

Kotak

PREMIER
ENDOWMENT
PLAN
A Life Insurance Plan



Guarantee a great start to fulfill your dreams



A JOINT VENTURE WITH  OLD MUTUAL

Faidey ka insurance



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KOTAK PREMIER ENDOWMENT PLAN

A Life Insurance Plan

Kotak Premier Endowment Plan is a long-term savings and protection plan that provides financial security to cope with unfortunate contingencies along with the ability to save for your future financial needs. This plan provides guaranteed additions in the first five policy years and bonuses start accruing from 6th year onwards, all this put together builds up a corpus for your secure future.



Key Advantages

- Guaranteed Additions:** At 5% per annum of Basic Sum Assured in the first 5 policy years
- Earn bonus¹** from 6th policy year onwards
- Convenience** to select from multiple options of premium payment term
- Additional Protection** through a wide range of optional riders

How Does the Plan Work?

Kotak Premier Endowment Plan provides long term savings as well as protection to ensure financial independence under all circumstances.

- You select the Basic Sum Assured that will be payable on maturity or on death, Policy Term and Premium Payment Term based on which the Premium amount will get calculated
- **Guaranteed Additions:** In the first 5 policy years your policy will be eligible for Guaranteed Additions at 5% p.a. (simple) of Basic Sum Assured. These guaranteed additions will be payable either on maturity or on death whichever is earlier
- Other benefits to be paid out are explained in detail below
 - **Basic Sum Assured:** The Basic Sum Assured is selected by the Policyholder and the Premium is based on Basic Sum Assured, Term, Premium Paying Term and the Age of the Life Insured. This is the minimum amount guaranteed on Maturity where all the due Premiums have been paid in full. This is also used to determine the Minimum Death Benefit.
 - **Maturity Benefit:** This plan provides for wealth creation during the policy tenure. On survival till the end of the policy term the following benefit will be payable:
 - Basic Sum Assured PLUS
 - accrued Guaranteed Additions PLUS
 - accrued Reversionary Bonuses¹ and Terminal Bonus¹, if any
 - **Settlement Option:** The plan provides the flexibility of receiving your maturity benefit as
 - Lump Sum payout : paid out immediately OR
 - Part of the maturity proceeds, i.e. up to 50% can be taken immediately and the balance proceeds will be paid out as equal installments over a period of 5 or 10 years as chosen. The installments will be inclusive of an interest rate of 4% p.a.

Please refer to the Terms & Conditions point no.4 &6 for further details.

- **Death Benefit:** In the unfortunate event of death during the term of the plan, the nominee will receive the following:
 - Minimum Death Benefit (as explained below) PLUS
 - accrued Guaranteed Additions PLUS
 - accrued Reversionary Bonuses¹ and Terminal Bonus¹, if any
- **Option for Nominee:** He / she has the option to take up death benefit in any one of the ways given below:
 - Lump Sum Payout: paid out immediately
 - Take up to 50% of the total death benefit immediately and the balance will be payable by way of equal installments over the next 5 or 10 years as chosen. This payout will be inclusive of an interest rate of 4% p.a.

Please refer to the Terms & Conditions point no.5 & 6 for further details.

- **Minimum Death Benefit:** If all the due premiums have been paid, the Minimum Death Benefit during the policy term will be as follows:

If age at entry of Life Insured is less than 45 years	If age at entry of Life Insured is greater than equal to 45 years
Higher of; <ul style="list-style-type: none"> • Basic Sum Assured or • 11 times of Annual Premium², or • 105% of the premiums paid till the date of death (excluding any extra premium and modal factor if any) 	Higher of; <ul style="list-style-type: none"> • Basic Sum Assured or • 7 times of Annual Premium², or • 105% of the premiums paid till the date of death (excluding any extra premium and modal factor if any)

Tax Benefits

You may avail of tax benefits under Section 80C, 80D and Section 10(10D) of Income Tax Act, 1961 subject to conditions as specified in those sections. Tax benefits are subject to change as per tax laws. You are advised to consult your Tax Advisor for details. Service Tax shall be levied over and above premium amount shown here as per applicable tax laws.

Additional Features	Benefits
Convenient premium payment term & modes	You can choose your premium paying term as per your convenience; pay for 5/7/10/15 years or throughout the policy term. You can pay your premiums annually, half-yearly, quarterly or monthly. You have the opportunity to change the payment mode on policy anniversaries.
Additional Protection (Optional)	Increase the protection level by selecting from a wide range of riders: <ul style="list-style-type: none"> • Kotak Term/Preferred Term Benefit (UIN: 107B003V03 / 107B013V02): Provides additional protection over and above the Minimum Death Benefit • Kotak Accidental Death Benefit (UIN: 107B001V02): Lump sum benefit paid on accidental death • Kotak Permanent Disability Benefit (UIN: 107B002V02): Installments paid on admission of a claim on becoming disabled due to accident • Kotak Critical Illness Benefit (UIN: 107B004V03): Portion of Basic Sum Assured (maximum 50% of Basic Sum Assured) payable on admission of a claim on a critical illness, subject to terms and conditions, definitions and specific exclusions. • Kotak Life Guardian Benefit (UIN: 107B012V02): Remaining premiums will be paid on behalf of the policyholder in case of his / her death • Kotak Accidental Disability Guardian Benefit (UIN: 107B011V02): Remaining premiums paid on behalf of the policyholder in case of accidental disability For more details on riders and exclusions please refer to the Individual Rider Brochure before concluding the purchase.
Policy Loan Facility ⁶	Once the policy acquires Surrender Value ¹⁰ , you can avail loans under this plan up to 80% of Surrender Value.
Reduced Paid-Up Benefit ¹¹	After the policy acquires Surrender Value, if the subsequent premiums are not paid within the grace period the policy will be converted into a Reduced Paid-Up policy by default. Along with Reduced Paid-up Basic Sum Assured all subsisting reversionary bonuses / guaranteed additions that have already been attached to the policy will also be payable at maturity.
High Sum Assured Discount	You will get a premium discount for Basic Sum Assured levels of ₹5 lacs & above. The discount rate will be of ₹2 per 1000 Basic Sum Assured.

Eligibility

Entry Age	18 - 60 years												
Maximum Maturity Age	70 Years												
Premium Payment Term (PPT)	Regular Pay: Same as policy term Limited Pay : 5 , 7 , 10 & 15 Years												
Policy Term	Regular Pay: 10 – 30 years Limited Pay: 5 Pay: 10 to 30 yrs 7 Pay & 10 Pay: 15 to 30 yrs 15 Pay: 20 to 30 yrs												
Minimum Premium	Regular Pay: ₹8,000 per annum Limited Pay: ₹15,000 per annum												
Minimum Basic Sum Assured at maturity	Depends on minimum premium chosen, as mentioned above. For example: In a Regular Premium plan with ₹ 8,000 annual premium, following would be the Sum Assured for entry ages 18 & 60 yrs: <table border="1"> <thead> <tr> <th>Age</th> <th>Policy Term</th> <th>Sum Assured</th> </tr> </thead> <tbody> <tr> <td>18 yrs</td> <td>10 yrs</td> <td>₹ 63,755</td> </tr> <tr> <td>18 yrs</td> <td>30 yrs</td> <td>₹ 2,00,904</td> </tr> <tr> <td>60 yrs</td> <td>10 yrs</td> <td>₹ 61,317</td> </tr> </tbody> </table> Similarly, minimum Sum Assured for the limited premium payment term and policy term combinations are available. For details, please refer to the Calculator on our website.	Age	Policy Term	Sum Assured	18 yrs	10 yrs	₹ 63,755	18 yrs	30 yrs	₹ 2,00,904	60 yrs	10 yrs	₹ 61,317
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18 yrs	10 yrs	₹ 63,755											
18 yrs	30 yrs	₹ 2,00,904											
60 yrs	10 yrs	₹ 61,317											
Premium Payment Mode	Yearly, Half yearly, Quarterly, Monthly												
Premium Modal Factor	Yearly – 100% , Half yearly – 51% , Quarterly – 26% , Monthly – 8.8%												

Illustration

Given below is an illustration of the benefits payable, for a person aged 35 years for a Basic Sum Assured of 5 lakhs and with a policy term & premium payment term of 15 years:

End of Years	Age Years	Cumulative Annualized Premium (in ₹)	Accrued Guaranteed Additions (in ₹)	Total Maturity Benefit (in ₹)		Guaranteed Death Benefit* (in ₹)
				@ 4%	@ 8%	
1	36	40,460	25,000	-	-	5,25,000
5	40	2,02,300	1,25,000	-	-	6,25,000
10	45	4,04,600	1,25,000	-	-	6,25,000
15	50	6,06,900	1,25,000	6,97,063	9,12,500	7,62,245

*Guaranteed Death Benefit is inclusive of accrued Guaranteed Additions.

Please note: The above illustration is an extract of a separate, more detailed benefit illustration. For full details, please refer to the Benefit Illustration. The above premium figures are exclusive of Service Tax. Service tax and Cess thereon, shall be charged as per the prevalent tax laws over and above the said premiums.

Terms and Conditions

1. Bonuses:

- a. **Simple Reversionary Bonus:** At the end of each financial year the company may declare a bonus expressed as a percentage of the Basic Sum Assured. These bonuses will be accrued from 6th policy year onwards till the end of the Policy Term and will be payable either on maturity or on death
- b. **Interim Bonus:** In the event of a claim, part-way through a financial year or before declaration of the Simple Reversionary Bonus for the Financial Year in which such a claim is intimated, an interim bonus (if applicable) may be payable at such rate as may be decided by the Company.
- c. **Terminal Bonus:** The Company may decide to pay Terminal Bonus in case of death after 10 full policy years. This bonus may also be payable on Maturity and shall be a percentage of the Basic Sum Assured. Terminal Bonuses will not be payable on policies which have been made paid-up or surrendered.

2. **Annual Premium:** It refers to the amount of premium paid by the Policyholder in a year excluding modal factor loading, if any, e.g. If the policyholder is paying Half-yearly premium of ₹51,000 then the Annual Premium will be ₹100,000 (51,000 / modal factor of 51%) and loading will be $[\text{₹}51,000 \times 2 - (\text{₹}51,000/51\%)]$ i.e. ₹2,000.

3. **Grace Period:** There is a grace period of 30 days from the due date of payment of premium for the yearly, half-yearly and quarterly mode, and 15 days for the monthly mode.

4. **Settlement Option:** Upon maturity the Policyholder has the option of taking up to 50% of the maturity proceeds as lump sum payout immediately and the balance proceeds as equal installments over a period of 5 or 10 years as per the payout frequency chosen (annual / half-yearly / quarterly / monthly).

- To avail this option the Policyholder will have to intimate the Company 3 months prior to the maturity date.
- During the settlement period there will be no life cover and the policy will not participate in any of the future profits of the Company.
- The Policyholder has an option to pre-close this facility.
- Upon pre-closure, the balance amount payable will be calculated as present value of remaining installments at an interest rate of 4% p.a. and will be paid out immediately. The policy will cease to exist thereafter.

5. Death benefit payout option:

- This option should be selected by the nominee in writing to the company at the time of intimating Claim.
- The nominee can choose to take the payout as (1) Lump Sum payout immediately Or (2) Taking up to 50% of the Death Benefit immediately and the balance amount in equal installments over a period of 5 or 10 years as per the payout frequency chosen (annual / half-yearly / quarterly / monthly).
- This payout will be inclusive of an interest rate of 4% p.a.
- Nominee will have an option to pre-close this facility.
- Upon pre-closure, the balance amount payable will be calculated as present value of remaining installments at an interest rate of 4% p.a. and will be paid out immediately. The policy will cease to exist thereafter.

6. In case there is no nomination effected in the policy or in case the nominee dies during the payout term or settlement period the benefit payout will be made to the legal heir(s)
7. **Policy loans:** Policy loans shall be granted against the policy. The Company shall determine the rate of interest from time to time. Currently the interest rate is 12.5% compounding half-yearly. Loans shall be granted within the limit of 80% of the Surrender Value (higher of Guaranteed Surrender Value or Special Surrender Value) of the policy. The minimum policy loan amount is ₹10,000. The policy will be unconditionally and fully assigned to Kotak Life Insurance as security for the loan and interest repayments during the period of the loan. The policy will not be auto foreclosed where all due premiums have been paid. In case the policy matures or in case of any benefits payout, the company is entitled to deduct the outstanding loan amount together with all outstanding interest before making payment.
8. **Lapses:** For PPT less than 10 years, where the premiums for the first two policy years are not paid within the grace period and for PPT of 10 years or more, if the premiums for the first three policy years are not paid within the grace period, the policy shall lapse from the due date of the unpaid premium and no benefits will be payable.
9. **Policy Revivals:** A lapsed or paid up policy can be revived within two years of the first unpaid premium. The revival can be done without evidence of good health on payment of the outstanding premiums with handling charges (currently 9% p.a. of outstanding premiums), if the policy is revived within six months from the date of first unpaid premium. Extra premiums may be required based on the underwriting decision. Thereafter to revive the policy evidence of good health would be required along with payment of the outstanding premiums with handling charges (currently 9% p.a. of outstanding premiums). If a lapsed policy is not revived during the revival period, the policy will be terminated without paying any benefits.
10. **Surrender:** The policy acquires a Guaranteed Surrender Value (GSV) depending on the premium payment term chosen and the number of premiums paid.
 - For policies with premium payment term of less than 10 years: The policy acquires Guaranteed Surrender Value after payment of full premiums for two consecutive policy year.
 - For policies with premium payment term of 10 years or more: The policy acquires Guaranteed Surrender Value after payment of full premiums for three consecutive policy years.

The Guaranteed Surrender Value (GSV) is a percentage of total premiums paid (excluding Service Tax, Rider premium and Extra Premium, if any). In addition, the value of subsisting bonuses and Guaranteed Additions (if any) will also be payable.

GSV Factors as percentage of total premiums paid is given in the table below:

Year of Surrender	GSV Factors (as % of Premiums paid)
2nd & 3rd year	30%
4th to 7th year	50%
8th year onwards	$50\% + (\text{Year of surrender} - 7) \times (Y - 50\%) / (\text{Policy Term} - 7)$ Where, Y: 70% for Regular Premium Paying Term; 80% for Limited Premium Paying Term

GSV factors as percentage of subsisting bonuses and Guaranteed Additions (if any) is given in the table below:

Remaining term to maturity	GSV Factors (as % of subsisting bonuses & Guaranteed Additions)	Remaining term to maturity	GSV Factors (as % of subsisting bonuses & Guaranteed Additions)
0	100.00%	15	23.10%
1	90.50%	16	21.05%
2	81.91%	17	19.21%
3	74.15%	18	17.55%
4	67.14%	19	16.06%
5	60.80%	20	14.72%
6	55.08%	21	13.52%
7	49.91%	22	12.44%
8	45.24%	23	11.47%
9	41.02%	24	10.60%
10	37.22%	25	9.83%
11	33.78%	26	9.13%
12	30.68%	27	8.51%
13	27.89%	28	7.95%
14	25.37%	29	7.46%

- The Company may consider paying a Special Surrender Value when policy acquires Guaranteed Surrender Value. In any case the higher of the Guaranteed Surrender Value or Special Surrender Value will be payable.
- On Surrender, all benefits fall away and the policy terminates. The surrender value will be paid out as a lump sum benefit.

11. Reduced Paid-Up Policy: After the policy acquires Surrender Value, if the subsequent premiums are not paid within the grace period the policy will be converted into a Paid-Up policy by default.

- The policy will not be eligible for any future bonuses and guaranteed additions once it has been converted into paid up policy.
- When the policy becomes Paid-up, Rider benefits may cease depending on the features of the rider.
- If the Reduced Paid-Up policy is surrendered, the special surrender value (if any) will be based on the Reduced Paid-Up Basic Sum Assured. A Paid-Up policy may be reinstated (to the original benefits) within 2 years of the date of becoming Paid-Up (subject to the same conditions outlined for revivals below).

Payout on maturity:

- The Basic Sum Assured is reduced to Reduced Paid-Up Basic Sum Assured as follows:
Basic Sum Assured × [(Total Premiums paid / Total premiums payable during the entire policy term)]
- On maturity of the policy after being paid-up, the benefit payable will be the Reduced Paid-up Basic Sum Assured plus Accrued Guaranteed Additions & bonuses,(if any)

Payout on death:

- The Reduced Paid-Up Death Benefit will be calculated as: (Total premiums paid)/ (Total premiums payable, during the entire policy term) × Minimum Death Benefit

- On death of the life insured during the policy term after being paid-up, the benefit payable will be the Reduced Paid-up Death Benefit plus Accrued Guaranteed Additions & bonuses,(if any)

12. Nomination & Assignment: Nomination will be allowed under the plan as per Section 39 of the Insurance Act, 1938. Fresh nomination (if applicable) shall be made by an endorsement on the policy and by communicating the same in writing to the Company.

Assignment is allowed in this plan as per Section 38 of the Insurance Act, 1938. It may be made by an endorsement upon the policy itself or by a separate instrument signed in either case by the assignor specifically stating the fact of Assignment and duly attested. Such Assignment shall be operative as against the Company effective from the date that the Company receives a written notice of the Assignment and on confirmation of record of such Assignment. On assignment, any nomination affected under the policy will get cancelled automatically and the Assignee will become the Policy Holder. Partial assignment of policy is not allowed.

13. Free Look Period: The policyholder is offered 15 days free look period for a policy sold through all channels (except for Distance Marketing* Channel which will have 30 Days) from the date of receipt of the policy wherein the policyholder may choose to return the policy within 15 days / 30 days of receipt if s/he is not agreeable with any of the terms and conditions of the plan. Should s/he choose to return the policy, s/he shall be entitled to a refund of the premium paid after adjustment for the expenses of medical examination, stamp duty and proportionate risk premium for the period of cover.

* 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 service (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 and (v) Solicitation through any means of communication other than in person.

14. General Exclusion: In the event of the life insured committing suicide within one year of the date of issue of the policy, 80% of the premiums paid will be payable to the nominee.

In case of suicide within one year of the date of revival of the policy when the revival is done within 6 months from the date of first unpaid premium, Suicide Exclusion shall not be applicable and the Death Benefit under the product shall be payable. However, in case of suicide within 1 year of the date of revival, when the revival is done after 6 months from the date of first unpaid premium, higher of 80% of the premiums paid or Surrender Value at the date of claim event shall be payable.

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 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 fine which may extend to five hundred rupees.

Section 45 of the Insurance Act, 1938 states:

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 statement made in the proposal 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 policy holder and that the policy holder 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.

About Us

Kotak Mahindra Old Mutual Life Insurance Ltd.

<http://Insurance.Kotak.com>

Kotak Mahindra Old Mutual Life Insurance Ltd is a 74:26 joint venture between Kotak Mahindra Bank Ltd., its affiliates and Old Mutual plc. The company started operations in 2001, and strives to offer its customers outstanding value through high customer empathy, consistent and benchmarked service and a suite of products that leverage the combined prowess of protection and long term savings.

The Kotak Mahindra Group

www.kotak.com

Established in 1985, the Kotak Mahindra group is one of India's leading financial services conglomerates. In February 2003, Kotak Mahindra Finance Ltd. (KMFL), the Group's flagship company, received a banking license from the Reserve Bank of India (RBI). With this, KMFL became the first non-banking finance company in India to become a bank - Kotak Mahindra Bank Limited. The consolidated balance sheet of Kotak Mahindra group is over ₹1 lakh crore and the consolidated net worth of the Group stands at ₹13,943 crore (approx US\$ 2.6 billion) as on September 30, 2012. The Group offers a wide range of financial services that encompass every sphere of life. From commercial banking, to stock broking, mutual funds, life insurance and investment banking, the Group caters to the diverse financial needs of individuals and the corporate sector. The Group has a wide distribution network through branches and franchisees across India, and international offices in London, New York, California, Dubai, Abu Dhabi, Bahrain, Mauritius and Singapore.

Old Mutual plc

www.oldmutual.com

Old Mutual is an international long-term savings, protection and investment group. Originating in South Africa in 1845, the group provides life assurance, asset management, banking and general insurance to more than 14 million customers in Europe, the Americas, Africa and Asia. Old Mutual has been listed on the London and Johannesburg Stock Exchanges, among others, since 1999. In the year ended 31 December 2012, the group reported adjusted operating profit before tax of £1.6 billion (on an IFRS basis) and had £262 billion of funds under management from core operations.



TOLL FREE 1800 209 8800

SMS KLIFE to 5676788

clientservicedesk@kotak.com

<http://insurance.kotak.com>



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A JOINT VENTURE WITH  OLD MUTUAL

Kotak Premier Endowment Plan UIN: 107N079V01, Form No: N079, Ref. No.: KLV13-14/E-PB/115.

Kotak Mahindra Old Mutual Life Insurance Ltd; Regn. No.:107, Regd. Office: 4th Floor, Vinay Bhavya Complex, 159 A, C.S.T. Road, Kalina, Santacruz (East), Mumbai - 400098. Website: <http://insurance.kotak.com/> ; Email: clientservicedesk@kotak.com ; Toll Free No:1800-209-8800.

Insurance is the subject matter of solicitation. This is a Savings-cum-Protection oriented Participating Endowment Plan. The product brochure gives only the salient features of the plan. Please refer the policy document for specific details on all terms and conditions. For details on riders, please refer to the Rider Brochure.