

Headstart Assure Wealth (Joint Life)
 UIN: 107L35V02

AT A GLANCE - BENEFITS TO THE CHILD	
On maturity - Fund Value plus Survival Units will be paid	For 5 years after maturity <input checked="" type="checkbox"/> Withdraw any amount, any time for your child <input checked="" type="checkbox"/> The balance, if any, can be taken in pre-specified installments -yearly, half-yearly, quarterly or monthly <input type="checkbox"/> Convenience of ATM to access the proceeds, if Kotak Bank Account opted for
On death of life insured, or the latter of both lives insured, if Joint Life selected (parent, grandparent or legal guardian)	<input checked="" type="checkbox"/> Higher of Sum Assured or Fund Value in the Main Account plus Fund Value in the Top-Up Accounts
To boost protection on death of life insured - (additional premiums levied)	<input type="checkbox"/> Portion of Sum Assured payable (max 75%) on admission of a claim on a critical illness through our Critical Illness Benefit (CIB) <input type="checkbox"/> Installments on admission of a claim on becoming disabled through our Permanent Disability Benefit (PDB) <input type="checkbox"/> Lump sum benefit paid on accidental death with the Accidental Death Benefit (ADB)

The table above gives you a snapshot of the benefits. The ones that are available with the plan are marked as and the benefits that are optional are marked as . For details on riders, please refer to the rider brochure.

Kotak Headstart Assure Wealth

Every child is different. Each has their own set of dreams and aspirations. As a parent, you would like to provide your child with all the building blocks that could develop his or her potential to the fullest. This could mean extra coaching or tuition for talented children, special training or equipment for natural athletes or professional training for born singers. Today nothing is certain and you have to be prepared. Introducing Kotak Headstart Assure Wealth - a specially tailored, cost effective plan that aims to give your child the financial means to pursue his or her dreams - and to live them.

Note:

“IN THIS POLICY, THE INVESTMENT RISK IN INVESTMENT PORTFOLIO IS BORNE BY THE POLICYHOLDER.”

How does this plan benefit my children?

Protection and growth of child’s investment

The plan provides cover in case of sad demise of the life insured. In the event of death of the life insured¹, the higher of the Fund Value in the Main Account or the Sum Assured along with the Fund Value in the Top-Up Account² (if any) will be payable.

You can opt for additional booster payments by purchasing riders. Should accidental death bring on your demise or unfortunate events render you disabled or incapacitated. Should a critical illness unfortunately befall you along the way, a portion of the Sum Assured is immediately made available. These benefits will be charged for by way of extra premiums.

Investments to maximize wealth & protect capital

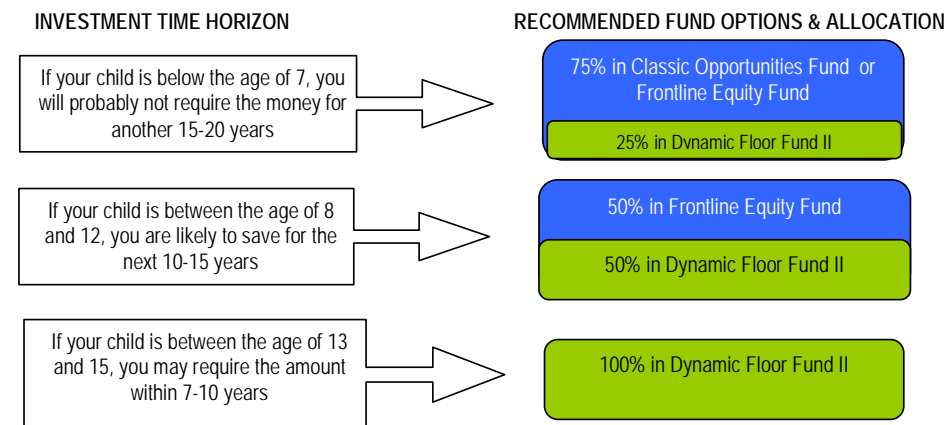
A total of eight funds covering the entire spectrum of equity and debt investments offer you unprecedented choice. You can choose the fund that balances your risk profile with the tenure of your investment. If you are an astute investor, who wants the flexibility to manage his investments, as per market conditions, then the freedom to switch is ideal for you. A brief description of the funds along with their investment objective is given below:

Investment Options	Objective	Your Risk-Return Profile	Equity	Debt (Including Money Market Instruments)
Classic Opportunities Fund	Aims to maximise opportunity for long-term capital growth by holding significant portion in a diversified and flexible mix of large/medium sized stocks.	Aggressive	75-100%	0-25%

Frontline Equity Fund	Aims for a high level of capital growth by holding a significant portion in large sized company equities	Aggressive	60-100%	0-40%
Balanced Fund	Aims for moderate growth by holding a diversified mix of equities and fixed interest instruments	Moderate	30-60%	40-70%
Dynamic Floor Fund II	Aims to provide stable, long-term inflation beating growth over medium to long-term and defend capital against short-term capital shocks	Cautious	0-75%	25-100%
Bond Fund	Aims to preserve capital by investing in high quality corporate bonds and generating relatively higher fixed returns	Conservative	-	100%
Floating Rate Fund	Aims to minimize the downside of interest rate risk by investing in floating rate debt instruments that give returns in line with interest rate movements	Conservative	-	100%
Gilt Fund	Aims to provide safety to capital by investing in Govt. Securities where default risk is close to zero	Conservative	-	100%
Money Market Fund	Aims to protect your capital and not have downside risks	Conservative	-	100%

* Investments in Money Market Instruments will not exceed 40%, except for Money Market Fund.

Recommended investment mix for your child



When there are about 2 or 3 years before you actually require the money, it is advisable to gradually switch your money to the debt funds, i.e. Bond Fund, Floating Rate Fund or the Gilt Fund, so that it is safe and accessible.

Money back phase of 5 years after maturity

Your children's future expenses don't all come at once. Often there might be a large initial outlay, with extra expense over the ensuing years. On maturity, you will receive the accumulated Fund Value for the benefit of your children. A portion of this corpus may be utilized to pay for their admission to a premier institute and the balance amount could be used to fund tuition fees during the next 5 years, by choosing our Settlement Option⁸. Or you may choose to support your children's entrepreneurial initiatives and wedding expenses with the accumulated fund.

Flexible withdrawals

With costs being different for every need, the financial requirements for your children would change from time to time and you require a child savings plan that is flexible. With this plan, you can access the investment after completion of the 3rd policy year, provided premiums for the first three policy years have been paid in full, with no penalty charges from year 6 onwards.

Tax Benefit

Section 80C and Section 10 (10D) of Income Tax Act, 1961 would apply. Premiums paid for Kotak Critical Illness Benefit (CIB) qualify for a deduction under Section 80D. Tax Benefits are subject to change in tax laws. You are advised to consult your advisors for details.

Additional features to enhance flexibility

To allow your investment plan to keep pace with the changing times and varying needs of your child, there are benefits that you could use.

Other Benefits	Details
Saving for 2 children	Hassle-free, saving through a single plan for one or two children.
Joint life available [^] (Primary & Joint Life Insured)	Both life insured can be covered where death benefit is paid on the second death. Boosts the accumulation amount at maturity for your children.
Survival Units	Enjoy additional units equal to 3% of the average Fund Value of the last three policy years at maturity, subject to policy being in force.
Top-Up Premiums ²	Increase investment for your child's future if you have surplus money.
Partial Withdrawals ³	Available to meet your child's expenses along the way, year 4 onwards.
Switching / Premium Redirection	You may switch or change the fund options to maximize returns from the market. Switching between Main Account and Top-Up Accounts is not allowed.
Convenient premium payment modes	Pay your premiums annually, half-yearly, quarterly or monthly.

[^] The policyholder must be the primary life insured.

Eligibility - A Ready Reckoner

Entry Age	Life Insured: Min: 18 years, Max: 60 years Beneficiary: Min: 0 years (younger beneficiary) Max: 17 years (older beneficiary)
Maturity Age	Life Insured: Min: 28 years, Max: 70 years Beneficiary: Min: 18 years (younger beneficiary) Max: 42 years (older beneficiary)
Policy Term	Based on the age of the Younger Beneficiary Age 0-2 years : 20 / 25 years Age 3-7 years : 15 / 20 / 25 years Age 8-17 years: 10 / 15 / 20 / 25 years
Premium Payment Term	Regular: Equal to Policy term Limited: 3 and 5 years, available with 10 year policy term
Regular Premium	Min: Rs.15,000 p.a.
Limited Premium Payment	For 3 year LPP Min: Rs.1,00,000 p.a. For 5 year LPP Min : Rs 50,000 p.a.
Top-Up Premium	Min: Rs. 10,000; Max: 25% of cumulative basic premiums paid till date
Basic Sum Assured	5 x Annual Premium

Illustration

Dr. Mehra is a 35-year-old well-respected specialist who lives comfortably with his wife and children. He is providing well for his family and would like his kids to have a bright future. He is aware of rising cost associated with quality education both in India and abroad and would like to make sure his kids get the education they deserve. He is keen to invest in equity but is wary of the risks associated with stock markets. In Kotak Headstart Assure Wealth, he has found the perfect solution.

Given below is an illustration of the benefits payable to Dr. Mehra in different scenarios with a Premium of Rs. 50,000 and Sum Assured of Rs. 2,50,000:

- For Headstart Assure Wealth Single Life

End Of Year	Age (in years)	Cumulative Premium (Rs.)	Non-Guaranteed Benefits at 6%		Non-Guaranteed Benefits at 10%	
			Fund Value (Rs.)	Death Benefit (Rs.)	Fund Value (Rs.)	Death Benefit (Rs.)
10	45	5,00,000	5,83,789	5,83,789	7,23,817	7,23,817
15	50	7,50,000	10,00,757	10,00,757	13,91,480	13,91,480
20	55	10,00,000	15,60,674	-	24,53,967	-

Net yield at 10% investment return: 8.17%

- For Headstart Assure Wealth Joint Life

End Of Year	Age (in years)	Cumulative Premium (Rs.)	Non-Guaranteed Benefits at 6%		Non-Guaranteed Benefits at 10%	
			Fund Value (Rs.)	Death Benefit (Rs.)	Fund Value (Rs.)	Death Benefit (Rs.)
10	45	5,00,000	585,130	585,130	725,556	725,556
15	50	7,50,000	10,02,422	10,02,422	13,94,078	13,94,078
20	55	10,00,000	15,62,802	-	24,57,956	-

Net yield at 10% investment return: 8.17%

Please note that the above illustration is an extract of a separate, more detailed benefit illustration. For full details please refer to the Benefit Illustration.

Charges

Premium Allocation Charge

It is charged as a percentage of the annualized premium. The net premium is then allocated at the Net Asset Value (NAV)⁹ prevailing on the date of receipt of premiums. The charges applicable are:

Regular Pay	Policy Year			
	1	2	3	4+
Annual Premium below Rs.50,000	30%	14%	7%	Nil
Annual Premium of Rs.50,000 & above	25%	10%	5%	Nil
Limited Pay	18%	6%	4%	Nil

The allocation charge for Top-Up Premiums is 1%.

Fund Management Charge (FMC)

To manage your money efficiently, an annual charge is levied as a percentage of the Fund Value and is adjusted in the Net Asset Value⁹. The annual FMC of 1.35% is applicable for all the funds.

Policy Administration Charge

The administration charge is a percentage of the annualized premium paid and will be recovered through monthly cancellation of units throughout the premium payment term of the policy.

The charge will be 0.25% per month of the annual premium for premium amount up to Rs. 50,000 and 0.1% per month for premium above Rs. 50,000.

Switching Charge

The first four switches in a year are free. For every additional switch thereafter, Rs. 500 will be charged.

Surrender Charge

If three full years' premiums are not paid then refer to Lapse section under Terms and Conditions (Item No. 5). For other cases, the surrender payout will be applicable after completing at least three policy years. The Surrender Charge as a percentage of the Fund Value in the Main Account is as follows:

Policy Year	4	5	

Surrender Charge	10%	5%	
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No surrender charge will be applied if the policy is surrendered after the 5th policy year.

These charges do not apply to your Top-Up Accounts.

Partial Withdrawal Charge

The Partial Withdrawal Charge as a percentage of the amount withdrawn from the Main Account is as follows:

Policy Year	4	5	6 onwards
Partial Withdrawal Charge	10%	5%	Nil

For the third and subsequent Partial Withdrawals from the Main Account in any policy year an additional Rs.500 per withdrawal will be charged.

Mortality Charge

This is the cost of life cover, which will be levied by cancellation of units on a monthly basis. Given below are the annual charges per thousand sum at risk* for a healthy individual.

Age (in years)	25	35	45	55
Mortality charge	1.266	1.496	2.924	7.750

* Sum at Risk = Basic Sum Assured less applicable partial withdrawals - Fund Value in the Main Account

Rider Charge

For providing the additional rider benefits, charges will be recovered by way of additional premiums, paid in addition to the basic premiums throughout the rider term.

Miscellaneous Charges

The charges for alteration in the policy contract and revival⁷ are Rs. 500 per request. For premium redirection a fee of Rs. 100 will be charged.

Terms and Conditions

1. Death Benefit for Joint Life

- In case of the first death: No benefit is payable. However, if the primary life dies due to an accident when the secondary life insured is alive then the benefit under the Accidental Death Benefit rider (if opted) will be paid and all other rider benefits (if any) shall cease to apply thereafter.
- In case of the second death: the higher of the Fund Value in the Main Account or the Sum Assured along with the Fund Value in the Top-Up Account² (if any) will be payable.

2. Top-Up Premiums

Top-Up Premiums will be invested in separate Top-Up Accounts, each with a lock-in period of 3 years from the date of Top-Up, except during the last 3 policy years. Minimum Top-Up Premium is Rs. 10,000 per Top-Up.

3. Partial Withdrawal

Comment [s1]:

Partial Withdrawals will be allowed after completion of three policy years and provided three full years premiums are paid. Minimum amount for Partial Withdrawal is Rs. 10,000. Partial Withdrawals should be in multiples of Rs. 1,000.

Partial Withdrawals must be made first from the qualifying Top-Up Accounts. Minimum balance of one annualized premium should be maintained in the Main Account after partial withdrawal.

Partial Withdrawals will have the following effect on your Sum Assured: (1) Up to the age of 60 years, Sum Assured payable on death is reduced to the extent of Partial Withdrawals made in the preceding two years (2) After the age of 60 years, Sum Assured payable on death is reduced to the extent of all Partial Withdrawals made from age 58 years onwards.

4. Grace Period

Grace Period for Premium Payment is 30 days from due date for premium payment for Annual, Half -Yearly and Quarterly mode and 15 days for Monthly Mode.

5. Lapses

If during the first three policy years, any premiums due are not paid in full within the grace period the policy will lapse. Once the policy has lapsed, any insurance cover ceases. However, Fund Value will be payable on the death of the life insured during this period. If a lapsed policy is not revived within two years of the first unpaid premium, the contract shall be terminated and the surrender value shall be paid out at the end of the third policy anniversary or at the end of the revival period whichever is later. If the policy lapses during second or third policy year and if the Policyholder expresses his wish to discontinue the policy, the surrender value will be paid at the end of third policy year. The charge used in determining the surrender value will be the charge applicable on the due date of the first unpaid premium. These charges are given below:

Policy Year	1	2	3
Surrender Charge	100%	80%	70%

6. Automatic Cover Maintenance (ACM)

You can avail of the Automatic Cover Maintenance (ACM) facility only after payment of first three years' premiums in full and the policy has completed 3 years. While availing this facility, the Death Benefit to the life insured will remain intact until the Fund Value in the Main Account is sufficient to cover applicable Policy Charges. During this period, applicable Policy Charges continue to be deducted from the fund. The rider benefits cease to apply. The ACM facility is available until the end of two years from the due date of the first unpaid premium or until the Surrender Value reduces to a level equal to one year's premium after deduction of applicable policy charges, whichever is earlier. After two years from the due date of the first unpaid premium, the policy will be terminated by paying the applicable surrender value, unless the policyholder expresses in writing to continue the policy in ACM mode.

7. Policy Revivals

A lapsed policy or a policy in ACM mode may be revived within 2 years from the date of the first unpaid premium by making payment of the premium in arrears with an additional revival charge of Rs.500.

Revival can be done without proof of good health, if the payment of the outstanding premiums is made within six months from due date of the first unpaid premium. Thereafter to revive the policy, proof of good health would be required with payment of outstanding revised premiums, subject to underwriting. All policy benefits will be reinstated on revival.

However, if the policy is not revived during the revival period, the policy terminates after payment of Surrender Value.

8. Settlement Option

On selecting the Settlement Option on maturity, the value of the payments will depend on the number of units and the respective fund NAVs as on the date of each payment. Partial withdrawals and switches are not allowed during this period. During the settlement period, the investment risk in the investment portfolio is borne by the policyholder. The Fund Management Charge (FMC) will be recovered by adjustment in the Net Asset Value (NAV). Other charges will not be applicable during this period. Life cover and other benefits are not provided during the settlement period.

You can elect to receive the maturity proceeds in cash and the balance by way of pre-selected periodic installments, for up to 5 years after maturity.

The choice of Settlement Option must be informed to the company within 3 months prior to maturity of the policy.

9. Fund NAV's

The NAVs of your fund are calculated and published in financial newspapers on a daily basis.

Net Asset Value (NAV) = (Market Value of investment held by the fund +/- the expenses incurred in the purchase/sale of assets + value of Current Assets + any accrued income net of fund management charges - value of Current Liabilities - Provisions) divided by Number of outstanding units in the Fund.

The basis used for unit pricing would be appropriation price or the expropriation price, whichever prevails on the valuation date. The Appropriation price shall be the basis used for determining unit price when the Company is required to purchase assets to allocate the units at the valuation date. The Expropriation price shall be the basis in a situation when the Company is required to sell assets to redeem the units at the valuation date.

Where premiums are paid by outstation cheques, the NAV of the clearance date or due date, whichever is later, will be used for allocation of the premium. Transaction requests (including renewal premiums by way of local cheques, demand draft, switches, etc.) received before the cutoff time will be allocated to the same day's NAV and the ones received after the cutoff time will be allocated to the next day's NAV. The current cutoff time is 3:00 p.m. which may vary from time to time as per IRDA guidelines.

Premiums received in advance will be allocated on the scheduled due dates. No interest will be paid on such premiums.

10. Loans

No loan facility is available

11. Cap on Charges

Kotak Life Insurance reserves its right to impose charges not beyond the level mentioned below (Subject to IRDA approval):

- The miscellaneous, switching and withdrawal charges may be increased to a maximum of Rs. 1,000.
- Mortality charges are guaranteed for the term of the policy.

12. Free Look Provision

The policyholder is offered 15 days free look period, from the date of receipt of the policy wherein the Policyholder may choose to return the policy within 15 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 stamp duty and medical expenses. If required, the policy holder can also choose to amend the policy details to meet his requirements.

13. General Exclusions

In case the life insured (for Joint Life, the surviving life insured) commits suicide within one year of date of issue of the policy or date of revival, the beneficiary would receive the Fund Value in the Main and the Top-Up Account.

14. 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.

Wealth For Your Child In 4 Easy Steps

Now that you are aware of the details of Kotak Headstart Assure Wealth, here's how you can structure your financial planning in 5 easy steps:

Step 1: Decide the amount you will save regularly to secure your child's future, i.e. the Regular Annual Premium.

Step 2: Decide the term of the policy depending on goals for your child (higher education, marriage, etc.) that you have in mind.

Step 3: Select your fund options.

Step 4: Choose the optional benefits. *For a snapshot of the benefits, please refer to the table on the inside cover.*

If you need any further information on how you can secure your family's future, our Life Insurance Advisor will be happy to hear from you.

Risk Factors

- 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 Kotak Headstart Future Protect is 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 or the Intermediary or policy document of the insurer.

Section 41 and 45

Section 41 of the Insurance Act, 1938:

- (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.
www.kotaklifeinsurance.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. A Company that combines its international strengths and local advantages to offer its customers a wide range of innovative life insurance products, helping them take important financial decisions at every stage in life and stay financially independent. The Company is one of the fastest growing insurance companies in India and has shown remarkable growth since its inception in 2000. Kotak Life Insurance employs around 5,593 people in its various businesses and has 203 branches pan India.

The Kotak Mahindra Group
www.kotak.com

The Kotak Mahindra Group is one of India's leading banking and financial services organizations, with offerings across personal financial services; commercial banking; corporate and investment banking and markets; stock broking; asset management and life insurance. The Kotak Group has a net worth of Rs. 6,799 cr and has a distribution network through branches, franchisees, representative offices and satellite offices across cities and towns in India and offices in London, New York, San Francisco, Singapore, Dubai and Mauritius, servicing around 6.4 million customer accounts.

Old Mutual plc
www.oldmutual.com

Old Mutual plc is an international savings and wealth management company based in the UK. Originating in South Africa in 1845, Old Mutual is a Global 500 and FTSE 100 company, listed in UK, South Africa and other 3 African exchanges. The group has a balanced portfolio of businesses offering Asset Management, Life Assurance, Banking and General Insurance Services in over 40 countries, with a focus on South Africa, Europe and the United States, and a growing presence in Asia Pacific.

Numbers as on 30th June, 2009

Kotak Headstart Assure Wealth UIN XXXXXXXXX (Single Life) and UIN XXXXXXXXX (Joint Life), Form No.: XXXXXXXXX, ADB - 107C001V01, PDB - 107C002V01, CIBR - 107C004V02, Ref. No.: XXXXXXXXXXXXXXXXXXXX

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Insurance is the subject matter of the solicitation. This is a unit linked non-participating child plan. This document is not a contract of insurance and must be read in conjunction with the Benefit Illustration and Policy Document.