

## Insurance Guide ::

### ULIPs: Suitable for all



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Unit-Linked Insurance Plans (ULIPs) are **long-term investment** vehicles that provide you financial protection while allowing wealth creation at **market-linked returns**. A part of your premium is directed towards providing you with insurance and meeting administration expenses while the rest of it is directed towards an investment fund.

Each ULIP offers **several investment funds**, each having **a different risk and return profile**.

This is because each fund comes with a different specified limit on the amount of debt and equity that it can take an exposure to.

You further have the **freedom to switch from one fund to another** during the policy term.

Due to these features, you can fulfil various financial goals through a ULIP.

Life Stage	You are single and have just started on the career path	You are married with no child	You are married as well as a parent	You are settled at your job and have school going children	Your children wish to pursue higher education / set up a business / plan for their marriage	Children are independent and you are nearing retirement
Your Need	Protection - low	Protection - medium	Protection - high	Protection - high	Protection - medium	Protection - low
	Wealth creation and accumulation - high	Wealth creation - high	Asset creation - high (need to save for children)	Wealth creation - high (need liquidity for child's need)	Need lump sum money to fulfill needs	Safe accumulation or retirement
Meeting the Needs Through ULIP	- Choose a low death benefit - Allocate more to equity oriented investment funds	- Opt for higher death benefit - Choose growth or balanced investment funds for wealth creation	- Increase death benefit - Opt for balanced fund for asset creation - Choose riders for enhanced protection	Undertake partial withdrawal to meet liquidity	Undertake partial withdrawal to fulfill arising needs	- Lower the death benefit - Opt for debt oriented funds

To elaborate, ULIPs allow you to:

### 1. Protect your child's future

With inflation inching up, a financial goal coming up for fulfilment tomorrow will cost you much more than today. You thus need to invest in such a manner that the returns not only counter inflation but also cover rising costs.

With the **equity exposure available**, unit linked child plans give you the opportunity to earn market-linked returns and at the same protect your child's future.

## 2. Secure funds for critical milestones

You may require funds at various milestones of your child's life such as his/her higher education, marriage or business venture. The facility of '**partial withdrawals**' on offer gives you access to your money at critical stages so that you have the right amount of money at the right time to address multiple needs.

## 3. Financially secure your retirement

Creating a corpus for your retirement is one of the most important goals of financial planning. As **equities perform well over the long term**, ULIPs are an ideal choice that can add value to your retirement portfolio. When **you are young and far away from retirement**, you can choose an equity oriented fund which invests largely in equities. As you grow old and near your retirement age, you can gradually shift your investments in to more conservative debt funds. At retirement, you have the option of choosing the annuity, either immediate or deferred, as per your requirements.

## ULIPs and Mutual Funds

**Barring the insurance cover, ULIPs and mutual funds appear similar** in structure.

Both allow fulfilment of various financial goals.

However, a ULIP comes with attractive tax benefits wherein an amount invested (up to a maximum limit of Rs 1 lakh) in a ULIP is not considered part of the taxable income across all plans.

A ULIP also offers you the flexibility to choose and alter investment amounts and **freedom to switch funds** from one fund to another at zero or marginal cost. These few features make them rather attractive.

## End note

Thanks to their flexibility, ULIPs are easily adjustable to different stages of life. As such, they come very handy in the process of financial planning.

Insurance is the subject matter of solicitation.

IN THIS POLICY – ULIP Plans, THE INVESTMENT RISK IN INVESTMENT PORTFOLIO IS BORNE BY THE POLICYHOLDER.

Linked Insurance Products do not offer any liquidity during the first five years of the contract.

The policyholder will not be able to withdraw/surrender the monies invested in Linked Insurance Products completely or partially till the end of the fifth year from inception..

### Risk factors

- Unit-linked life insurance products are different from the traditional insurance products and are subject to risk factors.
- Premiums paid in unit-linked life insurance policies are subject to investment risks associated with capital markets and the NAVs of the units may go up or down based on the performance of fund and factors influencing the capital market and the insured is responsible for his/her decisions.
- Kotak Mahindra Old Mutual Life Insurance Ltd is only the name of the insurance company and Kotak Platinum / Kotak Single Invest Advantage / Kotak Ace Investment / Kotak Wealth Insurance / Kotak Invest Maxima / Kotak Headstart Child Assure are only the name of the Unit-Linked Life Insurance contract and does not in any way indicate the quality of the contract, its future prospects or returns.
- The various funds offered under this contract are the names of the funds and do not in any way indicate the quality of these plans, their future prospects and returns.
- Please know the associated risks and the applicable charges from your insurance agent, the intermediary or policy document of the insurer.

### Disclaimer

Unit Linked Life Insurance products are different from the traditional insurance products and are subject to the risk factors. The premium paid in Unit Linked Life Insurance policies are subject to investment risks associated with capital markets and the NAVs of the units may go up or down based on the performance of fund and factors influencing the capital market and the insured is responsible for his/her decisions. Kotak Mahindra Old Mutual Life Insurance Ltd is only the name of the Insurance Company and ULIP Plans offered by the Company does not in any way indicate the quality of the contract, its future prospects or returns. The various funds offered under this contract are the names of the funds and do not in any way indicate the quality of these plans, their future prospects and returns. Please know the associated risks and the applicable charges, from your Insurance agent or the Intermediary or policy document of the insurer. Tax benefits are subject to change in tax laws. You are advised to consult your tax advisor for details. In this policy – ULIP plans, the investment risk in investment portfolio is borne by the policyholder. For more details on risk factors, terms and conditions please read sales brochure carefully before concluding a sale. Insurance is the subject matter of the solicitation.

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