funds
- The Master Policyholder will have the option of changing the allocation proportions in different funds any time
- The Master Policyholder will have the flexibility to switch from one fund to another (either partly or fully) and this service is provided free of cost

What is the amount payable to the employee(s) on death, retirement, resignation/termination of employment?

- On encashment of leaves by a member while in service or in case of death, retirement, resignation/termination, the Master Policyholder will be paid an amount equivalent to the amount payable to the member as per the Company's Leave Encashment Rules, by cancelling the Units of equivalent amount from the Master Policyholder's account
- On death of a member, an additional amount of ₹ 1,000 is paid
- The Master Policyholder can get the Units cancelled from the various funds as per their choice. If the allocation proportion for cancellation of Units is not specified by the Master Policyholder, the allocation proportion last chosen by the Master Policyholder for the purpose of investing contributions will be used. The Company's maximum liability to make any payment under a Master Policy in respect of all scheme members in respect of the leave encashment benefit shall at all times be limited to the Fund Value (which is the total number of Units held in the Unit Account multiplied by their respective Unit Price as on the valuation date). In case of death of a member, in addition to the Leave Encashment benefit, the life insurance cover of ₹ 1,000 will also be payable

Can the Policy be continued without payment of contributions?

- The Master Policyholder may continue the Policy without payment of further contributions for a period of five years (Reinstatement Period) from the date of first unpaid contribution. Such a contract shall be treated as a discontinued contract under which all the risk cover benefits shall cease, i.e. no mortality charges shall be deducted against them. However, fund management charge will continue to be deducted
- If the Policy is not reinstated by payment of contribution within reinstatement period of five years from the date of first unpaid contribution, then the Policy shall be terminated and the fund value will be paid to the Master Policyholder
- The Policy can be surrendered any time by notifying Aviva in writing at least 90 days in advance of the termination of the Policy. However, the Units will be redeemed at their Unit Price on the date of redemption of those Units
- If the Master Policy is surrendered within first Policy year, the surrender charge will be 0.05% of fund value subject to maximum of ₹ 5,00,000. The surrender charge would be nil thereafter
- Surrender Value = Fund Value minus Surrender Charges, if any
- Alteration in contribution is permissible only with the Actuary's certificate as per AS 15 (Revised). Similarly, "Nil Contributions" will be allowed only when the fund is in surplus and the same is supported by an Actuary's certificate in accordance with AS 15 (Revised) and the contract in such case will not be treated as discontinued contracts. Otherwise, the contracts will be treated as discontinued contracts and all risk covers will cease

What is allocation rate and how is the contribution allocated towards Units?

The allocation rate is the proportion of the contributions used to purchase Units. An allocation rate of 100% means the entire contribution has been used to purchase Units

Allocation Charge = 100% minus Allocation Rate

	Distribution Channel		
Policy Year	Agents & Corporate Agents	Brokers	Direct Marketing
	Allocation Charge		
1	2%	Nil	Nil
2 onwards	Nil	Nil	Nil
	Allocation Rate		
1	98%	100%	100%
2 onwards	100%	100%	100%

What are the charges applicable on the Policy?

Fund Management Charges* to be applied on the fund while calculating NAV on daily basis
- Pension Cash Fund; Pension Debt Fund
- Pension Secure Fund; Pension Balanced Fund
- Pension Growth Fund; Pension Enhancer Fund
- Pension Short Term Debt Fund; Pension Income Fund

Per annum deductible monthly

Discount for Large Fund Values:
A discount on Fund Management Charge ("FMC") across all funds would be available at the end of the Policy Year. The Net FMC after discount will be as per the following table:

0.80% for all funds

Fund Size* (₹ In Crore)	Net FMC after Discount
<0.50	Standard
>=0.50 & <=2	0.60% p.a.
>2 & <=5	0.50% p.a.
>5	0.30% p.a.

The fund size to ascertain the discount would be examined at the end of the Policy Year.
The formula for computing discount is as follows:
Amount of Discount is the sum of
[(Sum of Fund Value before deduction of FMC at the end of each day of the Policy Year in fund 'X'/365) * (Standard Rate of FMC for fund 'X' – Net FMC Rate according to fund size)]
for each of the fund 'X'
where 'X' represents the fund(s) in which the contribution(s) are invested.

The benefit of the discount would be given by allotting additional Units in the funds in the Allocation Proportion at the end of each Policy Year by debiting the non-unit fund. The benefit of discount will be provided by allotting additional Units equivalent to the amount of discount at the closing Unit Price applicable on the day when the discount is computed.

Illustrative example for discount on Large Funds:
Fund Opted: Pension Growth Fund; Fund Allocation: 100%
FMC: 0.80%; Net FMC after large fund rebate: 0.50%; Discount to be offered in FMC: 0.30%
Fund Value at NAV of 10 (NAV with FMC of 0.80%): ₹ 2,50,00,000
Let NAV remain stable throughout the year
Gross NAV (NAV without FMC of 0.80%) = 10/(1-365/365*0.80%)
Fund Value at Gross NAV (NAV without standard FMC of 0.80%) = ₹ 2,50,00,000/(1-365/365*0.80%) = ₹ 2,52,01,613
Gross FMC = 0.8%*2,52,01,613 = ₹ 201,613
Discount on FMC = 0.3%*2,52,00,000 = ₹ 75,605
FMC less discount = ₹ 201,613 - ₹ 75,605 = ₹ 1,26,008
Units as at year end = ₹ 2,50,00,000/10 = 25 lacs Units --------------------A
Additional Units due to FMC discount: ₹ 75,605/10 = 7561 ---------------B
Total Units as at year end = A + B = 25,07,561 Units --------------------------C
Fund Value as at year end after discount credit = C*10 = ₹ 2,50,75,610

Mortality Charge:
Mortality Charge shall be deducted through cancellation of Units from Master Policy account towards the cost of life cover.

It would depend upon the judgement of the Company based on the age, risk profile & claims experience and any change in mortality table subject to IRDA of India approval. 0.80% for all funds.

What is the Surrender Value under a Master Policy?

- If the Master Policy is surrendered within the first Policy year, the surrender charge will be 0.05% of fund value subject to maximum of ₹ 5,00,000. The surrender charge would be nil thereafter
- Surrender Value = Fund Value minus Surrender Charges, if any

Additional Information

- Subject to IRDA of India Regulations, receipt of contribution or valid requests for Unit switching or valid request for any other payment (including, but not limited to, death benefit, partial withdrawal and surrender) received at any of our branch offices or our Head Office:
  i) Up to 3:00 P.M. on a particular day will be processed at the closing Unit Price on that day, and
  ii) After 3:00 P.M. on a particular day will be processed at the closing Unit Price on the next business day, unless in either case the payment received comprises outstation cheques or demand drafts, in which case the payment will be processed at the closing Unit Price on the day of realisation of the outstation cheque or the demand draft.
- Taxes including but not limited to Service tax, Cess as applicable shall also be levied as notified by the Government from time to time. Tax laws are subject to change

What is the duration of the life cover?

- This is a one-year contract, which is renewable every year

Further Information:

Acceptance

Aviva will not be liable to any claim until acceptance of risk and receipt of Premium in full.

Free Look Period:

You have the right to review the scheme's terms and conditions and cancel your Policy, within 15 days from the date of receipt of the Master Policy. If you cancel your Policy, the contribution you have paid will be refunded after adjusting for adverse movement in Unit prices.

Why invest with Aviva?

Aviva Life Insurance Company India Limited is a joint venture between Dabur Invest Corp and Aviva International Holdings Limited - a UK based insurance group, whose association with India dates back to 1834. Aviva group is one of the oldest insurance groups in the world. Currently, it serves 31 million customers across 16 countries (March, 2015).

The Dabur Group, founded in 1884, is one of India's leading producers of traditional healthcare products.

Section 41

In accordance with Section 41 of the Insurance Act 1938, (1) No person shall allow or offer to allow, either directly or indirectly, as an inducement to any person to take out or renew or continue an insurance in respect of any kind of risk relating to lives or property in India, any rebate of the whole or part of the commission payable or any rebate of the Premium shown on the Policy, nor shall any person taking out or renewing or continuing a Policy accept any rebate, except such rebate as may be allowed in accordance with the published prospectuses or tables of the insurer:

Provided that acceptance by an insurance agent of commission in connection with a Policy of life insurance taken out by himself on his own life shall not be deemed to be acceptance of a rebate of Premium within the meaning of this sub-section if at the time of such acceptance the insurance agent satisfies the prescribed conditions establishing that he is a bona fide insurance agent employed by the insurer.

(2) Any person making default in complying with the provisions of this section shall be liable for a penalty which may extend to ten lakh rupees.

Section 45

Policy not to be called in question on ground of misstatement after three years as per Section 45 of the Insurance Act 1938, as amended from time to time.

Queries and Complaints
If you would like additional information or if you have any queries or complaints,
please contact us at the numbers given below:

For more details, call us at 1800 180 2244
(Toll free for BSNL/MTNL users) or 0124-2709046 or SMS 'Aviva' to 5676737 Website: www.avivaindia.com

AVIVA
Life Insurance

A joint venture between Dabur Invest Corp. and Aviva International Holdings Limited.
Aviva Life Insurance Company India Limited
Aviva Tower, Sector Road, Opposite Golf Course, DLF Phase-V, Sector 43, Gurgaon-122 003, Haryana, India
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*Tax laws are subject to change.

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