AVIVA NEW GROUP LEAVE ENCASHMENT PLAN

A Group Unit Linked Insurance Plan

AVIVA | Life Insurance

IN THIS MASTER POLICY, THE INVESTMENT RISK IN THE INVESTMENT PORTFOLIO IS BORNE BY THE MASTER POLICYHOLDER.

Many organizations 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. Aviva's New Group Leave Encashment (NGLE) Plan enables the Employer to fund their leave encashment liability & 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 Rs. 10,000. 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 Rs.10,000 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/premium per policy?

The minimum contribution/premium per policy is Rs. 100,000 at the inception of the plan

Is there any risk cover in the Policy?

There is a mandatory life insurance cover of Rs.5,000 for all employees

WHAT ARE THE INVESTMENT OPTIONS AVAILABLE TO THE MASTER POLICYHOLDER?

AVIVA'S NEW GROUP LEAVE ENCASHMENT PLAN OFFERS SIX FUND OPTIONS

Group Superannuation & Gratuity Cash Fund ULGF00531/03/2006 GROUPCASHF122	Group Superannuation & Gratuity Debt Fund ULGF00310/03/2006 GROUPDEBTF122	Group Superannuation & Gratuity Secure Fund ULGF00113/07/2005 GROUPSECUR122	Group Superannuation & Gratuity Balanced Fund ULGF00210/03/2006 GROUPBALAN122	Group Superannuation & Gratuity Growth Fund ULGF00410/03/2006 GROUPGROWT122	Group Superannuation & Gratuity Enhancer Fund ULGF00810/12/2007 GROUPENHNR122
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
COMPOSITION (RANGE)					
Money Market and Cash: 80%-100% Debt Securities: 0-20% Equities: 0%	Money Market and Cash: 0%-40% Debt Securities: 60%-100% Equities: 0%	Money Market and Cash: 0%-40% Debt Securities: 40%-100% Equities: 0%-20%	Money Market and Cash: 0%-40% Debt Securities: 15%-90% Equities: 0%-45%	Money Market and Cash: 0%-60% Debt Securities: 20%-60% Equities: 20%-60%	Money Market and Cash: 0%-40% Debt Securities: 0%-40% Equities: 20%-100%
RISK PROFILE					
Low	Low	Low	Medium	High	High

- 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 or 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 canceling the units of equivalent amount from the master policyholder's account.
- On death of a member, an additional amount of Rs.10,000/- 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/premiums, 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 Rs.10,000 will also be payable.

Can the policy be continued without payment of contributions/premiums?

- On every Annual Renewal Date (ARD), master policyholder will have to submit a written confirmation about the funding status of the scheme as per Actuary's certificate based on the extant accounting standard governing the measurement of long term employee benefits or any other guideline/clarification issued by IRDA of India from time to time.
- The trustee or employer shall confirm that such funding is required as per the Actuary's certificate based on the extant accounting standard governing the measurement of long term employee benefits or any other guideline/clarification issued by IRDA of India from time to time.
- In case such confirmation is not submitted with 30 days of the annual renewal date or the funding status submitted shows that the scheme is under-funded, the policy will be discontinued and the life cover in respect of all members will cease immediately. Contribution(s) or premiums with respect to this product payable by the Master Policyholder shall be made in accordance with the funding requirements as per the scheme rules.
- The master policyholder may not pay future contributions or premiums under such policy. However, such policy shall not be treated as discontinued and life cover on the lives of insured members will continue subject to deduction of .the 'Premium to provide Life Coverage' to members.

- This means, "Nil Contributions" will be allowed only when the funding status of the scheme is supported by an Actuary's certificate based on the extant accounting standard, otherwise the policy contract will become a discontinued contract and the life cover in respect of all members will cease immediately and no mortality charge shall be deducted. However, fund management charges will continue to be deducted.
- A discontinued policy can be revived within five years (Revival Period) from the date of discontinuance subject to company's Board Approved underwriting requirements. In case a discontinued policy is not revived during the revival period, the policy shall be terminated by paying the fund value of the policy to the master policyholder. However, during the revival period, the discontinued policy will continue to be in the unit fund(s) and the benefits as per scheme rules will be paid subject to availability of the fund value.
- If the time elapsed between the last policy anniversary and the request for revival of risk cover is less than six months then the risk shall be revived from the last policy anniversary otherwise it shall be revived from the next policy anniversary.
- 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 Rs. 5,00,000. The surrender charge would be nil thereafter.
- Surrender Value= Fund Value minus Surrender Charges, if any.

What is allocation rate and how is the contribution/premium allocated towards units?

DISTRIBUTION CHANNEL			
POLICY YEAR	AGENTS AND 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%

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

Allocation Charge = 100% minus Allocation Rate

What are the charges applicable on the policy?

FUND MANAGEMENT CHARGES* TO BE APPLIED ON THE FUND WHILE CALCULATING NAV ON DAILY BASIS IS 0.80% FOR ALL FUNDS PER ANNUM

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:

FUND SIZE (RS. 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)/premium(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 lac 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 approval.

What is the Surrender Value under a Master Policy?

- 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.

Additional Information

- Taxes including but not limited to Goods & Services Tax, Cesses as applicable shall also 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:
Master Policyholder has Right to review the policy terms and conditions within 30 days from the date of receipt of the policy document. If policyholder disagrees to any of the terms or conditions, he/she has option to return the policy stating the reason of the objection. Master Policyholder shall be entitled to a refund of the fund value on the date of cancellation plus the un-allocated premium (allocation charges) plus any charge deducted by cancellation of units minus proportionate risk charges for the period on cover minus expenses incurred on medical examination, if any, and stamp duty charges.

Why invest with Aviva?

Aviva Life Insurance is a joint venture between Dabur Group and Aviva – a UK based Insurance group whose association with India goes back to 1834. By choosing Aviva Life Insurance you benefit from the management experience of one of the world's oldest Insurance Groups, with a history dating back to 1696. Founded in 1884, Dabur is one of India's oldest and largest group of companies.

Section 41 of Insurance Act 1938

Provisions of Section 41 of Insurance Act 1938, as amended from time to time, shall be applicable. As per the current provision

(1) "No person shall allow or offer to allow, either directly or indirectly, as an inducement to any person to take 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.

(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 of Insurance Act 1938

Provisions of Section 45 of Insurance Act, 1938 as amended from time to time shall be applicable to the contract.

Queries and Complaints
If you would like additional information or if you have any queries or complaints, please contact us at the contact details given below.
1800 103 7766 (Toll free for BSNL/MTNL users) or 0124-2709046 or SMS "Aviva" to 5676737

Head Office:
Aviva Life Insurance Company India Limited
401-A, 4th Floor, Block A, DLF Cyber Park, Sector-20, NH-8, Gurugram,
Haryana-122 008, India.

Website: www.avivaindia.com
Email: customerservices@avivaindia.com

Registered Office: 2nd Floor, Prakashdeep Building, 7, Tolstoy Marg, New Delhi-110001

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