


Reliance Group Leave Encashment Plan



protect your
employees' interests
while protecting yours

RELIANCE Life Insurance
Anil Dhirubhai Ambani Group

A Reliance Capital Company

Reliance Group Leave Encashment Plan

You believe in providing the best opportunities for your employees while keeping the interests of the company in mind. With the Reliance Group Leave Encashment Plan, you can manage your employees' funds better, providing security alongside growth.

Now you can strike the perfect balance between providing protection cover on lives of your employees and gaining an optimum utilization of the Leave Encashment liability contributions, while we manage your investments efficiently.

"In this policy, the investment risk in investment portfolio is borne by the policyholder"

One of the several benefits offered to your employees is Leave Encashment Benefit. This benefit is associated with the salary of the individual employee which generally increases with time. Hence, it is highly essential for employers to manage the Leave Encashment liability effectively. Normally, the leave encashment benefit is payable in cases of death, retirement, resignation, termination and disability leading to cessation of employment. These events, by nature, are uncertain and hence you are faced with the risk of a financial liability at completely uncertain timelines. This can lead to major adverse cash flow situations for you.

Hence you need to create adequate provisions in the accounts to meet such leave encashment liabilities at any time during the tenure of employees in the company.

This can be best achieved by opting to contribute to the Reliance Life Insurance Company's Group Leave Encashment Plan, which ensures that your Leave Encashment liability, as and when they occur, is most effectively met.

Reliance Group Leave Encashment Plan

This Leave Encashment plan is an Unit Linked plan, which addresses your comprehensive need to strike that perfect balance between providing Protection cover on lives of your employees and gaining an optimum utilization of the Leave Encashment liability contributions. This is achieved through host of features offered in our plan, which is enumerated below:

- Flexible Premium Payment Options, to give you the flexibility to pay premiums depending on your cash flows.
- Flexible Investment Options, that offers an opportunity to spread your investment risk across a range of investment options made available to you, depending on your risk appetite and your investment objectives.
- Switching of funds: Transferring (switching) assets from one investment fund to another can be done any time. You can make up to 52 switches free of charge each year.
- Flexibility to select the level of life insurance cover (subject to a minimum of Rs.1,000/- per employee) thus, promising protection on the life of your employee, at a nominal cost.

Policy Conditions

Minimum Annual Leave Encashment contribution:
Rs. 2,00,000 per scheme

Maximum Annual Leave Encashment contribution:
No limit

Minimum Entry Age of the employees:

18 years last birthday

Maximum Entry Age of the employees:

64 years last birthday

Maximum Maturity Age: 65 years last birthday

Minimum Policy Term: 1 year

Minimum sum assured payable (upon death)

of an employee: Rs.1,000 per employee

Maximum sum assured payable (upon death)

of an employee: No limit

The Plan

The Reliance Group Leave Encashment Plan is a unit linked plan. Under this plan, in addition to the leave encashment liability contributions, you can also decide on the level of insured death benefit for each employee, subject to a minimum insured death benefit of Rs.1,000 per employee. The premium towards the death benefit provided will be quoted by us separately and will be payable over and above the contributions towards the Leave Encashment liability.

Each contribution received towards the Leave Encashment liability will be utilized to purchase units in the unit-linked funds chosen by the employer. The fund options have different time horizons, risk profiles and expected return levels. The employer has the option to choose between the following fifteen fund options made available under the policy:

Fund Name	Investment Objectives	Asset Category	Asset Allocation Range (%)	Target (%)
Capital Secure Fund	Maintain the capital value of all contributions (net of charges) and all interest additions, at all times. The risk appetite is 'extremely low'.	Money market instruments incl. liquid mutual funds and bank deposits (with residual maturity under 180 days)	100	100
Balanced Fund	The investment objective of the fund is to provide investment returns that exceed the rate of inflation in the long term while maintaining a low probability of negative returns in the short term. The risk appetite is defined as 'low to moderate'.	Debt Securities	0-100	80
		Equities	0-20	20
		Money market instruments incl. liquid mutual funds and bank deposits	0-100	0
Growth Fund	The investment objective of the fund is to provide investment returns that exceed the rate of inflation in the long term while maintaining moderate probability of negative returns in the short term. The risk appetitive is defined as 'moderate'.	Debt Securities	0-100	60
		Equities	0-40	40
		Money market instruments incl. liquid mutual funds and bank deposits	0-100	0

Fund Name	Investment Objectives	Asset Category	Asset Allocation Range (%)	Target (%)
Pure Debt Fund	The investment objective of the fund is to provide steady investment returns achieved through 100% investment in debt securities, while maintaining moderate probability of negative returns in the short term. The risk appetitive is defined as 'moderate'.	Government Securities and approved securities	0-100	40
		Corporate bonds and other debt instruments	0-60	40
		Money market instruments incl. liquid mutual funds and bank deposits	0-100	20
Growth Plus Fund	To provide, in the long term, returns which are significantly higher than the inflation rate, through high exposure to equity investments, while recognizing that there is some probability of negative returns in the short term. The risk appetite is 'moderate to high'.	Corporate bonds and other debt instruments/Bank deposits/Money Market Instruments	50 - 100	50
		Equities	0-50	50
High Growth Fund	To provide, in the long term, returns which are significantly higher than the inflation rate, through high exposure to equity investments, while recognizing that there is some probability of negative returns in the short term. The risk appetite is 'moderate to high'.	Corporate bonds and other debt instruments/Bank deposits/Money Market Instruments	40 - 100	40
		Equities	0-60	60
Super Growth Fund	The investment objective of this fund is to provide high real rate of return in the long term through high exposure to equity investments, while recognizing that there is significant probability of negative returns in the short term, which will be moderated through some exposure to debt. The risk appetite is 'high'.	Corporate bonds and other debt instruments/Bank deposits/Money Market Instruments	20 - 100	20
		Equities	0-80	80
Equity Fund	Provide high real rate of return in the long term through high exposure to equity investments, while recognizing that there is significant probability of negative returns in the short term. The risk appetite is 'high'.	Corporate bonds and other debt instruments/ Bank deposits/ Money market instruments.	0-100	0
		Equities	0-100	100
Corporate Bond	Provide returns that exceed the inflation rate, while taking some credit risk (through investments in corporate debt instruments) and maintaining a moderate probability of negative return in the short term. The risk appetite is 'low to moderate'.	Money market instruments incl. liquid mutual funds and bank deposits	0-100	0
		Corporate bonds/ debentures and other debt instruments excluding money market instruments	0-100	100

Fund Name	Investment Objectives	Asset Category	Asset Allocation Range (%)	Target (%)
Money Market Fund	Maintain the capital value of all contributions (net of charges) and all interest additions, at all times. The risk appetite is 'low'.	Money market instruments incl. liquid mutual funds and bank deposits	100	100
Gilt Fund	Provide returns that exceed the inflation rate, without taking any credit risk (sovereign risk only) and maintaining a low probability of negative return in the short term. The risk appetite is 'low to moderate'.	Central Government securities (Gilts)	0-100	80
		Other government securities including securities with unconditional Central Government guarantee	0-40	20
		Money market instruments incl. liquid mutual funds and bank deposits	0-100	0
Infra-structure Fund	Provide high rate of return in the long term through high exposure to equity investments in Infrastructure and allied sectors, while recognizing that there is a significant probability of negative returns in the short term. The risk appetite is high.	Corporate bonds and other debt related instruments/ Banks deposits/ Money market Instruments	0-100	0
		Equities in Infrastructure and allied sector	0-100	100
Energy Fund	Provide high rate of return in the long term through high exposure to equity investments in Energy and allied sectors, while recognizing that there is a significant probability of negative returns in the short term. The risk appetite is high.	Corporate bonds and other debt related instruments/ Banks deposits/ Money market Instruments	0-100	0
		Equities in Energy and allied sector	0-100	100
Midcap Fund	Provide high rate of return in the long term through high exposure to equity investments in Midcap companies, while recognizing that there is significant probability of negative returns in the short term. The risk appetite is high.	Corporate bonds and other debt related instruments/ Banks deposits/ Money market Instruments	0-100	0
		Equities predominantly in mid cap companies	0-100	100
Pure Equity Fund	The investment objective of the Pure Equity fund is to provide policyholders high real rate of return in the long term through high exposure to equity investments, while recognizing that there is significant probability of negative returns in the short term. The risk appetite is 'high'.	Equities in sectors other than banks and non-banking financial companies, breweries, distilleries, alcohol based chemicals, cigarettes, tobacco, entertainment, leather, sugar and hatcheries.	60-100	100
		Corporate bonds and other debt instruments/ Bank deposits/ Money market instruments	0 -40	0

Whilst every attempt would be made to attain target levels prescribed above, it may not be possible to maintain the prescribed 'target' at all times owing to market volatility, availability of market volumes and other related factors. The 'target' may be attained on a 'best effort' basis. However, the asset allocation will always fall within the asset allocation range mentioned in respect of each fund.

Unit Pricing

The unit price of each fund will be calculated on a daily basis based on the formula given below, as per the IRDA guidelines:

Total market value of assets plus/minus expenses incurred in the purchase/sale of assets, plus Current Assets, plus any accrued income net of fund management charges, minus Current Liabilities, and Provisions of the fund

Unit Price=

Total number of units on issue (before any new units are allocated / redeemed)

The unit price shall be computed based on whether we are purchasing (in which case "appropriation price" as defined below will be used) or selling (in which case, "expropriation price" as defined below will be used) the assets in order to meet the day to day transactions of unit allocations and unit redemptions i.e. we will be required to sell/purchase the assets, if the total unit redemptions/allocations exceed the total unit allocations/redemptions at the valuation date.

The **Appropriation Price** shall apply in a situation when we are required to purchase the assets to allocate the units at the valuation date, as stated above. This shall be the amount of money that we would put into the fund in respect of each unit we allocate, in order to preserve the interests of the existing unit holders.

The **Expropriation Price** shall apply in a situation when we are required to sell assets to redeem the units at the valuation date, as stated above. This shall be the amount of money that we would take out of the fund in respect of each unit we cancel in order to preserve the interests of the continuing unit holders.

We reserve the right to value less frequently than once a day in extreme circumstances, where the value of the assets may be too uncertain. In such circumstances we may defer valuation of assets until normality returns. Examples of such circumstances are:

- a) When one or more stocks exchanges which provide a basis for valuation for a substantial portion of the assets of the fund are closed otherwise than for ordinary holidays
- b) When, as a result of political, economic, monetary or any circumstances out of our control, the disposal of the assets of the unit fund are not reasonable or would not reasonably be practicable without being detrimental to the interests of the remaining unit holders.

- c) During periods of extreme volatility of markets during which surrenders and switches would, in our opinion, be detrimental to the interests of the existing unit holders of the fund.
- d) In the case of natural calamities, strikes, war, civil unrest, riots and bandhs.
- e) In the event of any force majeure or disaster that affects our normal functioning.
- f) If so directed by the IRDA.

Delaying encashment

We may delay encashing units from a fund if it is necessary to do so in order to maintain fairness and equity between unit holders remaining in, and unit holders leaving a fund. Where this applies, we may delay encashing all or part of the funds for up to 30 days. If we delay the encashment, we will use the unit prices that apply on the day on which the encashment actually takes place.

Special rules for large transactions

For a very large transaction above a threshold level, in order to maintain equity and fairness with all unit holders, we may choose to apply special treatment for all transactions, which involve purchase or sale of underlying assets. The number of units allocated may reflect the expenditure incurred in the actual market transactions which occurred. The value of units obtained from encashment may be the actual value obtained as a consequence of the actual market transactions which occurred. Transactions may occur over a number of days. The threshold level will vary from time to time, depending on, amongst other matters, the liquidity of the stock markets. Our current threshold for large transactions will be Rs.50,000,000 for a fund predominantly investing in Government securities and Rs.25,000,000 for a fund investing in highly liquid equities.

Allocation of units

We will apply the contributions received, to allocate units in one or more of the unit-linked funds, in the proportions which the policyholder specifies. In case of new business, units shall only be allocated on the day the proposal is completed and results into a policy by the application of money towards premium. In the case of renewal of the policy, the net contributions will be adjusted on the due date, whether or not it has been received in advance. (This assumes that the full stipulated contribution is received on the due date.)

In respect of contributions received (or request for funds switches or such other transactions received) up to the cut off time currently 3 p.m. by us along with a local cheque or a demand draft payable at par at the place where the contribution is received (if applicable), the closing unit

price of the day on which the contribution is received (or request for funds switches or such other transactions received), shall be applicable. In respect of contributions received after 3 p.m. by us, along with a local cheque or a demand draft payable at par at the place where the contribution is received (if applicable), the closing unit price of the next business day shall be applicable.

In respect of contributions received with outstation cheques or demand drafts at the place where the contributions are received, the closing unit price of the day on which cheques/ demand drafts are realized, shall be applicable.

Redemption of units

In respect of valid applications received (e.g. surrender, benefit payment, switch out etc.) up to the cut off time currently 3 p.m. by us, the same day's closing unit price shall be applicable. In respect of valid applications received (e.g. surrender, benefit payment, switch out etc) after 3 p.m. by us, the closing unit price of the next business day shall be applicable.

The unit price for each segregated fund provided under this product shall be made available to the public in the print media on a daily basis. The unit price will also be displayed in the web portal of Reliance Life Insurance Company Limited.

Benefits under the Group Leave Encashment Plan

The exact benefits for a scheme under this plan will depend on your Leave Encashment Scheme.

Generally, the contingencies for benefit payment and the benefit level may be as given below:

1. **Annual leave encashment by Employees:** This benefit is based on the last drawn annual salary, leave balance and leave actually encashed by the employee as at the end of financial year of the employer.
2. **Resignations / Early termination of service of the Employee:** This benefit is equal to last drawn annual salary and leave balance of the Employee as on the date of resignation / early termination. The leave balance is typically subject to a maximum accumulation and encashment.
3. **Retirement of the Employee:** This benefit is based on last drawn annual salary and leave balance of the Employee as on the date of retirement. The leave balance is typically subject to a maximum accumulation and encashment.
4. **Death / disability of the Employee in service:** This benefit is based on the last drawn annual salary and leave balance of the Employee as on the date of the death / disability. The leave balance is typically subject to a maximum accumulation and encashment.

5. **Additional insured death benefit amount:** Upon death of an employee, an additional death benefit is payable under this plan. The additional death benefit is equal to the sum assured chosen for the concerned employee by the employer, which is subjected to a minimum of Rs.1,000 per employee and maximum of Rs. 100,000 per employee.

Surrender of the policy: If the employer decides to surrender its policy, Reliance Life Insurance Company Ltd. will pay a surrender benefit equal to the fund value on the date of surrender minus the applicable surrender charges, if any.

All benefits, except for insured death benefit amount, shall be payable by canceling units at the prevailing unit price. The maximum liability of Reliance Life Insurance Company Ltd. for any scheme will be limited to the fund value, plus the insured death benefit amount under the scheme.

Discontinuance of contribution payment or premium towards death benefit:

The policy shall lapse if the premiums towards the death benefit, and/or the contributions towards the Leave

Encashment benefit are not paid within the grace period of 30 days (15 days if the mode of payment is monthly).

Under a lapsed policy, the life cover will continue. The premium towards the life insurance cover provided will be collected by canceling units. The policy will continue to participate in the performance of unit funds chosen by the employer.

If the policy is not revived within the period of revival of 5 years from the due date of the first unpaid contribution or premium towards death benefit, the surrender value, if any, will be paid at the end of period allowed for revival and the contract will be terminated.

Revival of a lapsed policy: The employer may revive its lapsed policy by recommencing the payment of contribution towards the Leave Encashment benefit and the premium for the life insurance cover, at any time within a period of 5 years from the due date of the first unpaid contribution/premium.

Payment of contributions towards the Leave Encashment liability: For a newly set up Leave Encashment scheme, the initial contribution towards the Leave Encashment benefit can be paid either in a lump sum or in installments spread over not more than 5 years in equal annual installment.

For an existing scheme, the regular contributions towards the Leave Encashment benefit and premium towards the life insurance cover can be paid either in yearly, half-yearly, quarterly or monthly installments.

Contribution redirection: You may also redirect the future regular contributions towards the Leave Encashment benefit

to a different investment fund offered under this plan in different proportions. The flexibility is yours.

Grace period

There is a grace period of 30 days from the due date for the payment of the contributions under the Leave Encashment benefit and the premium under the life insurance cover provided to the employees. If the contributions and the premiums are payable monthly, the grace period will be 15 days from the due date.

Charges

Fund Management Charges (FMC):

We shall levy a Fund Management Charge of 0.25%pa of Funds Under Management across all fund types and fund sizes.

Fund Management Charges are deducted on a daily basis at 1/365th of the annual charge, in determining the unit price.

Reliance Life Insurance Company Limited reserves the right to vary these charges in future, by giving three months' notice to the employer. However, any revision in Fund Management Charges will be subject to IRDA approval.

The maximum applicable fund management charge shall be 1% p.a. of Funds Under Management.

Policy Administration Charges:

We shall levy Policy Administration Charge @ Rs.200 per employee per annum for providing the following services:

1. Maintenance of administrative records:

- Number of employees
- Date of joining
- Date of exit
- Age and other details related to members
- Similar member level details

2. Range of services offered:

- Management of contributions across the funds under management
- Providing Annual Statements
- Providing the facility of fund switches / contribution re-directions
- Determining unit prices on a daily basis.

The maximum policy administration charge will be Rs.75 lacs per scheme per annum and the minimum policy administration charge will be Rs.5000 per scheme per annum. The policy administration charge will be collected by cancelling the units every month.

Reliance Life Insurance Company Limited reserves the right to increase the policy administration charge upto Rs.500 per

employee per annum in future, by giving three months' notice to the employer. However, any revision in Policy Administration Charges will be subject to IRDA approval.

Switching Charges: The employer is allowed to effect 52 fund switches free of cost every year.

Any additional requests will attract a charge of 0.1% of the amount switched, subject to a minimum of Rs.1,000 and a maximum of Rs.5,000 per switch. This charge will be collected from the amount switched.

Surrender Charges: Surrender Charges are levied as a percentage of Fund Value as follows:

Policy Year	Surrender Charge
1st	2.00%
2nd	1.50%
3rd	1.00%
4th & onwards	Nil

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. Insurance premium in respect of the risk undertaken by the Company will be collected from the employer. The amount towards leave encashment contribution will be advised by an independent actuary.

Notice of new Members must be signed by the principal officer of the employer. All fulltime Members can join the Policy at the employer's' 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. Any new Member can join the Policy subject to terms and conditions as set by the employer in the Leave Encashment rules. We will require from you, any information as requested by us, to set up a new Member record.

Suicide claim provisions

In case of a claim, where an employee has committed suicide within 12 months from the date of inception of the scheme or the employee joining the scheme whichever is later, whether sane or insane at that time, we will limit the death benefit to the benefit accrued to the employee as per the Leave Encashment benefit rules of the company (which will be paid from the unit-linked fund of the scheme). We will not pay any additional death benefit under this plan.

Payment of taxes, stamp duties

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

Service Tax

Service tax and education cess will be charged extra as per applicable rates.

Please note that all benefits payable under the policy are subject to tax laws and other financial enactments as they may exist from time to time. You are recommended to consult your tax advisor.

Free Look Period

In Case the Policy Holder disagrees with any of the terms and conditions of the policy, he may return the policy to the Company within 15 days of its receipt for cancellation, stating his/her objections in which case the company will refund an amount equal to the non allocated premium Plus the charges levied by Cancellation of units plus fund value as on the date of receipt of the request in writing for cancellation, less the proportionate premium for the period the company has been on risk and the expenses incurred by the company on medical examination and stamp duty charges

Note

Unit Linked Life Insurance products are different from the traditional insurance products and are subject to the following risk factors.

- The contribution paid in unit linked insurance policies are subject to investment risks associated with capital markets performance of the fund and factors influencing the capital and NAVs of the units may go up or down based on the markets and the policyholder is responsible for his/her decisions.
- “Reliance Life Insurance Company Limited” is the name of the company and “Reliance Group Leave Encashment Plan” is only the name of the policy and does not in any way indicate the quality of the policy, its future prospects or returns.
- The names of the Fund Option do not in any manner indicate the quality of the Fund Option or their future prospects or returns. The Fund Option(s) do not offer any guarantee or assure any guaranteed return;
- Investments in Units are subject to market and other risks. Investment risk in investment portfolio is borne by the Policyholder. There is no assurance that the objectives of the Fund Option shall be achieved;
- The Unit Price of the Units may fluctuate depending on factors and forces affecting the capital markets and the level of interest rates prevailing in the market;
- Past performance of the Fund Options is not indicative of future performance of any of those Fund Options.
- All Benefits payable under this Policy are subject to tax laws and other fiscal enactments in effect from time to time.
- The Company reserves the right to suspend the Allocation, reallocation and/or cancellation of Units under extraordinary circumstances such as extreme volatility of assets, extended suspension of trading on stock exchange, natural calamities, riots and other similar events or force majeure circumstances.

About Reliance Life Insurance Company Limited

Reliance Life Insurance is an associate company of Reliance Capital Limited, a part of the Reliance Anil Dhirubhai Ambani Group. Reliance Capital is one of India's leading private sector financial services 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 Anil Dhirubhai Ambani Group also has presence in Communications, Energy, Natural Resources, Media, Entertainment, Healthcare and Infrastructure.

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

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

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

- 2) Any person making default in complying with the provisions of this section shall be punishable with a fine which may extend to five hundred rupees.

Section 45 of the Insurance Act:

No policy of life insurance effected before the commencement of this Act shall after the expiry of two years from the date of commencement of this Act and no policy of life insurance effected after the coming into force of this Act shall after the expiry of two years from the date on which it was effected, be called in question by an insurer on the ground that a statement made in the proposal for insurance or in any report of a medical officer, or referee, or friend of the insured, or in any other document leading to the issue of the policy, was inaccurate or false, unless the insurer shows that such statement was on a material matter or suppressed facts which it was material to disclose and that it was fraudulently made by the policyholder and that the policyholder knew at the time of making it that the statement was false or that it suppressed facts which it was material to disclose.

Provided that nothing in this section shall prevent the insurer from calling for proof of age at any time if he is entitled to do so, and no policy shall be deemed to be called in question merely because the terms of the policy are adjusted on subsequent proof that the age of the life insured was incorrectly stated in the proposal.

RELIANCE Life Insurance
Anil Dhirubhai Ambani Group

Reliance Life Insurance Company Limited (Reg. No 121)

Registered Office: H Block, 1st floor, Dhirubhai Ambani Knowledge City, Navi Mumbai, Maharashtra 400710, India

- Customer Care Number: **1800 300 08181 & 3033 8181**
- Email: rlife.customerservice@relianceada.com
- Website: www.reliancelife.com

This product brochure gives the salient features of the plan only. For further details on all the conditions, exclusions related to Reliance Group Leave Encashment Plan please contact your Relationship Manager.

Insurance is the subject matter of the solicitation.

UIN for Reliance Reliance Group Leave Encashment Plan: 121L027V01

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