

Kotak

SECURE RETURN
SUPERANNUATION

P L A N

A Group Life Insurance



A JOINT VENTURE WITH  OLD MUTUAL

Faidey ka insurance



KOTAK SECURE RETURN SUPERANNUATION PLAN **(A Group Superannuation Plan)**

Kotak Life Insurance presents Kotak Secure Return Superannuation Plan which is designed to cater to the needs of Employers / Trustees / State governments / Central government / PSUs planning to fund group members' benefit schemes. This product is designed as a comprehensive employee benefit solution to manage the Superannuation schemes in the most efficient manner.

Key Highlights of Kotak Secure Return Superannuation Plan (KSRSP):

- Composite Employee Benefit Solution to cater to the requirements of Superannuation schemes.
- Guaranteed Minimum Floor Rate of 2% per annum for the entire policy term accumulating on the balance of the Account Value. .
- Competitive Additional Interest Rate declared at the beginning of every quarter.
- Additional Protection : Option to provide additional life cover at additional cost through Kotak Term Group Plan
- Professionally managed fund with high service levels.
- Convenient renewal process: This is an annually renewable policy which will be auto renewed subject to availability of sufficient premiums.

Key Features:

Kotak Secure Return Superannuation Plan is a Traditional Non-Participating Variable Insurance Group plan which offers competitive returns.

- This Group plan covers the Superannuation schemes.
The nature of the schemes may be Defined Benefit (DB) or Defined Contribution (DC).
- **Scheme Benefit** - Depending on the scheme rules, the benefits in the event of death, retirement or any other exit of the members as per scheme rules will be payable. Such benefits will be payable from the policy account of the policyholder or member as applicable, subject to availability of funds in the policy account.
- **Premium:**
 - The Premium shall be paid by the policyholder as per the funding valuation report in accordance with AS15 (Revised) guidelines or as per scheme rules.
 - Premium can be paid in any frequency (i.e. monthly, quarterly, half-yearly, annually) or as desired by the policyholder depending upon the liability, if any.
 - No Top-up or additional premium is allowed unless required as per the funding valuation report in accordance with AS15 (Revised) guidelines, to address underfunding of the scheme. The Scheme Trustees will ensure that this before the contribution to the Scheme is paid.
- **Policy Account:**
 - Each policyholder/ member will have a separate policy account, according to the nature of the scheme. The policy account will be credited with the premiums paid, net of all applicable charges under the policy, on which the guaranteed minimum interest rate, the non-zero positive additional interest rate and non-zero positive residual interest rate, if any as stated below will be credited. All withdrawals, payouts etc. made will also be deducted from the policy account.
 - The policy account value of this product will be disclosed on a daily basis through the assigned unique identification number (SAIN). SAIN for this product is 107N086V01001

□ **Interest credit :**

- **Minimum Floor Rate: 2% per annum is guaranteed for the entire term of** the policy accumulating on the balance of the Account Value. Such accumulation shall be at quarterly frequency.
- **Additional Interest Rate:** At the beginning of each calendar quarter KLI will declare a non negative return applicable for that quarter. The Additional Interest Rate will be set equal to 95% of the expected gross yields to be earned on the backing assets less the minimum floor rate. This return shall be applied on the funds as at the beginning of the quarter and the contributions received during the quarter. This is applicable over and above the Minimum Floor rate. This rate
- **Residual Additions:** Non-negative residual additions, if any shall be credited to the policy account at the end of each policy year and may be credited at the end of each financial year also. Such non-zero positive residual additions shall be determined so that reduction in yield requirement is not breached. The reduction in yield that company will aim not to breach shall be set at 0.80% per annum.

□ **Tax Benefit,** are as per the Income Tax laws and are subject to change from time to time. Please consult your tax advisor for details.

Eligibility Conditions:

Age at entry (Age Last Birthday)	Min age at entry: 18 Max age at entry: 74 Years
Maximum Maturity Age (Age Last Birthday)	75 years
Term	1 year renewable
Minimum Contribution	Defined Benefit : ₹ 15,00,000 Defined Contribution: ₹ 2,000 per member
Maximum Contribution	No Limit

□ **Additional Protection:** The policyholder can choose to provide additional life insurance cover to the members as follows:

- For additional life cover for your members you may opt for Kotak Term Group Plan. The sum assured would be accrued and/or future service benefits payable on death as per scheme rules.

Benefits:

The benefits are payable to group member who is eligible for Gratuity / Leave Encashment or to his nominee or legal heir in case of death.

Events /Scheme	For schemes where individual member level accounts are not maintained such as Defined Benefit Schemes [^]	For schemes where individual member level accounts are maintained such as Defined Contribution Schemes [^]
Death of a scheme member	Benefit is payable in accordance with the scheme rules, subject to a maximum of the policy Account Value or Assured Benefit*	Higher of Member's Account Value or Assured Benefit* On payment of the death benefit, all benefits in respect of the member will cease
Maturity/Vesting	Benefit is payable in accordance with the scheme rules, subject to a maximum of the policy Account Value or Assured Benefit* The benefit payments made will be in turn used to purchase either immediate or deferred annuity [^] plan from the Insurer	Higher of Member's Account Value or Assured Benefit* On payment of the vesting benefit, all benefits in respect of the member will cease. The benefit payments made will be in turn used to purchase either immediate or deferred annuity [^] plan from the Insurer
Exits due to termination of service or resignation or early retirement or exit other than normal death	Benefit is payable in accordance with the scheme rules, subject to a maximum of the policy Account Value. The benefit payments made will be in turn used to purchase either immediate or deferred annuity [^] plan from the Insurer	Member's Account Value On payment of this benefit, all benefits in respect of the member will cease. The benefit payments made will be in turn used to purchase either immediate or deferred annuity [^] plan from the Insurer

[^]Please refer to Point 4 under Terms & Conditions for more details

The vesting benefits for members will payable only on the normal retirement date as per the scheme rules of the employer.

***ASSURED BENEFIT:** The Assured benefit will be in the form of the Minimum Floor Rate (MFR) i.e. a 2% p.a. guaranteed return on the account value at the start of the year.

For Defined Benefit scheme the accrual of MFR and additional Interest Rate (AIR) will be, adjusted for the timing of the contributions and benefit pay-out cash flows occurring during the year. For example, if a policyholder paid ₹ 10,00,00,000 premium at inception and withdrew ₹ 5,00,000 for making benefit payments in the middle of the year, the assured benefit at the end of the year will be: ₹ 10,00,00,000 × (1+2%) - ₹ 5,00,000 × (1+2%)^{0.5}. However, for defined contribution (DC) schemes, individual accounts are maintained therefore, the MFR and additional Interest Rate (AIR) shall be applicable at member level.

Charges:

- **Allocation Charge** : Nil.
- **Surrender Charge** : The policy may be surrendered at any time by giving 1 month's written notice. Surrender value will be equal to the policyholders account value adjusted for Market Value Adjuster (MVA).

Generic Benefit Illustration: The below illustration details the benefits for easy reference.

Year	Contribution	Annual Contribution	Investment Income (Non-Guaranteed)		Account Value at the end of year	
			4%	8%	4%	8%
1	100,000,000	40,000,000	5,600,000	11,200,000	145,600,000	151,200,000
2	0	42,400,000	7,520,000	15,488,000	195,520,000	209,088,000
3	0	44,944,000	9,618,560	20,322,560	250,082,560	274,354,560
4	0	47,640,640	11,908,928	25,759,616	309,632,128	347,754,816
5	0	50,499,078	14,405,248	31,860,312	374,536,455	430,114,206
6	0	53,529,023	17,122,619	38,691,458	445,188,097	522,334,687
7	0	56,740,764	20,077,154	46,326,036	522,006,016	625,401,488
8	0	60,145,210	23,286,049	54,843,736	605,437,275	740,390,434
9	0	63,753,923	26,767,648	64,331,549	695,958,846	868,475,906
10	0	67,579,158	30,541,520	74,884,405	794,079,525	1,010,939,469

Please Note:

1. All amounts in Indian Rupees.
2. This is only an indicative illustration. Rates may vary for each group
3. The above illustration is based on the assumption that all contributions are paid as due and the Account Value will grow at the rate of 4% p.a. and 8% p.a. Please note that the assumed rate of return is only for illustration purpose, whereas the actual return will depend on the rate declared by Kotak Life.
4. Non-guaranteed benefits will vary with returns based on future rate declared by insurer carrying on life insurance business. If your policy offers guaranteed returns then these will be clearly marked "guaranteed" in the illustration table on this page.
5. 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. Withdrawals:

Except for exits as per scheme rules, no other withdrawals shall be allowed.

2. Surrender Value:

Surrender Value will be equal to the policyholders' account value multiplied by the MVA

Market Value Adjuster (MVA): MVA shall be applicable in case of bulk exits and complete surrender, where bulk exit is said to occur if the amount to be paid on total exits excluding benefits paid on normal retirement exceeds 25% of the total fund of the scheme at the beginning of policy year. The MVA shall be applied to the maximum of (I) and (ii) below:

(i) is zero

and

(ii)

= {Account Value (AV) in respect of all exiting employees during the current policy year

Minus

AV in respect of Normal retirement and death during policy year

Minus

25% of the total AV at the beginning of the policy year } }

Effectively, Market Value Adjustment shall not be applicable to the normal retirement and death benefits payable.

Where the realizable/market value of assets held in respect of this product class is less than the total of all policyholder account values, an MVA will apply.

$$\text{MVA} = \frac{\text{Aggregate Market Value of Assets}}{\text{Aggregate Account Values}}$$

3. Annuity Benefits payable :

a. For schemes where member level accounts (Defined Contribution) are maintained:

I. **Death Benefits** – The nominee of the deceased member shall be entitled:

- i. To utilise the death benefits, fully or partly, for purchasing an immediate annuity, at the then prevailing annuity rate offered; or
- ii. To withdraw the entire death benefit

II. Vesting Benefits – The member shall be entitled:

- i. To commute to the extent allowed under the Income Tax laws and to utilise the residual amount to purchase an immediate annuity, at the then prevailing annuity rate offered or
- ii. To utilise the vesting/maturity benefit to purchase a single premium deferred pension product; or

III. Exit on the grounds such as resignation, early retirement, termination etc - member shall be entitled:

- I. To transfer his/her account value to an approved superannuation fund or
- ii. To continue his/her account with us or
- iii. To commute to the extent allowed under the Income Tax laws and to utilise the residual amount to purchase an immediate annuity at the then prevailing annuity rate offered or
- iv. To purchase a single premium deferred pension plan.

IV. Surrender by master policyholder – The member shall be entitled subject to to scheme rules:

- i. To transfer his/her Account Value to an approved superannuation fund or
- ii. To commute to the extent allowed under the Income Tax laws and to utilise the residual amount to purchase an immediate annuity at the then prevailing annuity/pension rate offered; or
- iii. To utilise the proceeds to purchase a single premium deferred pension product.

- b. For schemes where member level accounts are not maintained with us and only maintains a superannuation fund, the benefits being paid out on exits such as death, retirement, termination etc. shall be payable to the master policyholder to be utilised in accordance with the scheme rules of the employer.

Where the policyholder maintains superannuation funds with more than one insurer, the policyholder shall have the option to choose the insurer to purchase the immediate annuity.

4. Free Look Period:

The Policyholder is offered a 15 days free look period, from the date of receipt of this policy. During this period the Policyholder may choose to reconsider his/her decision to hold this policy, or may choose to return the same within the said 15 days. Should the Policyholder choose to return the Policy, he/she shall then be entitled to a refund of the premium paid after adjustments for expenses for stamp duty, if any. The product will be offered through personal interaction with the Policyholder through direct sales only. This product will not be offered through distance marketing or the online channel.

5. Insurance Ombudsman:

The company shall endeavor to promptly and effectively address Policyholder's grievances. However, in case the Policyholder may not be satisfied with the response of the company, he/she may also approach the Insurance Ombudsman located in his/her region. Details of the offices of the Ombudsman across the country are made available on the website of the company at <http://insurance.kotak.com> and will also be made available to the Policyholder on request.

6. Kotak Life Insurance's liability at any point of time is restricted to the account value and to any death benefits payable.
7. Group members are not allowed to contribute premiums to this scheme directly. All premiums have to be administered through the master policyholder only.

If currently you do not have a group superannuation benefit plan, you can start one today with Kotak Life Insurance! If you have an existing plan you can transfer your fund to Kotak Life Insurance. We will help you with all the necessary paperwork and guide you through the process to make it hassle-free.

Kotak Life Insurance assures you of a cost effective fund management for you and your employees' benefit in a transparent and simplistic manner without any hidden costs!

Section 41 and 45

Section 41 of the Insurance Act, 1938 state:

(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

Kotak Mahindra is one of India's leading banking and financial services organizations, offering a wide range of financial services that encompass every sphere of life. From commercial banking, to stock broking, to mutual funds, to life insurance, to investment banking, the group caters to the diverse financial needs of individuals and corporate sector. The group has a net worth of over 13,943 crores and has a distribution network of branches, franchisees, representative offices and satellite offices across cities and towns in India, and offices in New York, London, San Francisco, Dubai, Mauritius and Singapore servicing around 7 million customer accounts.

Kotak Mahindra Group is one of India's leading financial services conglomerates. 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 Kotak Mahindra Group has a consolidated net worth of the Group stands at 13,943 crore (approx US\$ 2.6 billion) as on September 30, 2012.. 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 12 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 2011, the group reported adjusted operating profit before tax of £1.5 billion (on an IFRS basis) and had £267 billion of funds under management from core operations.



BEWARE OF SPURIOUS PHONE CALLS AND FICTITIOUS/FRAUDULENT OFFERS

IRDA clarifies to public that :

- IRDA or its officials do not involve in activities like sale of any kind of insurance or financial products nor invest premiums.
- IRDA does not announce any bonus. Public receiving such phone calls are requested to lodge a police complaint along with details of phone call, number.



A JOINT VENTURE WITH OLD MUTUAL

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Kotak Secure Return Superannuation Plan– UIN No.: 107N086V01 Form No: N086 Ref No: KLI/13-14/E-PB/339. Kotak Mahindra Old Mutual Life Insurance Ltd., Regn. No.:107, Regd. Office: 4th Floor, Vinay Bhavya Complex, 159 A, CST Road, Kalina, Santacruz East, Mumbai: 400 098. Website: <http://insurance.kotak.com> Email: clientservicedesk@kotak.com Toll Free No: 1800 209 8800.

Tax Benefits are subject to change in tax laws. You are advised to consult your tax advisor for details. Insurance is the subject matter of solicitation. This is a non-participating non unit-linked variable insurance group plan.