

Kotak

Complete Cover Group Plan



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KOTAK COMPLETE COVER GROUP (A GROUP CREDIT INSURANCE PLAN)

Kotak Complete Cover Group Plan provides life cover to a group of borrowers of the credit /lending institution (banks, retail finance providers etc.). It is a non-participating single-premium plan and can be customized to cover all types of loans and repayment terms.

The plan can be mandatory (all members join) or voluntary (subject to certain conditions). In the unfortunate event of death of the borrower during the term of the policy, the outstanding loan amount (as per the cover schedule) will get extinguished relieving the borrower's family of the loan liability and will also eliminate the risk of loss due to death of the borrower to the Credit Institution.

Key Features

Advantages to you as a member of Kotak Complete Cover Group Plan

- In case of death of the borrower, his family and dependents will not have the burden of paying outstanding loan amount as the insurance company will pay the benefit.
- The pooling of risk (group cover) allows the cover to be provided at a low cost.
- Hassle-free and convenient documentation process.
- Relaxed medical examination norms (subject to applicable conditions).
- The life cover is available 24 hours a day, 7 days a week, anywhere in the world.

Advantages to you as a Financial Institution

- Extremely cost-effective because of group pricing dynamics.
- Hassle-free administrative procedures.

Benefits of Kotak Complete Cover Plan

Protection against a loan liability.

This plan provides cover that is equal to the outstanding balance of the loan amount as per the loan repayment schedule. This plan provides cover that is equal to the outstanding balance of the loan amount as per the loan repayment schedule. The benefit will be payable to the nominee/legal heir in case of death of the customer to the extent of the outstanding loan amount. It gives peace of mind to customer's family by relieving the loan liability and eliminates the risk of non-repayment due to death.

Eligibility Criteria :

Individual borrowers and co-borrowers of your institution can be covered under this plan

Plan Options	Details
Age at Entry^ (last birthday)	Minimum : 15 Years Maximum : Single Premium : 73 Years
Cover Cease Age (last birthday)	Maximum : 75 Years
Cover Term	Minimum : 2 Years Maximum : 30 Years (subject to maximum maturity age being less than or equal to 75)
Premium Payment Term	Single Premium
Sum Assured	Minimum : Rs. 5,000/- Maximum : No. Limit
Cover	The policy holder may choose Sum Assured higher than the loan amount by including 3 EMLs or may choose Sum Assured equal for 110% of loan outstanding to cover the insured's family against additional burden of EMI after the insurer's death, in case of delayed intimation. The cover during the moratorium period of the loan may be flat i.e. equal to the outstanding loan, which does not vary during the moratorium period. After the moratorium period the cover shall reduce in line with the cover schedule.

^Note:- In case of minor life insured, an appointee shall be required.

Surrender Benefit :

In case of foreclosure of loan by the insured member or transfer of loan to another company by the insured members, the cover shall continue till the end of the contracted term, unless expressly surrendered by the member.

Surrender Value would become payable under the following circumstances

- Loan cancelled from inception (where the loan granted is not availed by the customer due to change in circumstances that make the loan no longer required.)
- Voluntary surrender of insurance cover by the insured member.

In case of cancellation after the free look period* the surrender value is equal to :

$$75\% \times \text{Single Premium} \times \left(\frac{\text{Outstanding Cover Term}}{\text{Cover Term}} \right) \times \left(\frac{\text{Outstanding Cover Amount}}{\text{Total Cover Amount}} \right)$$

The surrender value will be paid if the insured exercises the option to surrender the contract.

In case of Cancellation within the free look period*:

$$\text{Single Premium} \times \left(\frac{\text{Outstanding Cover Term}}{\text{Cover Term}} \right) \times \left(\frac{\text{Outstanding Cover Amount}}{\text{Total Cover Amount}} \right) - \left(\begin{array}{l} \text{Stamp Duty and} \\ \text{Medical Expenses} \\ \text{If any} \end{array} \right)$$

Are there any tax benefits?

- As per existing tax laws, premium paid by the financial institution could be considered as part of business expenses and may be tax deductible.
- As per existing tax laws, any premium paid by a customer in his/her capacity as an individual may be eligible for tax deduction under section 80C of the Income Tax Act, 1961. Benefits received by the customer's nominee are tax free under section 10(10D) of the Income Tax Act, 1961.

Tax benefits are subject to change in tax laws. You are advised to consult your tax advisor for details.

***Free Look Period:**

In case the Master Policyholder is not agreeable to any of the provisions stated in the policy, then there is an option of returning the policy stating the reasons thereof within 15 days from the date of the receipt of the policy. On receipt of the letter along with the original policy document the Insurer shall arrange to refund the premium paid after deducting the stamp duty,

The free look period allows for the member to cancel the cover from inception. In case the individual is not agreeable to any of the provisions stated in the policy, then there is an option of returning the Certificate of Insurance stating the reasons thereof within 30 days from the date of the receipt of the same. On receipt of the letter along with the original Certificate of Insurance the Insurer shall arrange to refund the applicable amount as mentioned under Surrender Benefit Section.

This plan will not be offered through distance marketing channel.

Service Tax and Education Cess:

Service Tax and education cess shall be levied on all applicable charges 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.

Terms and Conditions of the Benefits Provided:

Suicide Exclusion Clause

In the event of the Member committing suicide within one year of the date of commencement of cover of the member, 80% of the premiums paid will be payable to the nominee/legal heir.

Section 41 and 45

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 insured. 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 company covers over 4 million lives and is one of the fastest growing insurance companies in India.

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 ₹1.15 lakh crore and the consolidated net worth of the Group stands at ₹15,250 cr (approx US\$ 2.8 billion) as on March 31, 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, Dubai, Abu Dhabi, Mauritius and Singapore.

Old Mutual plc

www.oldmutual.com

Old Mutual provides life assurance, asset management, banking and general insurance to more than 14 million customers in Africa, the Americas, Asia and Europe. Originating in South Africa in 1845, 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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Regd. Office: Kotak Mahindra Old Mutual Life Insurance Ltd. 4th Floor, Vinay Bhavya Complex, 159 A, C.S.T. Road, Kalina, Santacruz (East), Mumbai - 400 098. Website: <http://insurance.kotak.com>

Email: clientservicedesk@kotak.com. SMS KLIFE to 5676788, Toll Free No. – 1800 209 8800.

Insurance is the subject matter of solicitation. This is a non-participating term group plan. For sub-standard lives, extra premium may be charged based on the insurer's underwriting policy. This document is not a contract of insurance and must be read in conjunction with the Policy Document. Hard copy of the information will be provided on request. Please refer to the policy documents for specific details on all terms and conditions.

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