

RELIANCE

**NIPPON LIFE
INSURANCE**

A RELIANCE CAPITAL COMPANY



Reliance Nippon Life Traditional Group Assure Employee Benefits Plan

A non-linked non-par variable insurance plan

Maximise your investment
for a better future

Reliance Nippon Life Traditional Group Assure Employee Benefits Plan

A non-linked non-par variable insurance plan

The Indian Government introduced the Payment of Gratuity Act in 1972. Generally gratuity accrues at a rate of 15 days last drawn salary per year of service for each employee or as defined by the trust deeds. Gratuity is payable immediately on cessation of employment, provided the employee has continuous service of at least five years. The five year provision does not apply on death or disablement of the employee. Gratuity, by nature is a medium to long-term liability of the employer and accordingly an appropriate medium to long-term investment strategy should be adopted by the trustees to match assets and liabilities.

Liability for your employees' gratuity is often difficult to forecast accurately and manage well. While doing so you may come across some pertinent questions: What is my true liability for employees' gratuity? How do I manage this liability? Are my gratuity assets professionally managed?

We, at Reliance Nippon Life Insurance Company Limited, provide you with gratuity fund management services to meet your gratuity liabilities towards your employees as described in the trust deed, coupled with future service gratuity.

Reliance Nippon Life Traditional Group Assure Employee Benefits Plan

Reliance Nippon Life Traditional Group Assure Employee Benefits Plan is an yearly renewable, traditional Non-Linked Non-Par Variable fund based Group product. This product is available only for employer-employee groups. It enables employers / trustees to outsource the management of their employees' gratuity funds and the related administration to Reliance Nippon Life Insurance Company Ltd.

The benefits payable under this product are governed by the trust deed and rules of the individual employer's gratuity scheme and the quantum of benefits payable may vary for each individual employer.

The contributions received from the policyholders will be invested according to the IRDA Investment Regulations in respect of Pension and General Annuity Business.

The liability of the insurer, at any time, is limited to the Policy Account under the policy. The Master Policyholder will be responsible in case any deficit arises.

Key Features

- **Gratuity liability management services:** The plan will assist your Corporate to manage your gratuity liabilities
- **Guaranteed Interest Rate:** Get a minimum guaranteed interest rate, referred as Minimum Floor Rate, equal to 2.50% p.a. on the premium/contributions paid into the Policy Account
- **Additional Interest Amount:** Receive an additional interest amount based on the Additional Interest Rate at the end of every financial year
- **Tax benefits:** Enjoy tax benefits as applicable

Plan parameters

Minimum Size of the Group	20 members
Maximum Size of the Group	No limit
Minimum Entry Age	18 years (last birthday)
Maximum Entry Age	69 years (last birthday)
Minimum Policy Term	1 year (Yearly Renewable)
Maximum Policy Term	The policy will be renewed at Policy Anniversary date every year and will be in force unless it is specifically terminated by Master Policyholder or us
Maximum Maturity Age	70 years (last birthday)
Regular Contribution Frequency	Yearly, Half-yearly, Quarterly, Monthly
Minimum Sum Assured	₹ 10,000 per member
Maximum Sum Assured	No limit on the maximum sum assured. The sum assured may be a variable amount greater than the minimum sum assured of ₹ 10,000 and may be equal to the Future Service Gratuity.
Minimum annual past service gratuity liability contribution	₹ 2,00,000
Maximum annual premium / contribution	No limit

How does the plan work?

- The gratuity contribution payable under a policy will be based on the actuarial valuations of the individual employer's gratuity scheme provided by an independent qualified actuary
- The Company will earmark assets for this product separately and the Policy Account under the product shall be disclosed on a daily basis in the company's website through specifically assigned identification number (SAIN) for the fund for this product
- The past service gratuity liability contribution can be paid either in a lump sum or in installments spread over not more than 5 years
- The contributions may be made monthly, quarterly, half-yearly or yearly

- A Policy Account will be maintained in respect of every scheme as a whole. No record will be maintained of contributions in respect of individual members under the scheme
- Shadow policy account value shall be maintained on daily basis. Such shadow policy account shall be computed based on the actual accruals of all income elements like premiums, income from investments as and when received and all actual debits from the policy account value as and when debited, to arrive at the actual gross investment return and reduction in yield to the policy account value, at the end of each policy year
- An insurance cover shall be provided under the scheme and life insurance premium shall be deducted in advance on monthly basis from the Policy Account. The mortality charges will be reviewable at each annual renewal date.

Policy Account

- The Policy Account will be credited with
 - i Contributions paid by the policyholder from the date these contributions were received and invested by us
 - ii Guaranteed non-zero interest amount derived from Minimum Floor rate of 2.50% p.a. at the end of every year where year shall mean the financial year
 - iii Additional interest amount derived from Additional Interest Rate of 0.01%, at the end of every year where year shall mean the financial year
 - iv Non-zero positive residual additions, if any, will be credited in order to meet the maximum reduction in yield as stipulated in Regulation 37 of IRDA (Linked Insurance Product) Regulation, 2013 at maturity or at the end of each policy year from year 5, whichever is earlier

Minimum Floor rate and Additional interest rate shall be credited to the policy account on pro-rata basis at the end of every financial year.

The investment return, once declared and credited to the account becomes guaranteed.

- The Policy Account will be debited with
 - i Fund Management Charges
 - ii Benefits paid as and when these arise (except the payment of the insured death benefits)
 - iii Taxes, duties or surcharges or whatever description levied by any statutory authority

iv Mortality Charges

Plan features in detail

Benefits

Under every policy, there will be a minimum death benefit of ₹ 10,000 per member. All other benefits payable under this product are governed by trust deed and rules of the individual employer's gratuity scheme and the quantum of benefits payable may vary for each individual employer.

The exact benefits under a scheme of this plan will depend on the individual employer's gratuity scheme. Generally, the contingencies for benefit payment and the benefit level will be as given below:

1. Retirement of the employee - Broadly, this benefit is equal to 15 days' salary at the time of retirement for each year of past service of the retiring employee, and may be subject to a maximum of and may be subject to a maximum as prescribed by the scheme rules or as per the scheme rules.

2. Death / Disability of the employee in service - Broadly, this benefit is equal to 15 days' salary at the time of death for each year of past service of the employee up to the time of death / disability, and may be subject to a maximum of and may be subject to a maximum as prescribed by the scheme rules or as per the scheme rules and the sum assured.

Further, the employer can choose to give the gratuity for each year of future service up to retirement or can choose for each member a uniform level of cover, as an additional death benefit subject to the minimum of ₹ 10,000 per member. Mortality charges plus the Goods & service tax and cess, as applicable, on the Mortality charges will be charged for the additional death benefit and will be deducted monthly in advance from the Policy Account. The additional death cover ceases immediately on a member leaving a scheme.

3. Resignations / Early termination of service of the employee - Broadly, this benefit is equal to 15 days' salary at the time of resignation of the employee for each year of past service up to the time of his resignation, and may be subject to a maximum of and may be subject to a maximum as prescribed by the scheme rules or as per the scheme rules, provided the employee has completed at least five years of service. If the employee has served for less than five years, it may be nil.

Other Features

1. Payment Options

The contributions may be made monthly, quarterly, half yearly or yearly.

2. Past service gratuity liability contribution

The past service gratuity liability contribution can be paid either in a lump sum or in installments spread over not more than 5 years.

3. Additional death benefit option

In addition to the death benefit equals to the accrued gratuity liability, the employer can choose to give the gratuity for each year of future service up to retirement or can choose for each member a uniform level of cover, as an additional death benefit. An insurance risk premium along with Goos & service tax and cess, as applicable, will be charged for the additional death benefit. Insurance cover ceases immediately on a member leaving a scheme.

4. Surrender of the policy by the Master Policyholder

The surrender value will be the Policy Account value, less the Market Value Adjustment amount, if any, and the surrender charges, if any, as mentioned below.

If the policy is being surrendered within 3 years of policy inception, then Surrender Charge is 0.05% of the fund, with a maximum of ₹ 5,00,000. The calculation of Market Value Adjustment Amount is provided in next separate section below.

There is no other charge on surrender except the surrender charge and the Market Value Adjustment (MVA).

The contributions with respect to the product shall be made in accordance with the Actuary's certificate submitted by the employer in accordance with AS 15 (Revised). Where the fund is overfunded / in surplus as per such certificates, the insurer may allow 'nil contributions / premiums' under the policy and in all such cases, the policy shall not be treated as discontinued.

Even on non-receipt of premium, the policy will automatically get renewed at the then existing terms and conditions on each renewal date, provided there is enough balance in the policy account as per the scheme rules.

5. Market Value Adjustment

Market Value Adjustment (MVA) is applicable in the case of bulk exits. MVA shall be applied only to the amount which is over and above the amount representing bulk exit.

If the amount to be paid on total exits in any event exceeds 25% of the

total account value of the scheme at the beginning of the policy year, such transactions shall be treated as bulk exits, where exit shall be as per the scheme and exit shall mean exit of the member from the group.

The market value adjustment adjusts the amount payable on bulk exits. The assets / investments are earmarked separately for the product. MVA is related to the decrease in the value of the assets held by the insurance company at the time of exit. This decrease in value can be passed on to the policyholder.

MVA Calculation:

MVA Amount is derived by following formula:

MVA Amount = MVA Factor * Amount over and above the 25% of the Account Value at the beginning of the policy year

MVA Factor = Maximum (0, Account Value – Market Value) / Market Value

Where Market Value is derived from the revaluation of assets earmarked separately for the product at the time of market value adjustment is carried out.

MVA Amount, if any, will be deducted from Account Value.

Charges

Fund Management Charges

1% p.a. of Policy Account Value at the end of each financial year. This charge will be collected on a pro-rata basis.

Mortality Charges

Mortality charges will be deducted in advance on monthly basis from the Policy Account. The mortality charges will vary depending on the amount of life insurance cover, the attained age of life assured, the occupation of the life assured and the health of the life assured.

The mortality charges for the group will depend upon the nature of group, geographical location, past experience and other relevant factors.

Term and Conditions

Loans

No loan facility is available under this plan.

Nomination of beneficiary - Section 39 of Insurance Act, 1938 as amended from time to time

Benefits upon death will be payable to the trustees. In case the trustees delegate to the Company the authority to pay benefits directly to the beneficiary, we will pay the benefits to the nominee as recorded by the trustees and informed to us.

New Members

New members will be allowed to join at any time during the tenure of the policy. The insurance cover in respect of members will start from the date of joining. Notice of new members must be signed by the master policyholder. All full-time members are invited to join the Policy at the Master Policyholders' invitation.

We will provide you with the necessary administration forms to assist you in notifying our office when a new member is admitted to the Policy.

Goods & Service Tax

Goods & Service tax and cess, if any, will be levied on the mortality charges, Fund management charge and Surrender charge. The level of the rate of Goods & Service Tax will be declared by the Government from time to time.

Payment of taxes, stamp duties

We will deduct from benefits / insurance contribution / premium any taxes, duties or surcharges of whatever description, levied by any statutory authority.

In future the Company may decide to pass on any additional charges levied by the government or any statutory authority to the member / policyholder. Whenever the company decides to pass on the additional charges to the member / policyholder, the method of collection of these charges shall be intimated to them.

Tax Benefits

Tax benefits under the policy will be as per the prevailing Income tax laws. Tax laws are subject to amendments from time to time and interpretations. You are advised to consult a tax expert.

Suicide Exclusion

In case of a claim where a member has committed suicide within 12 months from the date of inception of the scheme, whether sane or insane at that time, the company will limit the death benefit to the past service gratuity benefit (which will be paid from the Policy Account of the scheme), and will not pay any insured death benefit.

Claims Process

In the event of a claim arising under this Policy, the Master Policyholder shall intimate to the Company in writing of the claim and provide the following documents to the Company to enable the Company to process the claim.

a) In case of claim for death benefit arising out of accidents or unnatural deaths

- Confirmation of Insurance, in original
- Death Certificate, in original
- Copies of the First Information Report (FIR) and the Final Investigation Report thereof, duly attested by the concerned police officials
- Copy of post-mortem report duly attested by the concerned officials
- Claim Form (A) to be filled in by the nominee
- Claim Form (B) to be filled in by the last treating Doctor
- KYC documents of the claimant as per AML Guidelines (Address Proof and Identity Proof)
- ECS Mandate form / Cancelled cheque leaf / Self-attested passbook copy of the claimant
- Any other document as may be required

b) In case of claim for Death Benefit arising other than out of accidents or unnatural deaths

- Confirmation of Insurance, in original;
- Death Certificate, in original, issued by the competent authority
- Hospitalisation documents (discharge summary along with all investigation reports) if Life Assured has taken treatment for illness leading to his death
- Claim Form (A) to be filled in by the nominee
- Claim Form (B) to be filled in by the last treating doctor
- KYC documents of the claimant as per AML Guidelines (Address Proof and Identity Proof)
- ECS Mandate form / Cancelled cheque leaf / Self-attested

passbook copy of the claimant

- Any other document as may be required

Notwithstanding anything contained above, depending upon the cause or nature of the claim, the Company reserves the right to call for other and/or additional documents or information, including documents / information concerning the title of the person claiming Benefits under this Policy, to the satisfaction of the Company, for processing the claim.

15 Day Free Look Period

In the event, Master policyholder disagree with any of the terms and conditions of this policy, Master policyholder may cancel this policy by returning it to the Company within 15 days of receiving it, for all distribution channels except for Distance Marketing* channel, which will have 30 days of receiving it, subject to stating your objections. The Company will refund the Premiums paid by you, less a deduction for the proportionate risk premium for the time that the Company has provided cover up to the date of cancellation and for the expenses incurred by the Company on medical examination and stamp duty charges.

*Distance Marketing includes every activity of solicitation (including lead generation) and sale of insurance products through the following modes:

- i. Voice mode, which includes telephone-calling
- ii. Short Messaging services (SMS)
- iii. Electronic mode which includes e-mail, internet and interactive television (DTH)
- iv. Physical mode which includes direct postal mail, and newspaper & magazine inserts
- v. Solicitation through any means of communication other than in person.

Prohibition of Rebate: Section 41 of the Insurance Act, 1938, as

amended from time to time

(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.

About Reliance Nippon Life Insurance Company Limited:

Reliance Nippon Life Insurance Company Limited is a licensed life insurance company registered with Insurance Regulatory & Development Authority of India (IRDAI) Registration No: 121, in accordance with provisions of the Insurance Act, 1938.

Reliance Nippon Life Insurance Company Limited offers you products that fulfil your savings and protection needs. Our aim is to emerge as a transnational Life Insurer of global scale and standard.

Reliance Nippon Life Insurance Company Limited is a part of Reliance Capital Limited, under Reliance Group. Reliance Capital is one of India's leading private sector financial services companies, and ranks among the top 3 private sector financial services and banking companies, in terms of net worth. Reliance Capital has interests in asset management and mutual funds, stock broking, life and general insurance, proprietary investments, private equity and other activities in financial services.

Reliance Group also has presence in Communications, Energy, Natural Resources, Media, Entertainment, Healthcare and Infrastructure.

Nippon Life Insurance, also called Nissay, holds 49% stake in Reliance Nippon Life Insurance Company Limited.

Nippon Life Insurance is Japan's largest private life insurer with revenues of ₹ 412,809 crore (US\$ 65 Billion) and profits of over ₹ 29,249 crore (US\$ 3 billion). The Company has over 31 million policies in Japan, offers a wide range of products, including individual and group life and annuity policies through various distribution channels and mainly uses face-to-face sales channel for its traditional insurance products. The company primarily operated in Japan, North America, Europe and Asia and is headquartered in Osaka, Japan. It is ranked 81st in the Global Fortune 500 firms in 2011.

Note:

This product brochure is indicative of the terms and conditions, warranties and exceptions contained in Reliance Nippon Life Traditional Group Assure Employee Benefits Plan. This document gives only the salient features of the plan. For further details on all the conditions, exclusions related to Reliance Nippon Life Traditional Group Assure Employee Benefits Plan, please contact our Employee Benefits – Relationship Manager.

Tax laws are subject to change. Kindly consult a tax expert.

The Reliance logo consists of the word "RELIANCE" in white, uppercase letters on a blue rectangular background. A small red triangle is positioned above the letter "I".The Nippon Life Insurance logo features the words "NIPPON LIFE" stacked above "INSURANCE" in white, uppercase letters on a blue rectangular background.

UIN for Reliance Nippon Life Traditional Group Assure Employee Benefits Plan:
121N047V02

SAIN for Reliance Nippon Life Traditional Group Assure Employee Benefits Plan:
121N047V02002

- Income Tax Benefits under the income tax laws of 1961 are subject to amendments and interpretation
- Kindly consult a tax expert
- Kindly review the offer documents carefully before investing
- Conditions apply

Reliance Nippon Life Insurance Company Limited. IRDAI Registration No. 121. Registered Office: H Block, 1st Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai, Maharashtra - 400710. For more information or any grievance, 1. Call us between 9 am to 6 pm, Monday to Saturday on our Toll Free Number - 1800 102 1010 or 2. Visit us at www.reliancenipponlife.com or 3. Email us at: rnlife.customerservice@relianceada.com. Trade logo displayed above belongs to Anil Dhirubhai Ambani Ventures Private Limited & Nippon Life Insurance Company and used by Reliance Nippon Life Insurance Company Limited under license. Tax laws are subject to change, consulting a tax expert is advisable. For more details on risk factor, terms and conditions, please read sales brochure carefully before concluding a sale. **Tax benefit are available under income Tax Act and are subject to change from time to time.

Beware of Spurious / Fraud Phone calls: IRDAI is not involved in activities like selling insurance policies, announcing bonus or investment of premiums. Public receiving such phone calls are requested to lodge a police complaint.

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