

*Press Release
For immediate publication*

Tata AIG Life Insurance Company Limited launches Unit Linked Insurance Plans for Superannuation and Gratuity

The only private sector life insurance company to offer ULIP and traditional Superannuation and Gratuity schemes

Franklin Templeton (India) and AIG Global Investment Group to provide advice on ULIP's investments

Mumbai, April 05, 2004

The first private life insurance company that launched traditional plans for Superannuation and Gratuity schemes in India, Tata AIG Life Insurance Company Limited (Tata AIG Life), today announced the launch of Unit Linked Insurance Plans (ULIP) for Superannuation and Gratuity schemes at Mumbai. Thus, Tata AIG Life earns the unique distinction of being the only private life insurance company offering traditional as well as ULIP products for Superannuation and Gratuity schemes in India.

Tata AIG ULIP is the most flexible Unit Linked Insurance plan today in the market. The ULIP Superannuation Scheme provides individual members the flexibility to decide on the allocation of their moneys based on their risk appetite. In case of the ULIP Gratuity Scheme, the employer/trustee has the flexibility to decide the ratio of investment based on their risk taking appetite.

Further, Tata AIG Life has entered into an agreement with one of India's leading asset management company's, Franklin Templeton Investments (India) under the portfolio management services license (they have assets under management (AUM) over Rs 15,994 crores in India and AUM of over USD 343 billion globally) for their non-discretionary investment advisory services, and AIG Global Investment Group (with AUM amounting to USD 376 billion globally) for their investment advisory services.

Mr. Ian J. Watts, Managing Director, Tata AIG Life said, "We are delighted to announce that corporates and institutions can now benefit from our unique ULIP as they can now invest in our ULIP offering for their Superannuation and Gratuity schemes. We are encouraged by our early success, with millions being invested in this business by some of the big names in the corporate world."

"Tata AIG Life believes in giving the best products and services to its customers. Towards this end Tata AIG Life has tied-up with one of India's leading asset management companies, Franklin Templeton Investments (India) which manages a most comprehensive range of mutual fund products as well as AIG Global Investment group. We are confident that with investment advice from Franklin Templeton and AIGGIG, our ULIP is sure to be a winner beyond expectation", Mr. Watts added.

Earlier this month, Tata AIG Life Insurance Company had launched its ULIP – **“InvestAssure”** - the most flexible unit linked insurance plan in the market for individuals. Today, Tata AIG Life is extending three of its Unit Linked Insurance Plans - Equity, Income and Liquid Funds to corporates and institutions for investments of Superannuation and Gratuity schemes.

The Equity fund will invest in listed equity shares whereas the income fund will invest primarily in government and fixed income instruments. The Liquid Fund will invest in a variety of liquid options such as treasury bills, short-term Government bonds, bank deposits, commercial papers and other money market securities.

This initiative reflects Tata AIG’s strategy to rapidly expand and offer best products to its customers.

As per IRDA guidelines, the trustees of the Superannuation and Gratuity schemes can invest up to 100 per cent of their corpus in the Income and Liquid funds and a maximum of 60 per cent in the Equity fund.

Moreover, the annual contributions by the employer under the Superannuation & Gratuity plan are eligible for tax benefits under Section 36(1)(IV) & (V) respectively of the Income Tax Act. Also, interest income on the fund is tax free under section 10(25)(4) & (3) respectively.

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