AVIVA
| Life Insurance |

AVIVA GROUP GRATUITY ADVANTAGE

A Group Unit-Linked Insurance Plan

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

Aviva Group Gratuity Advantage is a Group Unit-Linked Insurance Plan designed for the Corporate sector. Gratuity is a statutory benefit for the employees under the Payment of Gratuity Act, 1972. After the employee has rendered continuous service for at least five years, he / she is eligible for 15 days pay for each completed year of service. The employer can also structure a gratuity benefit that is higher than statutory requirements. Gratuity payment is a statutory liability for an organization and tends to increase as the salaries and tenure of employment increases annually. If the employer pays gratuity from its current revenue, it may become difficult to meet the liability, it is therefore prudent and also beneficial that a gratuity fund is set up.

A well structured Group Gratuity fund provides tax benefits to the employer, financial security to employees at retirement or at the time of leaving the employment and helps the employer to create a well planned fund.
Aviva Group Gratuity Advantage can also be customized as per individual requirements to provide benefits beyond the statutory obligations

Aviva Group Gratuity aims to provide:

- A lump sum fund to the employees or their dependants
- Tax benefits to the employer
- Protection against the risk of death - free flat amount of ₹5,000 in case of death while in service. The master policy holder has option to choose higher sum assured also.
- Flexibility to invest in various unit linked investment funds
- The option of making / transferring the past service contributions
- Administrative support, if required

Who is the Master Policyholder?

For a tax approved gratuity fund established under a trust deed, the trustees will act as the Master Policyholder

Who is an eligible member?

Any employee of an organization aged at least 18 years. Maximum Entry age is 74 years.

What is the minimum contribution per scheme?

- The minimum contribution or premium per scheme is ₹1 lakh at inception
- The Master Policyholder can pay contributions or premiums in respect of past service gratuity liability in up to five easy annual installments

What are the sum assured limits?

- The minimum base sum assured is ₹5,000 per employee
- The maximum sum assured is ₹1 Crore per employee.
  However, for the first ₹5,000 of life insurance cover no explicit mortality charges will be deducted
- Changes in sum assured: The sum assured in this case can be increased or decreased subject to the underwriting requirements of the company

WHAT ARE THE INVESTMENT OPTIONS AVAILABLE TO THE MASTER POLICYHOLDER?

AVIVA GROUP GRATUITY ADVANTAGE OFFERS FIVE 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 Growth Fund ULGF00410/03/2006 GROUPGROWT122	Group Superannuation & Gratuity Balanced Fund ULGF00210/03/2006 GROUPBALAN122
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 high capital growth by investing higher element of assets in the equity market.	To provide capital growth by availing opportunities in debt and equity markets and providing a good balance between risk and return.
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%-60% Debt Securities: 20%-60% Equities: 20%-60%	Money Market & Cash: 0%-40% Debt Securities: 15%-90% Equities: 0%-45%

- The Master Policyholder has the option of investing in any one or a combination of above-mentioned funds
- The Master Policyholder will have the option of changing the allocation proportions in different funds at any point of 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 death, retirement, resignation or termination of a member, the Master Policyholder will be paid an amount equivalent to the amount payable to the member as per the Gratuity Rules of the company, by canceling the units of equivalent amount from the Master Policyholder's account
- On death of a member, an additional amount equal to the sum assured of that particular member 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 and all insured events other than death and permanent total disability, in respect of gratuity 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)

Can the policy be continued without payment of contributions or 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
- 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 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
- The master policyholder may not pay future contributions or premiums under such policy. However, such policy shall not be treated as discontinued and the 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
- In case the scheme is not revived by payment of contribution or premiums within the Revival period of five years from the date of first unpaid contribution or premium, then the Scheme shall be terminated & 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 scheme. However, the Units will be redeemed at their Unit Price on the date of redemption of those Units

What are the tax advantages?

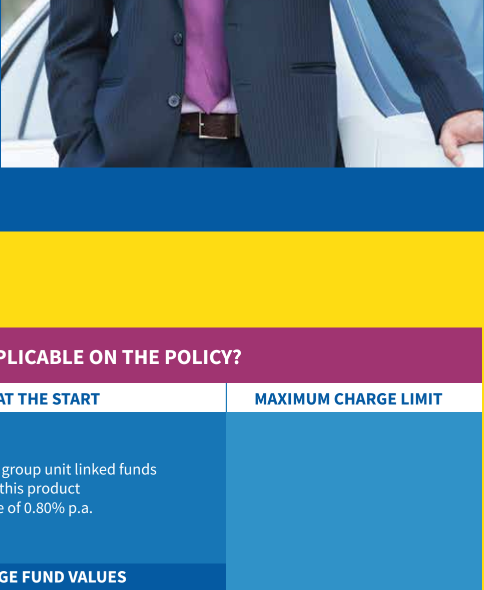
As per the current provisions of the Income Tax Act, 1961, the following tax benefits are available in case of an approved Gratuity Fund:

- The contributions / premiums paid by an employer in respect of an employee upto 8.33% of his / her salary, in a financial year, are treated as an expense for tax purposes in the year of payment
- The gratuity received by the employee upto half month's average salary for each year of service, subject to a maximum limit as exempted under the Income Tax Act as amended from time to time
- The benefits paid on death are exempt from tax

Tax Laws are subject to change from time to time.
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 allocation rate and how is the contribution/ premium allocated towards units?

- 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 & above 100% means that there has been an additional benefit given to you. Please see the charges section for the allocation rate



WHAT ARE THE CHARGES APPLICABLE ON THE POLICY?

<table>
<tr><th>NATURE OF CHARGE</th><th>RATE APPLICABLE AT THE START</th><th>MAXIMUM CHARGE LIMIT</th></tr>
<tr><td>Fund Management Charge (to be applied on the fund while calculating NAV on a daily basis)</td><td>FMC under all the existing 5 group unit linked funds available under this product is at a uniform rate of 0.80% p.a.

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:
<table>
<tr><th>FUND SIZE* (RS. IN CRORE)</th><th>NET FMC AFTER DISCOUNT</th></tr>
<tr><td><0.50</td><td>Standard</td></tr>
<tr><td>>=0.50 & <=2</td><td>0.60% p.a.</td></tr>
<tr><td>>2 & <=5</td><td>0.50% p.a.</td></tr>
<tr><td>>5</td><td>0.30% p.a.</td></tr>
</table>
*Fund size to ascertain the discount would be examined at the end of Policy Year.
The formula for computing discount is as follows: Amount of Discount for a particular fund is: [Fund Value * (FMC Rate/365 – Net FMC Rate/365)]

Similarly Discount will be calculated for all funds in which the Contribution(s)/premium(s) are invested and the total Discount will be the sum of Discount of each fund.

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</td><td>No change</td></tr>
<tr><td>Surrender Charge</td><td>
<table>
<tr><th>POLICY YEAR</th><th>SURRENDER CHARGE</th></tr>
<tr><td><1 year</td><td>Min (0.05% of FV, ₹5,00,000)</td></tr>
<tr><td>>=1 year</td><td>Nil</td></tr>
</table></td><td>No change</td></tr>
<tr><td>Allocation Charge= 100% minus Allocation Rate</td><td>
<table>
<tr><th colspan="4">DISTRIBUTION CHANNEL</th></tr>
<tr><th>POLICY YEAR</th><th>AGENTS AND CORPORATE AGENTS</th><th>BROKERS</th><th>DIRECT MARKETING</th></tr>
<tr><th colspan="4">ALLOCATION CHARGE</th></tr>
<tr><td>1</td><td>2%</td><td>Nil</td><td>Nil</td></tr>
<tr><td>2 onwards</td><td>Nil</td><td>Nil</td><td>Nil</td></tr>
<tr><th colspan="4">ALLOCATION RATE</th></tr>
<tr><td>1</td><td>98%</td><td>100%</td><td>100%</td></tr>
<tr><td>2 onwards</td><td>100%</td><td>100%</td><td>100%</td></tr>
</table></td><td>No change</td></tr>
<tr><td>Switching charge</td><td>NIL</td><td>No change</td></tr>
<tr><td>Mortality Charge</td><td>Mortality Charge shall be deducted through cancellation of units from master policy account towards the cost of life cover.</td><td>It would depend upon the judgement of the Company based on the age, risk profile and claims experience and any change in mortality table subject to IRDA of India approval.</td></tr>
<tr><td>Miscellaneous Charge(s)
• Goods and Service Tax Charge</td><td>As notified by the Government from time to time</td><td>As notified by the Government from time to time.</td></tr>
</table>

How is the Premium to provide life cover determined?

- The premium payable is dependant on various factors - the size of the member group, the age distribution of the members, their occupation, sum assured for individual members, frequency of payment, etc. The premium rate is quoted on receiving the individual employee data from the Master Policyholder
- The Master Policyholder has the option to select different levels of sum assured for different categories of members, subject to underwriting requirements of the company

What is the minimum group size required?

- The minimum group size is 10 members.

What is the revival period in case of discontinuance?

- 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

What is the duration of 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 15 days (30 days if policy is solicited through distance marketing) 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 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. 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 leading producers of traditional healthcare products.

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 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

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