Kotak
CLASSIC ENDOWMENT PLAN
A life insurance plan

Small and simple steps for a dream future

kotak®
Life Insurance

A JOINT VENTURE WITH OLD MUTUAL

Faidey ka insurance

Faidey ka insurance

KOTAK CLASSIC ENDOWMENT PLAN

A life insurance plan

You always needed protection but what if you are provided with an alternative that offers an opportunity for savings and wealth accumulation as well? Kotak Classic Endowment Plan can help in fulfilling these requirements. Kotak Classic Endowment Plan is a long term protection cum savings plan that offers protection benefit while earning Bonuses during the policy term.

Key Advantages

- Participating endowment plan offering protection up to the age of 75 years
- Earn yearly bonus from 1st policy year
- Convenience to pay premiums as per affordability
- Flexibility to choose from wide range of term options as per suitability
- More value for money through discount for high Sum Assured on maturity
- Option to enhance protection through a wide range of Riders
- Tax benefits u/s Sec 80(C) and 10(10D) of the Income Tax Act

How Does the Plan Work?

You select the Sum Assured on maturity as per your requirement basis which premiums payable is determined. You pay such premium for the selected premium payment term. At maturity, you will receive Maturity Benefit i.e. Sum Assured on maturity Plus Accrued Bonuses, if any.

Death Benefit[1]

In case of an unfortunate event of death of the life insured during the term of the plan, your nominee will receive the following:

- Sum Assured on death, Plus
- Bonuses accrued as on the date of death.

The above Death Benefit is subject to a minimum of 105% of total premiums paid till date of death (excluding any extra premiums).

Sum Assured on death is defined as higher of:

- 11 times annual premium, or
- Sum Assured on maturity

Maturity Benefit[2]:

On survival till the end of the policy term (PT), Maturity Benefit will be paid. The Maturity Benefit payable is:

- Sum Assured on maturity, Plus
- Accrued reversionary bonus (if any), Plus
- Terminal bonus (if any).

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 Options	Benefits
Convenient premium payment term & modes	As per suitability, you can opt for premium payment term (PPT) i.e. either regular or limited pay, from available options (please refer to "Eligibility" section below). You have the option to pay your premiums yearly, half-yearly, quarterly or monthly and can also change the premium payment mode on policy anniversary.
Additional Protection[6] (Optional)	If you feel the insurance cover is not adequate or wish to customize the protection, you can do so by attaching below mentioned optional Riders to your base plan: • **Kotak Term/Preferred Term Benefit (UIN: 107B003V03/ 107B013V02):** Provides additional protection over and above the Death Benefit under the base plan • **Kotak Accidental Death Benefit (UIN:107B001V02):** Lump sum benefit paid on accidental death of life insured in addition to Death Benefit under the base plan • **Kotak Permanent Disability Benefit (UIN:107B002V02):** Installments paid on admission of a claim on life insured becoming disabled due to accident • **Kotak Critical Illness Benefit (UIN 107B004V03):** Portion of Sum Assured on maturity (maximum 50% of Sum Assured on maturity) 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[7]	You can avail loans up to 80% of Surrender[10] Value subject to a minimum loan amount of ₹10,000.
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 Sum Assured on maturity, all subsisting reversionary bonuses that have already been attached to the policy will also be payable at maturity.
Discount for high Sum Assured on maturity	You will get a premium discount for Sum Assured on maturity of ₹ 5 Lakhs & above. The discount rate will be of ₹2 per 1000 Sum Assured on maturity.

Eligibility

<table>
<tr><td>Entry Age[12]</td><td>Regular pay:
Min - 0 years, Max - 55 years
Limited pay:
Min - 0 years, Max - 60 years (except for PT/PPT combination of 15/7 years)
PT/PPT combination of 15/7 years:
Min - 0 years, Max - 58 years</td></tr>
<tr><td>Maturity Age</td><td>Min: 18 years, Max: 75 years</td></tr>
<tr><td>Premium Payment Term (PPT)</td><td>Regular Pay: Equal to Policy Term
Limited Pay:
• 7 years for policy term 15 years
• Policy term less 5 years</td></tr>
<tr><td>Policy Term</td><td>15 to 30 years
For minors, minimum term will be greater of; 15 years or (18 years minus age at entry as on last birthday)</td></tr>
<tr><td>Premium Payment Option</td><td>Regular and Limited pay</td></tr>
<tr><td>Minimum Premium</td><td>Regular Pay: ₹ 7,000
Limited Pay: ₹ 7,000 (except for PT/PPT combination of 15/7 years)
PT/PPT combination of 15/7 years: ₹ 12,000</td></tr>
<tr><td>Maximum Premium</td><td>No limit, subject to underwriting</td></tr>
<tr><td>Minimum Sum Assured on maturity</td><td>Determined on the basis of minimum premium amount, entry age, policy term and PPT
Example:
Mentioned below is the sample Sum Assured on maturity at minimum premium for minimum and maximum terms at highest and lowest ages respectively:
<table>
<tr><th>Age</th><th>Policy term</th><th>Premium payment term</th><th>Sum Assured on maturity (₹)</th></tr>
<tr><td>0 year</td><td>30 years</td><td>30 years</td><td>₹ 1,92,413</td></tr>
<tr><td>0 year</td><td>30 years</td><td>25 years</td><td>₹ 1,80,366</td></tr>
<tr><td>55 years</td><td>15 years</td><td>15 years</td><td>₹ 86,687</td></tr>
<tr><td>60 years</td><td>15 years</td><td>10 years</td><td>₹ 61,071</td></tr>
<tr><td>58 years</td><td>15 years</td><td>7 years</td><td>₹ 73,584</td></tr>
</table>
For details, please refer to the premium calculator on our website.</td></tr>
<tr><td>Premium Payment Mode</td><td>Yearly, Half yearly, Quarterly, Monthly</td></tr>
<tr><td>Modal Factor (% of annual premium)</td><td>The following modal loadings will be used to calculate the installment Premium.
Yearly - 100%
Half yearly - 51%
Quarterly - 26%
Monthly - 8.8%</td></tr>
</table>

Illustration

Given below is an illustration of the benefits payable, for a healthy male aged 35 years for a Sum Assured on maturity of 5 Lakhs and with a policy term 15 years & premium payment term of 10 years:

General Details		Guaranteed Benefits		Non-Guaranteed Benefits				Total Benefits			
		Sum Assured on death	Guaranteed surrender value	Benefits at lower rate		Benefits at higher rate		Benefits at lower rate		Benefits at higher rate	
End of Year	Cumulative Annual Premium			Accrued revisionary bonus	Terminal bonus	Accrued revisionary bonus	Terminal bonus	Death benefit	Maturity benefit	Death benefit	Maturity benefit
1	48,270	5,30,970	-	5,000	-	14,500	-	5,35,970	-	5,45,470	-
5	2,41,350	5,30,970	1,20,675	25,000	-	72,500	-	5,55,970	-	6,03,470	-
10	4,82,700	5,30,970	2,95,654	53,125	-	1,54,063	-	5,84,095	-	6,85,033	-
15	4,82,700	5,30,970	-	84,375	6,000	2,44,688	72,000	6,15,345	5,90,375	7,75,658	8,16,688

Please note: The values mentioned above are in rupees (₹) except Age which is in years. The above illustration is an extract of a separate, more detailed Benefit Illustration. For full details, please refer to the Benefit Illustration. The benefits illustrated at lower and higher rate is 4% and 8% respectively. 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. **Death benefit:**

   If the death occurs during Grace Period, the due unpaid premium (if any) till the date of death will be deducted from the Death Benefit. For non-annual Policy, the balance of the premium for that policy year will be deducted from the Death Benefit.

2. **Maturity benefit:**

   The Maturity benefit will be reduced to account for any outstanding loans (including interest).

3. **Bonuses:**

   - **Simple Reversionary Bonus:** At the end of each financial year the company may declare a bonus expressed as a percentage of the Sum Assured on maturity. These bonuses shall accrue from 1st policy year onwards till the end of the Policy Term and will be payable either on Maturity or Death.
   - **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.
   - **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 Sum Assured on maturity. Terminal Bonuses will not be payable on policies which have been made Reduced Paid-Up or Surrendered.

4. **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 i.e. (51,000 / modal factor of 51%), and loading will be ₹2,000 i.e. [₹51,000 X 2 – (₹51,000/51%)].

5. **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.

6. **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.

7. **Policy Loan:**

   Loans can be availed under this plan through Kotak Life Insurance up to the limit of 80% of the Surrender Value of the policy. The Company shall determine the rate of interest from time to time. Currently the interest rate is 12.5% compounding half-yearly but it can be revised from time to time subject to IRDA approval. 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 Surrender Value (higher of GSV or SSV). In case of failure to repay the outstanding loan with interest, 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.

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 first unpaid premium and no benefits will be payable.

9. Policy Revivals:

A lapsed or a Reduced Paid-Up policy can be reinstated 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 revival 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 revival 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. However, if a Reduced Paid-Up policy is not revived during the revival period, it will continue in that mode until maturity.

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 years.
- 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 (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% + (Year of surrender – 7) x (Y - 50%) / (Policy Term – 7) Where, Y: 70% for Regular Premium Paying Term; 80% for Limited Premium Paying Term

Value of Subsisting Bonus (if any) is calculated as:
[Accrued Bonuses (if any) X GSV Factor as on the date of surrender]

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

Outstanding Term	GSV Factors (as % of subsisting bonuses)	Outstanding Term	GSV Factors (as % of subsisting bonuses)	Outstanding Term	GSV Factors (as % of subsisting bonuses)	Outstanding Term	GSV Factors (as % of subsisting bonuses)
0	100.00%	8	45.24%	16	21.05%	24	10.60%
1	90.50%	9	41.02%	17	19.21%	25	9.83%
2	81.91%	10	37.22%	18	17.55%	26	9.13%
3	74.15%	11	33.78%	19	16.06%	27	8.51%
4	67.14%	12	30.68%	20	14.72%	28	7.95%
5	60.80%	13	27.89%	21	13.52%	29	7.46%
6	55.08%	14	25.37%	22	12.44%	30*	7.02%
7	49.91%	15	23.10%	23	11.47%		

*Surrender Value is not acquired at the inception of the policy

- The Company may consider paying a Special Surrender Value when policy acquires Guaranteed Surrender Value. In any case, higher of 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 Base Policy along with Riders (if any) will be converted into a Reduced Paid-Up policy by default. Upon being made Reduced Paid-up;

- The Sum Assured on maturity is reduced to Reduced Paid-Up Sum Assured on maturity as follows:
  Sum Assured on maturity × (Total Premiums paid / Total premiums payable during the entire policy term),
- Policy may be revived (for the original benefits) within 2 years from the date of first unpaid premium,
- Policy will not be eligible for any future bonuses,
- Rider benefit will be available as per Reduced Paid-Up Sum Assured (if applicable).

If the Reduced Paid-Up policy is surrendered, the Special Surrender Value (if any) will be based on the Reduced Paid-Up Sum Assured on maturity.

Payout on maturity:

The Reduced Paid-Up Sum Assured on maturity is calculated as follows:

Sum Assured on maturity × (Total Premiums paid / Total premiums payable during the entire policy term)

On survival of the life insured till the maturity date, the benefit payable will be the Reduced Paid-up Sum Assured on maturity PLUS Accrued bonuses (if any).

Payout on death:

The Reduced Paid-Up Sum Assured on death will be calculated as:

Sum Assured on death × (Total premiums paid / Total premiums payable, during the entire policy term)

On death of the life insured during the policy term after being made Reduced Paid-Up, the benefit payable will be the Reduced Paid-up Sum Assured on death PLUS Accrued bonuses (if any).

12. Vesting in case of minor life:

If the policy has been taken 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 will become the Policyholder from such date.

13. 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. 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.

14. 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.

15. 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.

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 plan shall be payable.

However, in case of suicide within 1 year of the date of revival, when the revival is done after more than 6 months from the date of first unpaid premium, the benefit payable shall be higher of 80% of Premiums Paid or Surrender Value at the date of claim event.

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 ₹ 1.17 lakh crore and the consolidated net worth of the Group stands at ₹ 17,228 crore (approx US$ 2.9 billion) as on30th June, 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

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® Life Insurance

Faidey ka insurance

A JOINT VENTURE WITH OLD MUTUAL

Kotak Classic Endowment Plan UIN: 107N082V01, Form No: N082, Ref. No.: KLI/13-14/E-PB/238.

KTB - 107B003V03, KPTB -107B013V02, ADB - 107B001V02, PDB - 107B002V02, CIB - 107B004V03, LGB - 107B012V02, ADGB - 107B011V02.

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. For sub-standard lives, extra premium may be charged 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.