

Sample Policy Contract

The values mentioned in the variable fields are only indicative and are not real

DRAFT

Plan Name - Kotak Credit Term Group Plan  
Product UIN: - 107N006V02

## **SCHEDULE**

### **Policy Details**

Policy No.:

Name of the Policyholder:

Date of Commencement:

First Anniversary Date:

Date of issue:

Plan Name: Kotak Credit Term Group Plan

Plan Description: Annually Renewable Term Cover for Groups of borrowers

Participating: No

### **Details of the members in the group**

This policy will cover the members mentioned in Annexure - MD (and updated from time to time based on member data supplied by the Policyholder) up to the "First Anniversary Date" mentioned above or such later date up to which this policy has been renewed, and is subject to the terms and conditions hereinafter stated.

### **MEMBER**

A member means a person:

who is a citizen of India

- who is a member of
- Whose has availed the loan as mentioned above is still outstanding, and
- who is first/principal borrower on the loan (i.e. not the co-borrower), and
- who has opted for insurance under this policy and paid premiums thereon as herein specified, and
- in respect of whom member data has been provided to the Company by the Policy Holder as mentioned herein mentioned, and
- in respect of whom the premiums have been received by the Company and
- who falls within the age range indicated by the Company for this policy

Minimum age\*\* at entry of the member: 18 years

Maximum age\*\* at entry of the member: 50 years

Maximum ceasing age\*\* of the member: 51 years

\*\*Age is defined as the age of the member on his/her last birthday (as per the English calendar) immediately before the date of commencement of cover for that member.

### **BENEFITS PAYABLE**

The sum assured is based on the Member Data provided to the Company and updated from time to time and shall be subject, inter alia to the limits, and all the terms and conditions appearing herein.

A. Benefits payable on the death of the member :

<b>Benefits description</b>	<b>Benefits Structure</b>	<b>Category(ies) Eligible</b>
Basic Life Cover (BLC)	Flat cover amount subject to a maximum loan amount of Rs.10000	All future members

In no case shall the benefit exceed the original principal loan amount. Cover cannot be increased for any member unless prior written approval of the Company is taken.

### **BENEFICIARY**

The benefits under this policy are payable to:

The benefits under this policy are payable to the Policyholder/or the nominee or to such person as directed by a court of competent jurisdiction in India.

The benefits shall be limited at all times to the monies payable under this policy.

### **PREMIUMS PAYABLE**

Mode of Premium Payment : Annually in advance

The premium rate for the first year (i.e. up to the first anniversary date) is specified below :

<b>Basic Life Cover- Flat cover equal to maximum loan amount</b>	
<b>Subject to maximum of Rs10,000/-</b>	
<b>Annual Premium Rate (Per Rupees Thousand of Cover)*</b>	
<b>Loan Tenure</b>	<b>Annual Rate per Rupees Thousand</b>
<b>1 year</b>	

Special Conditions, if any : None

\*Premium rates are exclusive of service tax. The policyholder shall pay service tax on the premiums arrived at based on the aforesaid premium rates, in accordance with the applicable service tax in force at the time such payment is made. Premium rates for new entrants are subject to change as may be mutually agreed by the policyholder and the Company and such changed rates shall apply from a date mutually agreed upon.

Signed for and on behalf of Kotak Mahindra Old Mutual Life Insurance Company Ltd. at Mumbai on the \_\_\_\_\_

**Authorised Signatory**

## **I. TERMS & CONDITIONS**

### **1. Proof of Age**

The Policyholder shall submit a monthly declaration in writing and/or electronically of the age(s) of the members covered and persons to be covered under this policy (for members added from time to time). The Company shall not be liable for payment of any benefits in respect of a member for whom such a declaration has not been given.

For a person to be covered under this policy he/she must fall within the age range herein mentioned.

If at a future date, the age is found to be different from the age declared, without prejudice to the Company's other rights and remedies including those under the Insurance Act, 1938, and any other laws then prevailing, the Company will have the right to refuse a claim in respect of the concerned member, should the member's correct age as at the date of commencement of his/her cover fall outside the age range herein mentioned. However, where a member's correct age as at the date of commencement of his/her cover falls within the age range herein mentioned, the Company will consider and settle such a claim subject to all other terms and conditions as provided herein.

The Company may at any time call for proof of age from the Policyholder or the concerned member and the Policyholder or member must provide the same when required.

### **2. Payment of Premiums**

The Policyholder shall pay premiums annually in advance for each member. The premiums would vary depending on the number of members/lives insured/covered from time to time and the sums assured for which they are covered. The Company may adjust any excess premiums paid by the Policyholder towards premiums payable by the Policyholder on an ongoing basis. If the Company has any excess premium with it on the anniversary of the date of commencement /renewal of the policy, this may be adjusted towards the following year's premium (if this policy is renewed) or refunded to the Policyholder (on discontinuance of this policy).

A grace period of 7 days from the due date of payment will be allowed for payment of premiums. If the premium is not paid on or before the expiry of the grace period, this policy will automatically lapse.

The Policyholder shall maintain the required amount as a premium deposit, with the Company at the inception of this policy which, together with further amount(s), if any paid by policyholder shall be appropriated by the Company towards the Insurance Cover for the members as provided herein. The premium shall be calculated at such premium rates as indicated in the Schedule or such revised rates as may be mutually agreed upon between the Company and the Policyholder from time to time in writing.

The Company is not liable for any claim unless the premiums in respect of such concerned member have been paid.

### **3. Cover**

The cover for each member is subject to the following:

- cover shall commence from the contract date of loan to the member (date of loan agreement), as stated in the member data submitted by the Policyholder and shall be restricted to the amount described under the Section of this Policy Contract, titled Benefits Payable.
- Cover shall be restricted to the amount described under the section of this Policy Contract, title “ Benefit Payable”
- cover may be limited or declined as a result of failure to provide satisfactory evidence of good health (Declaration of Good Health) as required under this policy.
- no member will be covered above age 51.

### **4. Forfeiture of Policy**

The policy and/or the benefit in respect of any member will be forfeited if,

- premium is not duly paid as stated above, or
- any condition herein contained or endorsed hereon is contravened, or
- it is found that a statement made
  - in the Member data given to the Company, or
  - in any document leading to the issue of this policy or the member’s cover hereunder, or
  - in any document necessary to keep this policy or the member’s cover hereunder, in force

was inaccurate, or false, or not made in good faith, or any material matter or fact was suppressed, then, and in every such case (but subject to the provisions of Section 45 of the Insurance Act, 1938) the policy shall be void, and/or claim(s) to any benefit under this policy shall cease and all monies that have been paid in consequence of this policy shall belong to the Company, excepting in so far as whatever relief may be granted as per the law. Additionally, the Policyholder shall also repay to the Company all the monies paid to it by the Company consequent upon admittance of any claim(s), till the date of forfeiture.

### **5. Loans**

Loans are not available under the policy.

### **6. Policyholder Covenants**

The Policyholder agrees to apply its prescribed norms and procedures for assessing all loan applications and apply its stipulated procedures thereon. If the circumstances surrounding a claim so warrant the Company may call for the relevant guidelines from the policyholder, whereupon the policyholder shall supply the same to the Company or submit a certification duly signed by the Authorized Signatory, certifying that its prescribed norms and procedures, (with regard to assessment of all loan applications and procedures) has duly been applied to in respect of an identified Member.

The Policyholder shall collect the duly valid and complete Evidence of Good Health along with such other documents as it may require for the purpose of the loan given to the member. The Policyholder shall preserve and maintain such Evidence of Good Health as an integral part of such loan documentation.

## **7. Renewal**

This policy may be renewed at the end of the term for one year at a time, subject to the acceptance of such renewal by the Company, the terms and conditions as may be prescribed by the Company and at such premium rates quoted by the Company. At least 30 days prior to the end of the policy term, a written application must be made by the Policyholder to the Company and the renewal will be operative against the Company from the date endorsed hereon or on an annexure hereto.

## **8. Death due to natural causes, suicides etc**

No claim arising from the death of a member due to any cause other than an Accident shall be payable where such death occurs within 90 days from the date of his/her commencement of cover as herein stated. A member will be said to have died due to an accident where the member dies as a result (solely, directly and independently of all other causes of death) of sustaining any bodily injury, directly and solely from an accident, which has been caused by outward, violent and visible means. For the Company to consider the claim arising out of a member's death within 3 months from the date of his/her commencement of cover, the Policyholder must produce proof to the complete satisfaction of the Company that the member's death is on account of an accident, and submit requisite supporting documents as herein stated. The Company shall decide whether a claim is due to an "Accident" as aforesaid, based, inter alia, on the information/documents/material at its disposal and the decision of the Company in this regard shall be final and conclusive.

Further, any claim arising as a result of a member under this policy committing suicide (whether being sane or insane at such time) within one year of commencement of his/her cover will be disallowed.

Where a member commits suicide within a year of any increase in his/ her cover, the claim payable will be restricted to the lower of:

- the member's cover (under this policy) as on the date of death and
- the member's cover (under this policy) one year prior to the date of death.

## **9. Discontinuance**

This policy may be discontinued at the option of the Policyholder or the Company on the expiry of the term of the policy, by giving the other party at least one month's prior notice in writing before the expiry of the term, or such shorter notice period or other terms and conditions as agreed between the Policyholder and the Company in writing.

## **10. Termination of Cover**

A member's cover will cease on the earliest of:

- a. the date the person ceases to be a member as hereinbefore defined,
- b. the date on which the outstanding principal loan amount as herein mentioned is paid up,
- c. the date on which the loan amount becomes repayable pursuant to conditions specified in the relevant loan agreement with the Policyholder,
- d. the date on which the premiums for that member ceases,
- e. the member attaining the age of 51 years,
- f. The scheduled date of expiry of loan as per member data submitted in the manner herein mentioned, regardless of whether the loan is repaid on such date.

## **11. Member Data**

The Policyholder must provide up to date Member Data to the Company on or before the 15<sup>th</sup> of every month to enable the Company to update its records and calculate premium. A grace period of 7 days will be allowed for providing the Member data to the Company. The Company shall not be liable for any claim except as provided for in this document and for only those members whose member data has been provided by the Policyholder.

As mentioned above, the Policyholder shall submit the Member Data by the 15<sup>th</sup> of every month, however, claim in respect of a member for whom the Member Data is in the process of so being submitted, shall be submitted by the Policyholder to the Company and such a claim shall be considered and settled subject to terms and conditions as provided herein. The Policyholder shall arrange to furnish such documents/information as may be required by the Company in this regard.

## **12. Notice**

Any notice, information or instruction to the Company must be in writing and delivered to the address intimated by the Company to the Policyholder which is currently :

CPC - Group Operations  
Kotak Mahindra Old Mutual Life Insurance Limited  
8th Floor,  
Godrej Coliseum, Behind Everard Nagar,  
Sion (E) Mumbai-400022

Any such notice, information and instruction shall be deemed to be served 7 days after the posting, or immediately upon receipt by the Company in the case of recorded hand delivery or courier.

The Company may change the address stated above and intimate the Policyholder of such change by suitable means.

Any notice, information or instruction from the Company to the Policyholder shall be mailed to the following address:

or to the changed address as intimated to the Company in writing.

## **13. Claim**

All claims must be notified to the Company by the policyholder in writing within 3 months of the date of the death along with the death certificate and the supporting documents.

The primary documents normally required for processing a death claim are:

- Intimation of the claim event (i.e. death) in writing in the Company's format signed by the authorized representative of the Policyholder. . This intimation shall include the following:
  - name and other particulars of the concerned member
  - a statement that the claim event has occurred
  - date of claim event

- place where the claim event occurred (i.e. residence/ hospital etc.) and the full postal address of such place
- cause of claim event

It is clarified that in case of any intimation of death received by the Company from any person other than policyholder, the Company shall intimate the Policyholder and request submission of claim documentation as herein specified.

- Proof of age of the life insured (for example attested copy of birth certificate/ school leaving certificate etc.)
- Original death certificate issued by the Municipal or other Competent Authority
- Last attending doctor's certificate stating the exact cause of death
- If death has occurred in a hospital, all case history papers.
- If the death is due to an accident or any other unnatural cause, The Company shall require
  - i. A certified copy of the FIR filed with the Police authorities
  - ii. A certified copy of the Post Mortem Report/Autopsy Report
  - iii. A certified copy of the Driving License if death occurred while driving
- A Certified copy of the relevant loan documents/section(s) thereof to evidence assessment, disbursal etc. of the loan to a member and to also substantiate that the member has consented to take cover under this policy..
- A copy of the statement of loan amount of the customer from the policy holder, from the date of disbursement till date, (showing all the transactions in the customer's loan account including the dates, the original amount disbursed, the EMIs collected and all other transactions in the customer's loan account.

The Company reserves the right to call for any additional information and documents required to satisfy itself as to the validity of a claim.

All claims shall be subject to the provisions of this policy document, such other requirements as stipulated by the Company and the legal title of the claimant, satisfactory to the Company.

All amounts due under this policy are payable in Indian Currency at the office of the Company situated at Mumbai, but the Company at its absolute discretion may fix an alternative place of payment for the claim at any time before or after the claim arises.

A discharge or receipt by the Beneficiary shall be a good, valid and sufficient discharge to the Company in respect of any payment to be made by the Company hereunder.

#### **14. Free look Provision**

In case you are not agreeable to any of the provisions stated in the policy, then you have the option of returning the policy to us stating the reasons thereof within 15 days from the date of the receipt of the policy. The cancellation request should be submitted to your nearest Kotak Life Insurance Branch or sent directly to our Head Office. On receipt of your letter along with the original policy document we shall arrange to refund the premium paid by you after deducting the stamp duty, medical expenses and proportionate risk premium for the period of cover. A policy once returned shall not be revived, reinstated or restored at any point of time and a new proposal will have to be made for a new policy.

## **15. Insurance Ombudsman**

The Company shall endeavour to promptly and effectively address Policyholder's grievances. However, in case the Policyholder may not be satisfied with the response of the Company, he/she may also approach the Insurance Ombudsman located in his/her region. Details of the offices of the Ombudsmen across the country are made available on the website of the Company at [www.kotaklifeinsurance.com](http://www.kotaklifeinsurance.com) and will also be made available to the Policyholder on request.

## **16. Certificate of Insurance**

In accordance to the IRDA circular ref 015/IRDA/Life/Circular/GI Guidelines/2005 dated July 14, 2005, for operational convenience, in respect of non employer-employee groups, the Policyholder has requested the company to issue Certificate of Insurance (COI) to the members of the Policyholder. Soft copy of the COI will be sent to the Policyholder. The Policyholder in turn handover the same to the borrower Confirmation is required from the Policyholder on a quarterly basis for issuance of COI to the final customers.

The COI is issued for the purpose of information only and the mere possession of this certificate will not entitle any person to life insurance cover unless he/she satisfies all the relevant terms and conditions (including but not limited to the eligibility criteria for Membership and payment of premiums) specified in the Policy Contract.

In case a claim is preferred by an individual not covered under this Policy, merely based on the possession of the COI wrongly issued by the Policyholder, then in such an event the Policyholder shall indemnify the Company to the extent of the claim amount /payments made to such individual.

### III. ANNEXURES

#### Annexure: Member Data

Member data will be required to be provided on a monthly basis.

<b>Field description</b>
<b>Full Name</b>
<b>Date of birth</b>
<b>Gender</b>
<b>Member ID/ Reference No</b>
<b>Occupation</b>
<b>Date of Joining</b>
<b>Date of Commencement</b>
<b>Age as on DOC</b>
<b>Loan Amount</b>
<b>Cover Amount</b>
<b>Premium (excl Service Tax)</b>
<b>Service tax</b>
<b>Premium (incl Service Tax)</b>

All the above member details are mandatory. The Company shall not accept data received from the Policyholder without the above details

The above format may be altered by the Company as per the requirement from time to time with prior written notice to the Policyholder.