

**kotak<sup>®</sup>**  
**preferred**  
TERM PLAN  
A life insurance plan



**NO MEDICAL  
ON STEP-UP**

**Step-up protection  
for added responsibilities.**



A JOINT VENTURE WITH  OLD MUTUAL

*Faidey ka insurance*

Trade Logos displayed above belong to Kotak Mahindra Old Mutual Life Insurance Limited's promoting partners Kotak Mahindra Bank Limited and Old Mutual plc and are used by Kotak Mahindra Old Mutual Life Insurance Limited under license.



## **Kotak Preferred Term Plan**

A Pure Protection Life Insurance Plan

Your family is very precious to you and you want to see them secure at all times. Kotak Preferred Term Plan is specially designed to give that protection to your family. It is a pure risk cover plan that is truly an economical means of providing you with a high level of protection.

This plan offers special premium rates to non-tobacco users and women. In the event of death of the life insured during the term, the beneficiary would receive Death Benefit as per plan option selected.

## Why should you buy this plan?

This plan is ideal for you if you want;

- to cover your life and thereby protect your family in case of adversity.
- to make provisions for the repayment of your financial liabilities or debt in the eventuality of you not being around.

## Key Features

### Low Cost Insurance

Kotak Preferred Term Plan offers the benefit of high cover at economical prices, with special rates for non-tobacco users and women.

### Two Plan Options

You can choose from the two plan options as per suitability i.e. **Immediate Payout** or **Recurring Payout**.

### Step-Up Option

You may avail of this option at the time of purchase of the policy. It guarantees you additional insurance cover at certain important stages in your life in a cost effective and hassle free manner. You can increase your Basic Sum Assured without having to undergo any further medical examination.

The increase in Basic Sum Assured depends upon the event basis which you want to exercise this option and is payable as per the Plan Option chosen:

Events	Maximum Increase in Basic Sum Assured
Marriage*	50% of original Basic Sum Assured
Purchase of first house in India after commencement of the policy (subject to maximum of loan amount)*	
Birth or legal adoption of a child*	25% of original Basic Sum Assured
On the 1st, 3rd and 5th policy anniversary	

\* These options need to be exercised within 1 year from date of event.

This option can be exercised at one or more of the events listed above, provided your total revised Basic Sum Assured is not more than 3 times your original Basic Sum Assured. The benefit will be payable as per the Plan Option chosen at inception. An additional premium will be charged for the increase in Basic Sum Assured. If the remaining term is less than five years, then the rate applicable for five year term will be used. The Step-Up Option is available to you at a nominal fee depending upon the policy term chosen by you. This fee will be charged till the age of 45 or the end of policy term, whichever is earlier.

Step-Up Option is only available for Regular Premium Payment Option.

### Step-Up Option Fees

Policy Term	Up to 15 years	Above 15 years
Fees*	3%	5%

\*As a percentage of the basic premium.

Please note that the Step-Up Option can be exercised only up to the age of 45 years.

### Step-Down Option

Responsibilities don't remain the same throughout the life. In the event of real need, you can step down to a lower amount of cover subject to the minimum amount of cover available in this Plan. On stepping down, your premium will be recalculated based on your revised Basic Sum Assured. A charge of ₹500 will be levied for each Step-Down request.

### Premium Payment Options

You have the premium payment options of Single, Limited and Regular pay. If you opt for Limited or Regular premium payment, you can pay your premiums annually, half yearly, quarterly or monthly.

### Value Adds of Kotak Preferred Term Plan

You may avail of the following Rider for a nominal additional premium<sup>3</sup> if you have selected regular premium payment option:

- Kotak Critical Illness Benefit (CIB): 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.

For more details on Rider options and Rider exclusions kindly refer to Kotak Rider brochure.

## How Does the Plan Work?

You select the amount of cover (Basic Sum Assured) as per your protection requirement, the term for which you want to be covered and the term for which you want to pay premiums. Subsequently, you select the Plan Option as per suitability i.e. if you wish to opt for Recurring Payout or Immediate Payout. If you wish, you can also select Step-Up Option, if eligible. Accordingly, the premium will be calculated.

### Death Benefit<sup>1</sup>

In case of an unfortunate event of death of the life insured during the term of the plan, Nominee will receive the Sum Assured on death<sup>1</sup> (on acceptance of the death claim) as per the Plan Option opted:

**Recurring payout**- The Sum Assured on death will be payable in the following manner:

- Lump sum payment of 10% of Sum Assured on death, at the time of claim settlement, and
- 6% of Sum Assured on death every year for 15 years; the first payment being made one year after the date of death of the life insured. However, if the payouts are required in monthly mode, it can be opted by intimating at the time of claim. The monthly payments will be 8.22% of the annual payments (i.e. 6% of Sum Assured on death). The first payment will start from one month after the date of death of the life insured.

In case the beneficiary would want to get lump sum instead of regular payouts (either annual or monthly) anytime after the death of the Life Insured, a discounted value of the outstanding regular payouts (either annual or monthly) shall be paid as lump sum. The discounted value shall be calculated using a discount rate of 3.0% p.a. compounding yearly.

**Immediate payout**-The Sum Assured on death will be paid immediately and the policy terminates.

### Tax Benefits

You may avail of tax benefits under Section 80C 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.

## Sample Illustration

Given below are premiums for sample combination of entry age and policy term (Regular pay) for a Basic Sum Assured of ₹1 Crore:

### Recurring Payout:

Entry age ↓ / Policy Term →	25 years	30 years	35 years	40 years
30 years	9,975	11,200	12,450	13,900
35 years	13,775	15,525	17,475	19,550
40 years	20,025	22,675	25,475	NA
45 years	29,700	33,550	NA	NA

### Immediate Payout:

Entry age ↓ / Policy Term →	25 years	30 years	35 years	40 years
30 years	11,775	13,250	14,850	16,575
35 years	16,350	18,550	20,950	23,500
40 years	23,925	27,150	30,650	NA
45 years	35,525	40,300	NA	NA

Premiums calculated are annual premiums excluding service tax and for a healthy individual male (non-tobacco user). The premiums are further subject to service tax and any other charges levied by the Government of India.

# Eligibility

<b>Entry Age</b>	Min: 18 years Max: 65 years																												
<b>Maturity Age</b>	Min: 23 years Max: 75 years																												
<b>Premium Payment Term (PPT)</b>	<b>Regular Pay:</b> Equal to Policy Term <b>Limited Pay:</b> <ul style="list-style-type: none"> <li>• 5 pay for Policy Term 10 to 40 years</li> <li>• 7 pay for Policy Term 12 to 40 years</li> <li>• 10 pay for Policy Term 15 to 40 years</li> </ul> <b>Single Pay:</b> Single payment																												
<b>Policy Term</b>	5 to 40 years																												
<b>Premium Payment Option</b>	Regular, Limited and Single pay																												
<b>Minimum Premium</b>	Minimum Annual Premiums with respect to Premium Payment Mode and Policy Term for healthy female lives aged 18 years who do not consume Tobacco are as mentioned in the table below: <table border="1" data-bbox="399 581 979 932"> <thead> <tr> <th rowspan="2">Premium Payment Mode</th> <th rowspan="2">Policy Term (years)</th> <th colspan="2">Minimum Premium based on ₹25 Lakhs Basic Sum Assured</th> </tr> <tr> <th>Recurring Payout Option (₹)</th> <th>Immediate Payout Option (₹)</th> </tr> </thead> <tbody> <tr> <td>Regular Pay</td> <td>5</td> <td>3,700</td> <td>4,075</td> </tr> <tr> <td>Single Pay</td> <td>5</td> <td>10,375</td> <td>11,700</td> </tr> <tr> <td>5 year Limited Pay</td> <td>10</td> <td>4,925</td> <td>5,550</td> </tr> <tr> <td>7 year Limited Pay</td> <td>12</td> <td>4,225</td> <td>4,750</td> </tr> <tr> <td>10 year Limited Pay</td> <td>15</td> <td>3,775</td> <td>4,225</td> </tr> </tbody> </table>			Premium Payment Mode	Policy Term (years)	Minimum Premium based on ₹25 Lakhs Basic Sum Assured		Recurring Payout Option (₹)	Immediate Payout Option (₹)	Regular Pay	5	3,700	4,075	Single Pay	5	10,375	11,700	5 year Limited Pay	10	4,925	5,550	7 year Limited Pay	12	4,225	4,750	10 year Limited Pay	15	3,775	4,225
Premium Payment Mode	Policy Term (years)	Minimum Premium based on ₹25 Lakhs Basic Sum Assured																											
		Recurring Payout Option (₹)	Immediate Payout Option (₹)																										
Regular Pay	5	3,700	4,075																										
Single Pay	5	10,375	11,700																										
5 year Limited Pay	10	4,925	5,550																										
7 year Limited Pay	12	4,225	4,750																										
10 year Limited Pay	15	3,775	4,225																										
<b>Maximum Premium</b>	No limit, but will depend on the Maximum Basic Sum Assured which is subject to underwriting																												
<b>Basic Sum Assured</b>	Min – ₹25,00,000 Max – No limit, subject to Underwriting																												
<b>Premium Payment Mode</b>	Yearly, Half-Yearly, Quarterly and Monthly																												
<b>Modal Factor (% of annual premium)</b>	The following modal loadings will be used to calculate the installment premium in case of Regular and Limited Premium Payment Options: Yearly – 100% Half-yearly – 51% Quarterly – 26% Monthly – 8.8%																												

# Terms and Conditions

## 1. Death Benefit:

For Regular and Limited Premium Paying policies, the Sum Assured on death is higher of:

- Basic Sum Assured\*, or
- 10 times the Annualised Premium excluding modal factors and extra premiums, if any, or
- 105% of all premiums paid till the date of death including Step-Up option fee, if any (excluding Extra Premium if any)

\*Basic Sum Assured will include additional sum assured as per Step-up option, if any or will be a reduced Sum Assured, if Step-down Option is exercised.

For Single Premium Paying policies, the Sum Assured on death is higher of:

- Basic Sum Assured, or
- 1.25 times the Single Premium (excluding Extra Premium, if any)

In case of death during the Grace Period, the Death Benefit payable shall be Sum Assured on Death less the premium due at the time of death. Further, for non-annual Premium Payment Modes additionally balance of the Premiums (if any) payable in the year of death will be deducted.

## 2. Grace Period:

There is a grace period of 30 days from the due date for payment of premium for the yearly, half-yearly and quarterly mode. For the monthly mode there is a grace period of 15 days.

## 3. Riders:

The payment of Rider premium will be made in addition to the premium for the base plan and collected along with the premiums for the base plan.

## 4. Lapse:

**Limited Premium paying policy** - 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 first unpaid premium and no benefits will be payable.

**Regular Premium paying policy** - the policy shall lapse if the due premium is not received till the end of the Grace Period.

**Single Premium paying policy** - The policy will not lapse.

On lapsation of the Policy and not being revived subsequently within the Revival period as per the Revival terms and conditions, all the premiums paid under the Policy will be forfeited and the Policy will terminate and no benefits will be paid on such a policy. Fresh nomination and assignment is not allowed during Lapse mode.

## 5. Policy Revival:

A lapsed or a Reduced Paid-Up policy can be reinstated (with or without Riders) for full benefits on revival 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 late payment charges (currently 9% p.a. of outstanding premiums), if the payment is made within six months from the date of first unpaid premium. Thereafter to revive the policy, evidence of good health would be required along with payment of the outstanding premiums with late payment charges (currently 9% p.a. of outstanding premiums). All benefits under the policy will be reinstated on the Revival of the policy. Revival will be based on Underwriting Policy of the Company.

If a Lapsed policy is not revived during the Revival Period, the policy will be terminated without paying any benefits. However, if a Reduced Paid-Up policy is not revived during the Revival Period, it will continue in that mode until maturity. Rider benefit (if opted) may continue with Reduced Paid-Up Sum Assured (if applicable) depending on the terms and conditions of the Rider.

## 6. Surrender:

In case you wish to surrender, the Surrender Benefit, Surrender Value availability and formula shall be as follows:

Premium payment	Surrender benefit	Surrender value
Regular pay	Not available	Not available
Limited pay	Surrender value available after payment of 2/3 full years' premium for less than 10 PPT/ 10 PPT & onwards respectively	$75\% \times (\text{Total premiums paid to date}) \times ((\text{policy term} - \text{PPT}) / \text{Policy Term}) \times (\text{Outstanding Policy Term} / \text{policy term})$
Single pay	Surrender value available immediately after receipt of single premium	$75\% \times (\text{single premium paid}) \times ((\text{policy term} - 1) / \text{Policy Term}) \times (\text{Outstanding policy term} / \text{policy term})$

## 7. Reduced Paid-Up:

After the policy acquires Surrender Value, if the subsequent premiums are not paid within the Grace Period, the Base Policy will be converted into a Reduced Paid-Up policy by default.

In case the Reduced Paid-Up Policy, Sum Assured on death shall be reduced as per formula mentioned below:

Regular pay – Not applicable

Single pay – Single Pay Policy will become fully Paid-Up after payment of premium

Limited pay –  $(\text{Total premium paid} / \text{Total premiums payable}) \times \text{Sum Assured on death}$

Rider Sum Assured (if any) may get converted to Reduced Paid-Up Rider Sum Assured depending on the terms and conditions of the Rider.

## 8. Nomination:

Nomination will be allowed under the plan as per the provisions of Section 39 of the Insurance Act, 1938 as amended from time to time.

## 9. Assignment:

Assignment will be allowed in the plan as per the provisions of Section 38 of the Insurance Act, 1938 as amended from time to time.

## 10. 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. A policy once returned shall not be revived, reinstated or restored at any point of time and a new proposal will have to be made for a new policy.

\*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.



## **11. 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 shall be payable.

In case of suicide within one year of the date of revival, when the revival is done within 6 months from 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, the benefit payable shall be higher of 80% of Premiums Paid or Surrender Value (if any) at the date of claim event.

In case of suicide within one year of exercising any Step-Up option, the increase in Sum Assured will not be payable.

## **12. Service Tax and Education Cess**

Service Tax and Education Cess shall be levied on premiums/applicable charges if any as per the prevailing tax laws and/or any other laws. In case of any statutory levies, cess, duties etc., as may be levied by the Government of India from time to time, the Company reserves its right to recover such statutory charges from the policyholder(s) either by increasing the premium and / or by reducing the benefits payable under the plan. Service Tax shall be levied over and above premium amount shown here as per applicable tax laws.

## **Sections 41 of the Insurance Act, 1938 extract 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:
- (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 Us

**Kotak Mahindra Old Mutual Life Insurance Ltd.** is a 74:26 joint venture between Kotak Mahindra Bank Ltd., its affiliates and Old Mutual.

**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.

**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 in Europe, the Americas, Africa and Asia. Old Mutual is listed on the London Stock Exchange and the JSE, among others.



*Faidey ka insurance*

A JOINT VENTURE WITH  OLD MUTUAL

## BEWARE OF SPURIOUS PHONE CALLS AND FICTITIOUS /FRAUDULENT OFFERS

### IRDAI clarifies to public that

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

**Trade Logos displayed above belong to Kotak Mahindra Old Mutual Life Insurance Limited's promoting partners Kotak Mahindra Bank Limited and Old Mutual plc and are used by Kotak Mahindra Old Mutual Life Insurance Limited under license.**

Kotak Preferred Term Plan UIN: 107N009V06, Form No: N009, Kotak CIB Rider - 107B004V03, Form No. B004. Ref. No.: KLI/14-15/E-PB/307.

**Kotak Mahindra Old Mutual Life Insurance Ltd.**, CIN: U66030MH2000PLC128503, Regn. No.: 107, Regd. Office: 4th Floor, Vinay Bhavya Complex, 159A, C.S.T. Rd., Kalina, Santacruz (East), Mumbai - 400098. Website: <http://insurance.kotak.com> | Email: [clientservicedesk@kotak.com](mailto:clientservicedesk@kotak.com) | Toll Free No. - 1800 209 8800.

Insurance is the subject matter of solicitation. This is a non-participating pure protection plan. For sub-standard lives, extra premium may be charged based on KLI's underwriting policy. The sales brochure gives only the salient features of the plan. Please refer the Policy Document for specific details on all terms and conditions.