

# Kotak

## ASSURED INCOME PLAN

A Life Insurance Plan



Enjoy a guaranteed second income



A JOINT VENTURE WITH  OLD MUTUAL

*Faidey ka insurance*



## Key Advantages

- Enjoy Assured Annual Income for 15 years
- Receive additional lump sum on maturity
- Provides protection for 30 years
- Additional protection through optional riders



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## **KOTAK ASSURED INCOME PLAN**

### **A life insurance plan**

The little luxuries that we indulge in with our family form our most pleasant memories. Imagine if you could enjoy these moments without worrying about the associated costs. An additional guaranteed stream of income could make a difference here. A smart investment decision today can go a long way in ensuring that the life, you want for your family, would indeed become a reality.

Keeping this in mind, Kotak Life Insurance brings to you Kotak Assured Income Plan, your second income. This plan guarantees you an additional income every year for fixed 15 years. You also enjoy life cover for the entire policy term thereby protecting your family from any uncertainties.

# How Does the Plan Work?

Kotak Assured Income Plan is a comprehensive savings-cum-protection plan designed to help you live your life with confidence and self-reliance. It is a plan that offers various benefits linked to the Basic Sum Assured. Basic Sum Assured is 10 times the Annual Premium<sup>1</sup> (excluding extra premium and modal factor loadings if any).

## Enjoy Assured Annual Income for 15 years

Your investment basket should be a mix of various asset classes as per your age, investment objective and risk profile. Along with investments that enable long-term capital appreciation it should ideally also include investments that guarantee you a certain stream of income to take care of expenses related to education, healthcare and other day-to-day needs.

This plan does exactly that by guaranteeing you an Assured Annual Income every year for a period of 15 years, provided the policy is in force and you survive the policy term.

Payout will start from the end of 15th policy year as a percentage of your Basic Sum Assured depending on your Annual premium contribution:

Premium Bands	Benefit (as a % of Basic Sum Assured)
₹ 15,000 to ₹ 29,999	9.10%
₹ 30,000 to ₹ 74,999	9.60%
₹ 75,000 & above	10.10%

## Guaranteed Maturity Benefit:

In addition to the Assured Annual Income payouts, at the end of the policy term, i.e. at the end of 30th year, this plan will provide you with a lump sum benefit ranging from 104% to 110% of the Basic Sum Assured; depending on your age at entry.

The Guaranteed Maturity Benefit as a percentage of Basic Sum Assured is mentioned below in the **Annexure**.

**For example:** A person with age at entry in the plan as 30 yrs will receive 107% of Basic Sum Assured at the end of the Policy Term.

Now the family vacation you had long delayed, the second home you wanted to own or the car you always loved might just become a reality!

## Death Benefit:

On death of the Life Insured, the nominee will receive Sum Assured on death:

Where Sum Assured on death is higher of

- 106% of Basic Sum Assured or
- Guaranteed Maturity Benefit

Assured Annual Income payouts will cease on death.

## Boost your protective cover through optional riders:

The plan offers following rider benefits to help you customize your protective cover. The optional riders offered in this plan are:

- **Kotak Accidental Death Benefit (UIN: 107B001V02)** - Lump Sum Benefit is payable on accidental death
- **Kotak Permanent Disability Benefit (UIN: 107B002V02)** - Installments are payable on being permanently disabled as a result of an accident
- **Kotak Life Guardian Benefit (UIN: 107B012V02)** - Premiums will be waived on death and all future premiums will be paid by Kotak Life Insurance
- **Kotak Accidental Disability Guardian Benefit (UIN: 107B011V02)** - Premiums will be waived on disability and all future premiums will be paid by Kotak Life Insurance

For more details on riders and exclusions please refer to the Individual Rider Brochure before concluding the purchase.

### 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. Service Tax shall be levied over and above premium amount shown here as per applicable tax laws.

## Enhancing your Options

Additional Features	Benefits
Policy Loan Facility <sup>7</sup>	You can avail loans under this plan up to 80% of Surrender Value after 3 policy years have elapsed.
Reduced Paid-Up Benefit <sup>11</sup>	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 and the policy will continue till maturity.

## Eligibility

Entry Age	0 - 60 years
Maximum Maturity Age	90 years
Premium	Min: ₹15,000 p.a. Max: No Limit
Premium Payment Term (PPT)	10 years
Policy Term	30 years
Basic Sum Assured	10 times of Annual Premium
Premium Payment Mode	Yearly, Half yearly, Quarterly, Monthly
Premium Modal Factor	The following modal loadings will be used to calculate the installment Premium. Yearly – 100%, Half yearly – 51%, Quarterly – 26%, Monthly – 8.8%

## Illustration

Given below is an illustration of the benefits payable, over the policy term for different combinations for a healthy individual:

Age (Years)	Annual Premium (₹)	Half Yearly# Premium (₹)	Basic Sum Assured (₹)	Cumulated Assured Annual Income (₹)	Maturity Benefit (₹)	Sum Assured on death (₹)
30	20,000	10,200	2,00,000	2,73,000	2,14,000	2,14,000
35	40,000	20,400	4,00,000	5,76,000	4,26,000	4,26,000
45	80,000	40,800	8,00,000	12,12,000	8,44,000	8,48,000

**Note:** Assuming survival for 30 years

# Modal premium i.e. Annual Premium X Premium Modal Factor (₹ 20,000 X 51%)

**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. Annual Premium:** It refers to amount of premium paid by the Policyholder in a year excluding modal factor loading. Calculated as installment premium divided by the premium Modal Factor for that mode. For example: For monthly installment premium of ₹ 8,800 the Annual Premium will be ₹ 1,00,000 (₹8,800 divided by 8.8%).
- 2. Grace Period:** There is a grace period of 30 days from the due date for payment of premium in case of yearly, half-yearly and quarterly mode, and 15 days in case of the monthly mode.
- 3. Lapse:** If during the first three years, premiums are not paid within the days of grace period, the policy together with riders shall lapse from the due date of the unpaid premium and no benefits will be payable. Attached riders may lapse depending on the features of the riders.
- 4. Revival:** A lapsed or Reduced Paid-Up policy can be revived within two years from the due date of the first unpaid premium. If lapsed policy is not revived during the revival period, the policy will be terminated without paying any benefits.
- 5.** If the Life Insured is minor, the Policyholder should ensure that the Regular Payouts (survival benefits) received while the Life Insured is still a minor, is used for the benefits of the minor life.
- 6. Auto-vesting of Policy:** Where the policy has been issued on the life of a minor, the policy shall automatically vest on him/her with effect from the date of completion of 18 years of age and the Life Insured would become the Policyholder from such date.
- 7. Reduced Paid-Up:** After the premiums have been paid for at least three consecutive policy years and after completion of three years from date of commencement of the policy, if the subsequent premium are not paid within the grace period the policy will be converted into a Paid-Up policy by default.
  - The Reduced Paid-up Sum Assured will be calculated as:  
$$\text{Basic Sum Assured} \times (\text{No. of years of premiums paid}) / (\text{No. of years of premiums payable, during the entire policy term})$$
  - Maturity benefit payable will be based on the Reduced Paid-Up Basic Sum Assured with the same percentage as earlier
  - Assured Annual Income payout will also be based on the Reduced Paid-Up Sum Assured with the same percentage as earlier
  - On death of the life insured during the policy term, the benefit payable will be the Reduced Paid-up Sum Assured on death;  
$$\text{Reduced Paid-up Sum Assured on death} = \text{Sum Assured on death} * [(\text{number of years of premiums paid}) / (\text{total number of years of premiums payable, during the entire policy term})]$$
  - If a paid-up policy is surrendered, the special surrender value (if any) will be based on the Reduced Paid-Up Sum Assured
  - When the policy becomes Paid-up all rider benefits may cease depending on the features of the rider

- If policy in Reduced Paid-Up mode is not revived during the revival period, it will continue in the same mode until maturity

**8. Surrender:** The policy acquires a Guaranteed Surrender Value (GSV) after payment of full premiums for three consecutive years.

Guaranteed Surrender Value (GSV) will be a percentage of Total Premiums paid (excluding Service Tax, Rider premium and Extra Premium, if any) LESS the Assured Annual Income already paid (if any)

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

Year of Surrender (T)	GSV Factors (as % of Total Premiums paid)
Upto 2 <sup>nd</sup> yr	NIL
3 <sup>rd</sup> yr	30%
4 <sup>th</sup> - 10 <sup>th</sup> yr	50%
11 <sup>th</sup> - 15 <sup>th</sup> yr	50% + [ 7% X (T-10) ]
16 <sup>th</sup> - 20 <sup>th</sup> yr	85% + [ 8% X (T-15) ]
21 <sup>th</sup> - 25 <sup>th</sup> yr	125% + [ 9% X (T-20) ]
26 <sup>th</sup> - 30 <sup>th</sup> yr	170% + [10% X (T-25) ]

- The Company shall pay a Special Surrender Value when policy acquires Guaranteed Surrender Value. In any case, 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

**9. Loan:** 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. Policyholder will be intimated in case outstanding loan amount (including interest) exceeds the 95% of Surrender Value (higher of GSV or SSV). In case of failure to repay the outstanding loan with interest and the outstanding loan with interest exceeds the Surrender Value, policy will be foreclosed i.e. policy will get terminated, all rights and benefits under the policy will stand ceased.

The policy will not be auto foreclosed where all due premiums have been paid. In case of any benefit payout before the end of term or at maturity, the Company is entitled to deduct any outstanding loan amount, together with all interest payable before making such benefit payment.

**10. Nomination & Assignment:** Nomination will be allowed under the plan as per Sec 39 of the Insurance Act, 1938. In case there is no nomination effected in the policy or in case the nominee dies during the term, the benefit payout will be made to the legal heir(s).



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 effected under the policy will automatically get cancelled and the Assignee will become the Policyholder. Partial assignment of policy is not allowed.

- 11. Free Look Period:** The policyholder is offered 15 days free look period policies sold through all Channels, (except for Direct 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 he is not agreeable with any of the terms and conditions of the plan. Should he choose to return the policy, he/she shall be entitled to refund of the premium paid after adjustment for expenses on medical examination, stamp duty and proportionate risk premium for the period of cover.

\*Direct 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.

- 12. 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, the Death Benefit payable shall be, higher of 80% of the premiums paid or Surrender Value at the date of claim event.

# Annexure

Guaranteed Maturity Benefit as a percentage of Basic Sum Assured:

Entry age	Guaranteed Maturity Benefit	Entry age	Guaranteed Maturity Benefit	Entry age	Guaranteed Maturity Benefit
0	110.00%	21	107.90%	41	105.90%
1	109.90%	22	107.80%	42	105.80%
2	109.80%	23	107.70%	43	105.70%
3	109.70%	24	107.60%	44	105.60%
4	109.60%	25	107.50%	45	105.50%
5	109.50%	26	107.40%	46	105.40%
6	109.40%	27	107.30%	47	105.30%
7	109.30%	28	107.20%	48	105.20%
8	109.20%	29	107.10%	49	105.10%
9	109.10%	30	107.00%	50	105.00%
10	109.00%	31	106.90%	51	104.90%
11	108.90%	32	106.80%	52	104.80%
12	108.80%	33	106.70%	53	104.70%
13	108.70%	34	106.60%	54	104.60%
14	108.60%	35	106.50%	55	104.50%
15	108.50%	36	106.40%	56	104.40%
16	108.40%	37	106.30%	57	104.30%
17	108.30%	38	106.20%	58	104.20%
18	108.20%	39	106.10%	59	104.10%
19	108.10%	40	106.00%	60	104.00%
20	108.00%				

### **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](http://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 ₹ 1.15 lakh crore and the consolidated net worth of the Group stands at ₹ 15,250 crore (approx US\$ 2.8 billion) as on 31st March 2013. 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](http://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.



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**Kotak Assured Income Plan** UIN: 107N069V03, Form No: N069, Ref. No.: KLI/13-14/P-PB/271. 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](mailto:clientservicedesk@kotak.com); Toll Free No: 1800-209-8800.

Insurance is the subject matter of solicitation. This is a non-participating savings cum protection anticipated endowment Plan. Extra premium may be charged for sub-standard lives or smokers based on KLI's underwriting policy. The product brochure gives only the salient features of the plan. Please refer the policy document for specific details on all terms and conditions.