

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

**TATA AIG LIFE INSURANCE COMPANY LIMITED**

**(REG No: 110)**

Registered & Corporate Office:

Email:

*(Hereinafter called "the Insurer")*

In consideration of the Application for this Policy made by

The Trustees of

\_\_\_\_\_

**(Hereinafter called "the Policyholder")**

a copy of which is attached hereto and made a part hereof, and in consideration of the payment of premiums/contributions by the Policyholder in its capacity as Trustees to the Insurer as herein provided,

HEREBY AGREES, in accordance with and subject to the provisions of this Tata AIG Life Retirement Assure Group Gratuity Scheme (Unit linked) Policy (hereinafter referred to as the "Policy"), to pay to the Trustees the Gratuity Benefits, calculated as herein prescribed, in accordance with the Employer's Gratuity Rules, for transmittance to the Member/s or Nominee/s thereof.

IN WITNESS WHEREOF, the Tata AIG Life Insurance Company Limited has caused this Policy to be executed at the Issuing Office to take effect on the Policy Effective Date.

Tata AIG Life Insurance Company Limited.

\_\_\_\_\_  
Name:

Title:

**Tata AIG Life Retirement Assure Group Gratuity Scheme (Unit Linked) Policy No. \_\_\_\_\_**

**UIN - 110L050V02**

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## PART I DEFINITIONS

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In this Policy, where consistent with the contents the singular shall include the plural and the plural the singular, words importing the masculine gender shall include the feminine gender and each of the following words and expressions shall have the following meanings:-

1. “Company” shall mean \_\_\_\_\_
2. “Employer” shall mean the Company as defined in (1) above and subject to the prior approval of the Commissioner of Income Tax shall include any Firm, Agency or body corporate which may by purchase, amalgamation or otherwise take over the whole or substantially the whole of the business of the Company and which may enter into a Deed in such a form as the Trustees shall require, undertaking to continue the obligations of the Company under this Deed and releasing the Company from all further liabilities thereof.
3. “Employees” shall mean the permanent employees other than personal and domestic servants and shall be deemed to include the Directors who are whole-time bonafide employees of the Company and do not beneficially own shares carrying more than 5% voting rights in the Company.
4. “Member” shall mean an employee who has been admitted to the membership of the Scheme.
5. “Nominee” shall mean the person nominated by the Member to receive the benefits under the Scheme in the event of his death.
6. “Normal Retirement Date” shall mean the date on which a Member attains his Normal Retirement Age.
7. “Normal Retirement Age” shall mean the age at which an employee is expected to retire from the service of his employer and is specified in the Policy Schedule.
8. “Policyholder’s Account” means an account maintained by the Insurer in the name of the Scheme. All the premiums/contributions made by the Trustees and Earnings are solely to be credited to this account and all of the benefits payable by the Insurer under this Policy will be settled out of this account only.
9. “Unit linked Gratuity Fund” shall mean the aggregate amount of units held by the Insurer for the Policyholder under all Policyholder’s Account.
10. “Policy” shall mean this agreement, any supplementary contracts or endorsements therein, whenever executed, any amendments thereto agreed to and signed by the Insurer, the application attached hereto of the Policy holder, the Rules describing the Gratuity benefits, and the individual enrollment forms, if any, of the insured Members, which together constitute the entire contract between the parties.
11. “Policy Anniversary” shall mean a period of twelve months after Policy Effective Date or the date otherwise specified in the Policy Schedule.
12. “Policy Effective Date” shall mean the date from which the Policy becomes effective, as specified in the Policy Schedule.

13. "Policy Charges" are the Premium allocation Charge, Fund Management Charge, Mortality Charge and Switching Charge applicable to the Policy and are deducted as set out in the Part VIII Policy Schedule. The Policy Charges as on the Policy Effective Date are set out in the Schedule of Policy Charges. The Insurer reserves the right to review the charges and fees as shown in the said Schedule from time to time by giving advance notice of at least three (3) months subject to prior approval of Insurance Regulatory and Development Authority.
14. "Policy Year" shall mean a period of twelve (12) consecutive months beginning with the Policy Effective Date in the first year and subsequent Policy Anniversaries thereafter.
15. "Rules" shall mean the Gratuity Rules of the Employer describing the gratuity benefits applicable to the employees, certified copy of which has been filed with the Insurer.
16. "Scheme" shall mean \_\_\_\_\_ Employees' Retirement Assure Group Gratuity Scheme (Unit Linked).
17. "Tata AIG" shall mean Tata AIG Life Insurance Company Limited.
18. "Tata AIG Unit Linked Fund" shall mean three basic funds, which are a Short Term Fixed Income Fund, Bond Fund and Equity Fund and other funds that may be added from time to time.
19. "Trustees" shall mean the trustees for the time being appointed by the Employer for the purposes of managing and administering the Scheme.
20. "Unit" means a portion or a part of the underlying segregated Unit Linked Fund. The Fund will be invested in accordance with the IRDA regulations.
21. "Account" shall mean the number and value of units purchased with the premiums/contributions made by the Trustees at any given time.
22. "Valuation Date" refers to the date when the assets of the Fund are valued. The date shall be determined by the Insurer from time to time.
23. The "Fund" means a separately identifiable investment linked fund set up and managed by the Insurer for the purpose of ascertaining the benefits payable under the policy.
24. "Insurance Regulatory & Development Authority (IRDA)" shall mean Authority constituted by the Central Government for the purpose of regulating, promoting and ensuring orderly growth of the Insurance business and re-insurance business in India.
25. "Premiums/Contributions" shall mean any sum credited by an Employer out of his own moneys to the Trust Bank Account maintained by the Trustees for the purpose of the scheme and then to be paid by the Trustees to Tata AIG, but does not include any sum credited as interest.

## PART II

### MEMBER PARTICIPATION AND TERMINATION

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#### **Section A – Participation**

1. “Permanent Employees who are aged not less than 18 years and not more than \_\_\_\_ years shall be eligible to participate in the Scheme”.

Employees in the above category who are in the service of the Employer on the Effective Date shall join the Scheme as from that date. Employees appointed by the Employer after the Effective Date shall join the Scheme from the date on which they become eligible.

2. For the purpose of granting life insurance benefits, each Member shall produce satisfactory evidence of his health in the form and manner prescribed by the Insurer at the commencement of his membership hereunder and on each occasion thereafter when an increase in life Insurance benefit is to be granted.

#### **Section B – Termination**

The Life insurance hereunder of any Insured Member shall automatically cease on the earliest of the following dates:

1. The date on which the Policy is surrendered.
2. The end of the policy year during which the Insured Member attains his Normal Retirement Date.
3. The date on which the Insured member shall cease to be in the service of the Employer.

## PART III BENEFIT PROVISIONS

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1. The payment of benefits arising under the Policy shall be made only in India in Indian Rupees.
2. All benefit(s) paid under this Policy shall be made to the order of the Trustees or to the Member or the Nominee at the request of the Trustees for disbursement in accordance with the Rules.
3. Payment of any sum made by the Insurer in relation to benefits arising under the Policy shall be a full and final discharge to the Trustees and shall release the Insurer of all claims and demands whatsoever in respect thereto.

### Section A - Term Insurance

1. Subject to the General provisions of this Policy, an Insurance is effected on the life of each Member for an amount of Insurance as evidenced in the attached Policy Schedule.

PROVIDED THAT the Insurer may in the case of any Member, restrict the Insurance amount to a smaller amount subject to a minimum of Rs 1000, if the evidence of health submitted in respect of the Member is not satisfactory to the Insurer.

2. The mortality charge for this Insurance shall be ascertained having regard to the amount of Insurance as specified in the attached Policy Schedule. The mortality charging basis per each member shall be guaranteed throughout the term of the contract. However, the actual mortality charge at any given time will depend upon the age of the member.
3. The Insurance amount will become payable only upon death of the Member whilst the Policy is in force.

### Section B – Payment of Benefits

All monies payable by the Insurer hereunder shall be paid to the Trustees in accordance with the Trust Rules. A discharge given by the Trustees or duly authorised person shall be a valid discharge to the Insurer in respect of any such payment. For Trust Rules following Payment of Gratuity Act 1972,

1. **Benefits on retirement at or after normal retirement date, early retirement due to ill health or death while in service after normal retirement date.**

Upon retirement of a Member on or after Normal Retirement Date or upon death whilst in service after Normal Retirement Date or upon retirement owing to ill health or incapacitation, the benefits payable will be equal to fifteen days' salary of the Member for each completed year of service, subject to a maximum as specified under Payment Of Gratuity Act, 1972 as amended from time to time.

If the Policyholder's account is not sufficient to cover the accrued gratuity amount, the liability of the Insurer will be limited to the Fund Value of the scheme, however the Insurer is liable to pay the Insurance amount to each member as assured in the scheme, in case of death of the member.

**2. Benefits on death before normal retirement date.**

Upon death of a Member whilst in service before Normal Retirement Date, the benefits payable will be equal to the aggregate of:

- i) the Insurance Amount on the date of death as per Section A above; and
- ii) fifteen days' Salary for each completed year of service up to the date of death subject to a maximum as specified under Payment Of Gratuity Act 1972 as amended from time to time.

If the Policyholder's account is not sufficient to cover the accrued gratuity amount, the liability of the Insurer will be limited to the Fund Value of the scheme, however the Insurer is liable to pay the Insurance amount to each member as assured in the scheme, in case of death of the member.

**3. Benefits on leaving service.**

Upon a member leaving the service of the Employer on his own free will after completion of five years of service the benefits payable will be equal to fifteen days' salary as on the date of leaving service for each year of service, subject to a maximum as specified under Payment Of Gratuity Act 1972 as amended from time to time. The Member will not be entitled to any benefits if he leaves the service before completing five years of service.

If the Policyholder's account is not sufficient to cover the accrued gratuity amount, the liability of the Insurer will be limited to the Fund Value of the scheme.

**4. Amounts payable limited to benefits insured**

Notwithstanding anything herein contained to the contrary, the Insurer's liability to the Trustees under the Policy shall be limited to the benefits assured under the Term Insurance effected in respect of the Members subject to the terms and conditions applicable to them and the net asset value of the units standing to the credit of the Trustees in the Policyholder's account.

NOTES:

- (I) For the purpose of calculating the number of years of service, a period of six months and above will be reckoned as one year.
- (II) For the purpose of determining the Gratuity Amount, salary means the salary as defined in the Payment of Gratuity Act 1972 or as advised by the Employer from time to time.

**5. Gratuity payable through Trustees:**

- (a) When Gratuity becomes payable to a Member on his retirement or cessation of service, the Insurer shall pay to the Trustees the benefits according to Part III Section B out of the balance in the Policyholder's Account.
- (b) Upon death of a Member, the Insurer shall draw from the Policyholder's Account the accrued gratuity amount, which together with the Insurance Amount under the Term Insurance Plan in respect of the Member will be the aggregate benefit payable to the Nominee.

If the Policyholder's account is not sufficient to cover the accrued gratuity amount, the liability of the Insurer will be limited to the Fund Value of the scheme, however the Insurer is liable to pay the Insurance amount to each member as assured in the scheme, in case of death of the member.

**Section C – Ownership**

1. The Insurer shall hold the Unit Linked Gratuity Fund on trust for all policyholders. Save and except to the extent of any charges due and payable hereunder to the Insurer, no part of the Unit Linked Gratuity Fund shall constitute or become assets of the Insurer beneficially and nor shall any part of the Gratuity Fund belong to any Member or his Nominee or be subject to withdrawal, claim, assignment or encumbrance by him.
2. The Unit Linked Gratuity Fund shall be free from all or any claims of creditors to the fullest extent permitted by the laws of India.



## PART IV

### PREMIUM PAYMENT PROVISIONS

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#### 1. Manner of Payment:

The Policyholders shall pay to the Insurer such premiums/contributions as are required to secure the benefits to the Members as described in Part III section A and B.

The payment of Premiums/Contributions for a member shall be continued until his Normal Retirement Date unless otherwise specified under the Policy.

The Premiums/Contributions payable hereunder shall comprise:

- (i) Amounts required to secure the gratuity benefits to the Members from year to year as described in Part III – Benefits Provisions hereof;
- (ii) Initial Premium/Contribution of such amounts required to secure the gratuity benefits relating to Past Service of the Members which shall be wholly paid on the date of entry or partly on the date of entry and partly on the Policy Anniversary as specified in the Scheme;

#### 2. Balance Premium/Contribution for credit of Trustees:

After appropriating the required amounts towards the Premium Allocation Charges as stated in the Policy Schedule the balance of the Premium/Contribution will be unitised and credited by the Insurer to the Policyholder's Account for the credit of the Trustees.

The Mortality Charges will be levied by debiting the premium at the beginning of each year.

#### 3. Effect of Payment / Non Payment of Premium/Contribution:

If the premiums/contributions are not paid, the Mortality charge, Fund Management charges and Policy Administration Charges will be deducted as due from the Fund till the earlier of

1. Intimation is received from the Policyholder to Surrender the policy or
2. till the Fund is sufficient to cover the policy charges.

In case the Fund is insufficient to recover the policy charges, the policy will terminate and the balance Fund Value will be paid to the policyholder after deducting surrender charges, if any.

Death benefit as mentioned under section 7 shall be payable immediately on death during this period and accrued service Gratuity, immediately on death or disablement due to accident or disease, retirement, superannuation, or resignation will be payable from the Fund as specified under Non Payment of Premium.

If the policyholder's account is not sufficient to cover the accrued gratuity amount, the liability of the Insurer will be limited to the Fund Value of the scheme.

#### 4. Mode of Payment:

Premiums/Contributions payable towards the Gratuity benefits can be made annually, semi annually, quarterly or monthly by the Policyholder.

#### 5. Grace Period:

A Grace Period of fifteen days for monthly mode and thirty days for all other modes from the due date will be allowed for payments of each subsequent Regular Premium. The Policy will remain in force during the period. If any Regular Premium remains unpaid at the end of its Grace Period, the Policy will be subject to provisions under non payment of premium.

## PART V

### POLICY SURRENDER PROVISIONS

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1. If the Policyholder discontinues payment of premiums/contributions hereunder and requests the Insurer to retain the monies under the Policy, the Policy will remain in force and the amounts standing to the credit of the Members will be appropriated to secure benefits for the Members or their Nominees, when payable, in the manner described in Part III of this Policy. However, the Fund Management Charges and Mortality Charges will continue to be payable to the Insurer and charged against the Policyholder's Account.
2. Policy Surrender
  - a. This Policy shall be surrendered as on the date (hereinafter referred to as the "Surrender Date") specified in a written notice from the Trustees to the Insurer that the Policy is to be surrendered.
  - b. Policies under which Premiums/Contributions are discontinued and are not revived within 5 years, the contract shall be terminated after giving 90 days prior notice to the Policyholder/ Trustees.
3. Upon Surrender of the Policy, the following provisions shall apply in sequential order:
  - i) There shall be payable from the Policyholder's Account to the Insurer a Surrender Charge which is equal to a percentage of the total value of the Policyholder's Account as at the Surrender Date. The percentage shall be set out in the Policy Schedule.
  - ii) The remaining balance of the Policyholder's Account after appropriating the Surrender Charge shall be returned by the Insurer to the Trustees or transferred to another gratuity scheme as instructed by the Trustees and agreed by the Insurer subject to the approval of the Commissioner of Income Tax.

## PART VI

### INVESTMENT VALUATION AND CHARGES PROVISIONS

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#### Section A - Management of the Fund

The Fund will be managed on a unitised basis. A "unit" means a portion or a part of the underlying segregated Unit Linked Fund. The Fund will be invested in accordance with the IRDA regulations.

#### Section B - Allocation of Units

The price for allocation of Units will be based on Net Asset Value per Unit on the date on which the Units are issued.

#### Section C - Redemption of units

The price for redemption of units will be based on the Net Asset Value per unit on the date on which the units are redeemed.

#### Section D - Calculation of NAV

Units will be issued / redeemed on a daily basis.

When the Company is required to purchase assets to allocate Units at a valuation date, the Net Asset Value, NAV per Unit or Unit Price is determined by applying the Appropriation Price as follows :-

**NAV (at Appropriation Price) = (Market /Fair value of the investments held by the Fund) + (Expenses incurred in purchase of the assets) + (Value of current assets) + (Accrued income) - (Fund Management Charges) - (Current liabilities and provisions)**

NAV per Unit or Unit Price = NAV (at Appropriation Price) divided by (Total number of Units existing (at Appropriation Price) in the Fund at the valuation date before any Units are allocated)

When the Company is required to sell assets to redeem Units at a valuation date, the Net Asset Value, NAV per Unit or Unit Price is determined by applying the Expropriation Price as follows:-

**NAV (at Expropriation Price) = (Market /Fair value of the investments held by the Fund) - (Expenses incurred in sale of the assets) + (Value of current assets) + (Accrued income) - (Fund Management Charges) - (Current liabilities and provisions)**

NAV per Unit or Unit Price = NAV (at Expropriation Price) divided by (Total number of Units existing (at Expropriation Price) in the Fund at the valuation date before any Units are redeemed)

There will be a fund management charge for each of the Funds deducted at unit valuation dates, which will be specified in the policy document. The company may alter the fund management charges like other policy charges by giving advance notice to the Policyholders of at least three (3) months subject to approval from the IRDA.

The Fund Management charge will be charged on the Fund and will depend on the size of the Fund at the time of deduction of FMC.

Highest rate of FMC will be used for calculation of NAV for the respective Fund. The difference between the highest FMC and the actual FMC to be charged will be credited to the respective Schemes by way of allocation of additional units on a daily basis.

#### CUT-OFF TIME FOR DETERMINING THE APPROPRIATE VALUATION DATE

The appropriate valuation date at which Unit Price will be used to purchase or redeem Units shall be determined in the following manner:-

(1) Purchase & Allocation of Units in respect of premiums/contributions received or Fund Value(s) switched in:

- a. If the premiums/contributions, by way of cash or a local cheque or a demand draft payable at par or the request for switching in Fund Value(s) is/are received by us at or before 3:00 p.m. of a Business Day at the place where these are receivable, Unit Price of the date of receipt shall apply.
- b. If the premiums/contributions, by way of cash or a local cheque or a demand draft payable at par or the request for switching in Fund Value(s) is/are received by us after 3:00 pm of a business day, at the place where these are receivable. Unit Price of the next valuation date following the receipt date shall apply.

In case of proposals where underwriting or approval of the Company is required, the closing Unit Price of the day on which underwriting/approval is completed in all respects or the date of receipt of premium/contribution whichever is later shall apply.

- c. If the premium/contribution is received by us by way of an outstation cheque/outstation demand draft, Unit Price of the date on which these instruments are realized shall apply.

In case of proposals where underwriting or approval of the Company is required, the closing Unit Price of the day on which underwriting/approval is completed in all respects or the date of cheque/demand draft realization whichever is later shall apply.

(2) Sale & Redemption of Units in respect of withdrawals, surrender, Fund Value(s) switched out, death claim and retirement claims,

- a. If a valid request/application is received by us at or before 3:00 pm of a Business Day, Unit Price of the date of receipt shall apply.
- b. If a valid request/application is received by us after 3:00 pm of a Business Day, Unit Price of the next valuation date following the receipt shall apply.
- c. In the case of a death claim, valid application shall mean written notice of claim and filing of due proof of death in accordance with the Claims Procedures of the Policy.

#### **Section E: FUND ADDITION**

The Insurer may add additional investment-linked funds from time to time upon approval from Insurance Regulatory and Development Authority. The company may choose to avail the option of investing into new additional investment-linked funds.

#### **Section F: FUND CLOSURE**

The Insurer may at its absolute discretion at any time cease to allow the allocation of premiums/contributions to any fund or switching to any Fund. The Insurer will give a three (3) months prior written notice of its intention to close a Fund after getting clearance from Insurance Regulatory and Development Authority

## Section G - Investment Options

- a. The Insurer will create six Funds, which are Equity Fund, Short Term Fixed Income Fund, Bond Fund, Balanced Fund, Growth Fund and Maxima Fund. A summary of the Funds is appended to this document.
- b. Each of these Funds will be unitized and will generate a net asset value for their units. The Policyholder will be free to choose the investment of moneys in any proportion across these Funds, however not more than 60% to be invested in equity instruments.
- c. Fund Allocation  
 Premiums/Contributions received will be invested into the Fund according to Policyholder's instructions of Fund Allocation, which shall be in whole integer percentage and summing up to one hundred (100) percentage if more than one Fund is involved.  
 Request in writing to change the Fund Allocation for premiums/contributions may be made. The change will be effected on the next Fund Allocation following the Insurer's approval.  
 Policyholders' instruction of Fund Allocation and any changes in the allocation are subject to the availability of the relevant Fund(s), and the Insurers' approval.
- d. Switching between Funds:

The Policyholder may send a written request to switch the investment between available Funds. The written request must specify the Fund(s) in which Units are to be redeemed and the Fund(s) in which Units are to be allocated, subject always to the satisfaction of the switching rules applicable from time to time. The change will be effected on the applicable unit price as specified under the paragraph "Cut-off time for determining the appropriate valuation date". Fund Switching Charge is payable on each approved switch except for the first twelve (12) such switches in each Policy Year. For details of charges please see Section K, Switching Charges.

## Section H – Risk Factors

Investing in funds involves certain risks and considerations generally associated with making investments in securities. The value of the fund(s)' investments may be affected by factors generally affecting markets, such as price and volume, volatility in capital markets, interest rates, currency exchange rates, changes in regulatory and administrative policies of the Government or any other appropriate authority (including tax laws), or other political and economic developments. The fund(s) are subject to market risk and there can be no assurance or guarantee that the objectives of the fund(s) will be met. Past performance of the scheme is not indicative of and does not guarantee future performance of the scheme.

## Section I – Mortality Charges

The Mortality Charge for the Sum Assured will be deducted by cancelling Units at the NAV per unit/ Unit Price of the Units from the Fund Value of the Policy on each Policy Month Anniversary.

The Mortality Charge Table based on Indian Assured Lives Mortality (1994-96) (Modified) Ult. Table for standard lives is given below:

Age	Mortality Charges	Age	Mortality Charges	Age	Mortality Charges
18	0.940	40	2.150	62	16.758
19	0.980	41	2.333	63	18.564
20	1.016	42	2.510	64	20.566
21	1.048	43	2.717	65	22.170
22	1.077	44	2.971	66	24.171
23	1.102	45	3.274	67	27.220
24	1.123	46	3.627	68	30.598
25	1.140	47	4.030	69	34.333
26	1.153	48	4.481	70	38.459
27	1.163	49	4.982		
28	1.168	50	5.532		
29	1.170	51	6.131		
30	1.171	52	6.780		
31	1.186	53	7.478		
32	1.224	54	8.225		
33	1.277	55	9.022		
34	1.348	56	9.864		
35	1.435	57	10.660		
36	1.538	58	11.488		
37	1.657	59	12.512		
38	1.793	60	13.732		
39	1.959	61	15.148		

The rates have been modified for age last birthday by taking an average of the mortality rates of two consecutive ages of the original Indian Assured Lives Mortality (1994-96) (Modified) Ult. Table.

The Mortality Charges are guaranteed throughout the term of the plan.

The Mortality charges are calculated as follows and will be debited from the premiums or deducted from the fund by cancelling Units at the NAV per unit/ Unit Price of the Units from the Fund Value of the Policy on each Policy Month Anniversary

In case of standard lives

Mortality Charge = Sum Assured \* Mortality Rate/1000 as applicable at each age from the Mortality Table

In case of substandard lives extra mortality loading will apply on the Mortality Rate .and is calculated as below:

Mortality Charge = Sum Assured \* Mortality rate as applicable at each age from the Mortality Table\*(1+x %)/1000 where x is the extra loading.

### Section J – Fund Management Charges

The Fund Management Charge as set out in Part VIII - Policy Schedule, will be deducted from the gross asset value before the calculation of the Net Asset Value.

The annual fund management charge for both the Options will be as follows:

Fund Size		FMC Structure						
		Equity Fund	Bond Fund	Short Term Fixed Income Fund	Growth Fund	Balanced Fund	Income Fund	Maxima Fund
From (Rs)	To (Rs)							
0	1,499,999	1.35%	1.00%	0.90%	1.14%	1.07%	1.00%	1.06%
1,500,000	4,999,999	1.35%	0.85%	0.75%	1.05%	0.95%	0.85%	0.91%
5,000,000	9,999,999	1.35%	0.75%	0.65%	0.99%	0.87%	0.75%	0.81%
10,000,000	49,999,999	1.35%	0.65%	0.55%	0.93%	0.79%	0.65%	0.71%
50,000,000	99,999,999	1.30%	0.55%	0.45%	0.85%	0.70%	0.55%	0.61%
100,000,000	499,999,999	1.10%	0.35%	0.30%	0.65%	0.50%	0.45%	0.42%
500,000,000	1,999,999,999	1.00%	0.25%	0.30%	0.55%	0.40%	0.35%	0.34%
2,000,000,000	Onwards	0.90%	0.15%	0.10%	0.46%	0.31%	0.25%	0.22%

The Fund Management charge will be charged on the Fund and will depend on the size of the Fund at the time of deduction of FMC.

Highest rate of FMC will be used for calculation of NAV for the respective Fund. The difference between the highest FMC and the actual FMC to be charged will be credited to the respective Schemes by way of allocation of additional units on a daily basis.

All Fund Management Charges are subject to revision by Company with prior approval of the Insurance Regulatory and Development Authority but shall not exceed 1.35% per annum of the Assets Under Management.

### Section K – Switching Charges

Fund Switching Charge is payable on each switching from one Fund to another fund except for the first twelve (12) such switches in each Policy Year. The Fund Switching Charge is Rs One Hundred (Rs. 100/-) per switch deducted proportionately from the Fund(s) to be switched into by cancellation of the Units at the applicable NAV per unit / Unit Prices.

The fund switching charge of Rs.100 may be revised as deemed appropriate by the Company subject to prior clearance from the Authority, however, the charge will not exceed Rs.500/-.

### Section L – Premium Allocation Charge

Premium Allocation charge as mentioned in the Policy Schedule shall be deducted from the Policyholder's Account.

The Premium Allocation Charge will be as follows:

Year	Annual Premium/Contribution Level (Rs) + Single Premium (Rs.)		Premium Allocation Charge as a % of Premium/ Contribution	
	From	To	Option 1	Option 2
1	0	999,999	2.00%	-2.00%
	1,000,000	& Above	0.00%	-2.00%
2-4	0	999,999	2.00%	3.50%
	1,000,000	& Above	0.00%	3.50%
5+	0	999,999	2.00%	2.00%
	1,000,000	& Above	0.00%	0.00%

### **Section M – Rights to alter the charges**

The Insurer may alter any / all of the above mentioned charges except mortality charge by giving advance notice to Policyholder of at least three (3) months, subject to prior approval from the IRDA.

### **Section N– Investment Powers**

The selection of the underlying investments of each Fund established by the Insurer will be determined by the Insurer from time to time according to the investment objectives of such Fund as stated in the Annexure I



## PART VII

### GENERAL PROVISIONS

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#### **Section A – Policy**

This Policy and the Application, a copy of which is attached hereto and made a part hereof, constitute the entire contract. No change in this Policy shall be valid unless evidenced by an endorsement hereon signed by an authorized representative of the Insurer.

#### **Section B – The Rules**

The Rules are subject to change by the Policyholder with the consent of the Insurer and the approval of the Commissioner of Income Tax, provided that any such change shall not reduce in any way the value of any benefit already secured prior to the effective date of the change. Consent of any Member or Nominees shall not be requisite to any change in these Rules.

#### **Section C – Restraint on Encumbrance**

The benefits payable hereunder are strictly personal and cannot be assigned, charged or alienated in any way by the Members or the Nominees.

#### **Section D – Data Required**

1. The Policyholder shall maintain a record of each Member under this Policy, showing the Member's name, sex, age or date of birth, salary, the entry date, the exit date, changes with dates of change, Nominee, designation and other pertinent information as may be necessary to carry out the terms of this Policy.
2. The Policyholder shall furnish the Insurer with all particulars relevant to the operation of the Policy and the particulars so furnished may be accepted by the Insurer as conclusive.
3. As soon as a Member or a Nominee becomes entitled to receive the benefits under the Scheme, the Policyholder shall send the relevant particulars to the Insurer whereupon the Insurer shall pay to the Trustees or the Member or Nominee at the Trustee's request, the appropriate benefits.
4. Evidence of age, proof of existence and identity of the Member or the Nominee, as the case may be shall be furnished to the Insurer before the payment of benefits is made.

#### **Section E – Rights of Member**

1. The rights of the Policyholder or of any Member or of any Nominee under the Policy shall not be affected by any provision other than those contained in this Policy or in the copy of the Policyholder's Application attached hereto, or in the individual enrolment form of the Member, or in any other document which constitutes part of the entire contract.
2. No agent is authorized to alter or amend this Policy, to accept Premium/Contribution in arrears or to extend the due date of any Premium/Contribution, to waive any notice or proof of claim required by this Policy, or to extend the date

before which any such notice or proof must be submitted. No change in this Policy shall be valid unless approved by the Insurer and evidenced by endorsement hereon, or by amendment hereto signed by the Insurer.

### **Section F – Misstatement**

1. If the age or date of birth or other relevant facts relating to any Member are found to have been misstated and if such misstatement affects the scale of benefits or has anything to do with the terms and conditions of this Policy, the true age and facts shall be used in determining whether insurance is in force under the terms of this Policy and the benefits payable there from and an equitable adjustment of the mortality charge shall be made.
2. Where a misstatement of age or other relevant facts has caused a member to remain insured when he would otherwise be disqualified in accordance with the terms and limitations of this Policy, his entire insurance shall be void and there shall be a return of the mortality charge paid in respect of such Member, provided always that where there is fraud on the part of the Policyholder or the Member, no mortality charge paid are to be returned.
3. With regard to misstatement of age or other relevant facts, the policy will be subject to Section 45 of the Insurance Act, 1938.

### **Section G – Applicable Law**

This Policy, and all rights, obligations and liabilities arising hereunder, shall be construed and determined and may be enforced in accordance with the laws of India. Any dispute that may arise in connection with this Policy shall be submitted to the appropriate court having jurisdiction in the Place of Issue as specified in the Policy Schedule.

### **Section H – Furnishing Statements of Accounts:**

Unit statement will be provided periodically and shall form part of this contract.

### **Section I – Legal Proceedings**

No action in law or in equity shall be brought to recover on this Policy prior to the expiration of sixty (60) days after proof of claim has been filed in accordance with the requirement of the Policy, nor shall such action be brought unless brought within three (3) years from the expiration of time within which proof of claim is required by this Policy.

### **Section J – Deduction of sums due to Income Tax Authorities**

In case, the Insurer is liable to account to the income tax authorities for income tax or any other taxes or duties on the benefits to be paid under the Policy, the Insurer shall be entitled to deduct the appropriate amounts for that purpose from the respective payments and shall not be liable to the Policyholder or Member or Nominee for the sums so deducted.

### **Section K – Exclusions**

If any Member, whether sane or insane, commits suicide within one year from the effective date of his coverage, only accrued gratuity amount will be payable and no sum assured under Insurance cover will be payable.

The liability of the Insurer will be limited to the Fund Value of the scheme.

## PART VIII

### POLICY SCHEDULE

**Scheme Name** : \_\_\_\_\_

**Policy Effective Date** : The 1<sup>st</sup> Day of \_\_\_\_\_, 200\_.

**Policy Anniversary** : The First Day of \_\_\_\_ of each year

**Fund Management Charges:**

The annual fund management charge for both the options will be as follows:

Fund Size		FMC Structure						
		Equity Fund	Bond Fund	Short Term Fixed Income Fund	Growth Fund	Balanced Fund	Income Fund	Maxima Fund
From (Rs)	To (Rs)							
0	1,499,999	1.35%	1.00%	0.90%	1.14%	1.07%	1.00%	1.06%
1,500,000	4,999,999	1.35%	0.85%	0.75%	1.05%	0.95%	0.85%	0.91%
5,000,000	9,999,999	1.35%	0.75%	0.65%	0.99%	0.87%	0.75%	0.81%
10,000,000	49,999,999	1.35%	0.65%	0.55%	0.93%	0.79%	0.65%	0.71%
50,000,000	99,999,999	1.30%	0.55%	0.45%	0.85%	0.70%	0.55%	0.61%
100,000,000	499,999,999	1.10%	0.35%	0.30%	0.65%	0.50%	0.45%	0.42%
500,000,000	1,999,999,999	1.00%	0.25%	0.30%	0.55%	0.40%	0.35%	0.34%
2,000,000,000	Onwards	0.90%	0.15%	0.10%	0.46%	0.31%	0.25%	0.22%

The Fund Management charge will be charged on the Fund and will depend on the size of the Fund at the time of deduction of FMC.

Highest rate of FMC will be used for calculation of NAV for the respective Fund. The difference between the highest FMC and the actual FMC to be charged will be credited to the respective Schemes by way of allocation of additional units on a daily basis.

All Fund Management Charges are subject to revision by Company with prior approval of the Insurance Regulatory and Development Authority but shall not exceed **1.35%** per annum of the Assets Under Management.

**Premium Allocation Charge:**  : Option 1 (Option 1 will have 100%/98% allocation throughout the term depending upon the annual contribution)

: Option 2 (Option 2 will have 102% allocation in the first year and will be followed by a reduced allocation percentage of 96.5% in the subsequent 3 years)  
(The option chosen by you is as ticked [  ] above)

The Premium Allocation Charge will be as follows :

Year	Annual Premium/Contribution Level (Rs) + Single Premium (Rs.)		Premium Allocation Charge as a % of Premium/ Contribution	
	From	To	Option 1	Option 2
1	0	999,999	2.00%	-2.00%
	1,000,000	& Above	0.00%	-2.00%
2-4	0	999,999	2.00%	3.50%
	1,000,000	& Above	0.00%	3.50%
5+	0	999,999	2.00%	2.00%
	1,000,000	& Above	0.00%	0.00%

**Switching Charges** : Rs. \_\_\_/- per switch

Fund Switching Charge is payable on each approved switch except for the first twelve (12) such switches in each Policy Year

**Amount of Insurance** : Rs. \_\_\_\_\_

**Members Normal Retirement Age** : \_\_\_ years

**Premium/Contribution for the Policy Year** : Rs \_\_\_\_\_/-

**Mode of Premium/Contribution Payment** : Annually/ Semi Annually / Quarterly/ Monthly

**Surrender Charges** :

In case the policy is surrendered the surrender charges applicable will be as follows:

X % of the Total Policyholders' Account, where X is as follows:

Policy Surrendered in Policy year	X%
1 to 3	0.05% of fund value subject to maximum of Rs.5,00,000
4+	0%

**Currency Basis** : Rupees

**Place of Issue** : Mumbai – India.

**Issuing Office** : Mumbai Office

**Date of Issue** :

**For Tata AIG LIFE INSURANCE COMPANY LTD.**

\_\_\_\_\_  
**Name:**



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**PART IX  
ANNEXURE I**

**Tata AIG Life Retirement Assure Group Gratuity Scheme (Unit Linked)**

Name of Fund	Income Fund	Equity Fund	Bond Fund	Short Term Fixed Income Fund	Growth Fund	Balanced Fund	Maxima Fund
<b>Structure</b>	Income fund investing in fixed income securities	Equity fund investing in equity and equity linked instruments	Bond fund investing in debt and money market instruments	The fund investing in short maturity fixed income securities	Growth Fund investing in equity linked instruments, Government Bonds and high quality fixed Income instruments.	Balanced Fund investing in equity linked instruments, Government Bonds and high quality fixed Income instruments.	A Fund investing in equity linked instruments, Govt Bonds, Fixed Income and money market instruments
<b>Fund Objective</b>	The primary investment objective of the fund is to generate income through investing in a range of debt and money market instruments of various maturities with a view to maximizing the optimal balance between yield, safety and liquidity. The fund will have no investments in equity or equity linked instruments at any point in time.	The primary investment objective of the fund is to generate long-term capital appreciation from a portfolio that is invested pre-dominantly in equity and equity linked securities.	The primary investment objective of the fund is to generate income through investing in a range of debt and money market instruments of various maturities with a view to maximizing the optimal balance between yield, safety and liquidity. The fund will have no investments in equity or equity linked instruments at any point in time.	Short Term Fixed Income Fund is a unit linked fund devised with the objective of generating stable returns by investing in fixed income securities having shorter maturity periods. Under normal circumstances, the average maturity of the fund may be in the range of 1-3 years.	The objective of this fund is to grow the portfolio by generating capital appreciation along with a steady income stream.	The objective of the fund is to supplement the income generation from the fixed income instruments with capital appreciation of the equity assets.	The objective of the fund is to generate superior returns by taking active asset allocation calls between equity, corporate bonds, G-Secs and other assets, depending upon market conditions. The fund will have the flexibility to move from NIL to maximum permissible allocation (as given below) in any asset class.
<b>Net Asset Value (NAV)</b>	The fund will declare a Net Asset Value (NAV) periodically. The net asset value of the fund will be calculated as the net assets of the fund divided by the outstanding units of the fund.	The fund will declare a Net Asset Value (NAV) periodically. The net asset value of the fund will be calculated as the net assets of the fund divided by the outstanding units of the fund.	The fund will declare a Net Asset Value (NAV) periodically. The net asset value of the fund will be calculated as the net assets of the fund divided by the outstanding units of the fund.	The fund will declare a Net Asset Value (NAV) periodically. The net asset value of the fund will be calculated as the net assets of the fund divided by the outstanding units of the fund.	The fund will declare a Net Asset Value (NAV) periodically. The net asset value of the fund will be calculated as the net assets of the fund divided by the outstanding units of the fund.	The fund will declare a Net Asset Value (NAV) periodically. The net asset value of the fund will be calculated as the net assets of the fund divided by the outstanding units of the fund.	The fund will declare a Net Asset Value (NAV) periodically. The net asset value of the fund will be calculated as the net assets of the fund divided by the outstanding units of the fund.



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### Tata AIG Life Retirement Assure Group Gratuity Scheme (Unit Linked)

Name of Fund	Income Fund	Equity Fund	Bond Fund	Short Term Fixed Income Fund	Growth Fund	Balanced Fund	Maxima Fund
<b>Investment Pattern</b>	Subject to IRDA regulations, the assets of the fund can be invested in any ( but not exclusively) of the following securities	Subject to IRDA regulations, the assets of the fund can be invested in any ( but not exclusively) of the following securities:	Subject to IRDA regulations, the assets of the fund can be invested in any ( but not exclusively) of the following securities	Subject to IRDA regulations, the assets of the fund can be invested in any (but not exclusively) of the following securities:			Subject to IRDA regulations, the assets of the fund can be invested in any ( but not exclusively) of the following securities
	Securities issued by central, state government, and local government (Including but not limited to coupon bearing bonds, zero coupon bonds, and treasury bills).	Listed equity Equity linked instruments	Securities issued by central, state government, and local government (Including but not limited to coupon bearing bonds, zero coupon bonds, and treasury bills).	Fixed income instruments like Govt securities, PSU Bonds, corporate bonds, structured/securitized Debt instruments, money market instruments, etc.,			Securities issued by central, state government, and local government (Including but not limited to coupon bearing bonds, zero coupon bonds, and treasury bills).
	Debt obligations of domestic government agencies and statutory bodies, which may or may not carry a central / state government guarantee.		Debt obligations of domestic government agencies and statutory bodies, which may or may not carry a central / state government guarantee.				Debt obligations of domestic government agencies and statutory bodies, which may or may not carry a central / state government guarantee.
	Corporate debt (both of public and private sector undertakings)		Corporate debt (both of public and private sector undertakings)				Corporate debt (both of public and private sector undertakings)
	Obligations of banks (both public and private sector) and development financial institutions.		Obligations of banks (both public and private sector) and development financial institutions.				Obligations of banks (both public and private sector) and development financial institutions.
	Money market instruments permitted by IRDA.		Money market instruments permitted by IRDA.				Money market instruments permitted by IRDA.
	Certificates of deposit.		Certificates of deposit.				Certificates of deposit. Bank fixed deposits
	Bank fixed deposits		Bank fixed deposits				PSU / Infrastructure Bonds.



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### Tata AIG Life Retirement Assure Group Gratuity Scheme (Unit Linked)

Name of Fund	Income Fund	Equity Fund	Bond Fund	Short Term Fixed Income Fund	Growth Fund	Balanced Fund	Maxima Fund
	Bills of exchange / promissory notes. Commercial paper.		Bills of exchange / promissory notes. Commercial paper.				Bills of exchange / promissory notes. Commercial paper.
	Securitized debt		Securitized debt				Securitized debt
	Non-convertible part of any convertible securities		Non-convertible part of any convertible securities				Non-convertible part of any convertible securities
	Any other fixed income securities permitted by the relevant authorities.		Any other fixed income securities permitted by the relevant authorities.				Any other fixed income securities permitted by the relevant authorities.
	The securities mentioned above could be listed, unlisted, privately placed, secured, unsecured, and of any maturity. The securities may be acquired through initial public offerings (IPO), secondary market operations, private placement, rights offers or negotiated deals.		The securities mentioned above could be listed, unlisted, privately placed, secured, unsecured, and of any maturity. The securities may be acquired through initial public offerings (IPO), secondary market operations, private placement, rights offers or negotiated deals.				The securities mentioned above could be listed, unlisted, privately placed, secured, unsecured, and of any maturity. The securities may be acquired through initial public offerings (IPO), secondary market operations, private placement, rights offers or negotiated deals.
<b>Asset Allocation Pattern</b>	Under normal circumstances the asset allocation under the scheme will be as follows:	The asset allocation under the scheme will be as follows:	The asset allocation under the scheme will be as follows:	The asset allocation under the scheme will be as follows:	The asset allocation under the scheme will be as follows:	The asset allocation under the scheme will be as follows:	The asset allocation under the scheme will be as follows:
	Fixed Income Securities at least 85%	Equity up to 100%	Fixed Income Securities up to 100%	Fixed Income Securities up to 100%	Equity : 20% - 40% Government Bonds and high quality fixed Income instruments: 60% - 80%	Equity: 0% - 20% Government Bonds and high quality fixed Income instruments :80% - 100%	Equity: 0% - 60% Govt Bonds : 0% - 100% PSU / Corporate Bonds / Securitized Paper: 0 - 100%
		The investment in money market instruments will not exceed 40%.	The investment in money market instruments will not exceed 40%.	The investment in money market instruments will not exceed 40%.	The investment in money market instruments will not exceed 40%.	The investment in money market instruments will not exceed 40%.	The investment in money market instruments will not exceed 40%.

**FUND SPECIFIC RISKS:**

**SHORT TERM FIXED INCOME FUND / BOND FUND:**

**Interest rate risk:** As with all debt securities, changes in interest rates may affect Net Asset Value of the fund as prices of securities generally increase as interest rates decline and generally decrease as interest rates rise. Prices of long-term securities fluctuate more in response to interest rate changes than do short term securities. Indian debt markets can be volatile leading to the possibility of price movements up or down in fixed income securities and thereby to possible movements in NAV.

**Liquidity/ marketability risks:** This refers to the ease with which a security can be sold at or near its valuation yield-to-maturity. The primary measure of liquidity risk is the spread between the bid price and the offer price quoted by a dealer. Liquidity risk is an important characteristic of the Indian fixed income market.

**Credit risk:** Credit risk or default risk refers to the risk that an issuer of a fixed income security may default ( i.e. will be unable to make timely principal and interest payments on the security). Because of this risk corporate debentures are sold at a yield above those offered on Government securities which are sovereign obligations and free of credit risk. Normally, the value of a fixed income security will fluctuate depending upon the changes in the perceived level of credit risk as well as any actual event of default. The greater the credit risk, the greater the yield required for someone to be compensated for the risk.

**Re-investment risk:** This risk refers to the interest rate levels at which the cash flows received from the securities in the fund are re-invested. The additional income from the re-investment in the “interest on interest” component. The risk is that the rate at which interim cash flows can be reinvested may be lower than originally assumed.

**EQUITY FUND**

Equity and equity linked instruments by their very nature can be volatile in short / medium term. This volatility can potentially lead to a significant erosion in the net asset value of the fund. Trading volumes, settlement periods etc. can lead to reduced liquidity of the investments in the fund.

**BALANCED FUND** (20% Equity + 80% Fixed Income) Risks as in Bond and Equity Fund above.

**GROWTH FUND** – (40% Equity + 60% Fixed Income) Risks as in Bond and Equity Fund above.

**MAXIMA FUND** – (Upto 60% Equity + 40% Fixed Income) Risks as in Bond and Equity Fund above.