

Kotak

**I N C O M E
P R O T E C T I O N
P L A N**

A Pure Protection Life Insurance Plan



**Leave a monthly income behind
even though you are not around.**





KOTAK INCOME PROTECTION PLAN

A Pure Protection Life Insurance Plan

In this uncertain world, we all are striving to make one thing certain that the future of ours & our loved ones is financially secured and worry-free. It is all the more important to ensure this even in our absence. It's better to plan now when the going is good, before the going gets tougher!

Go ahead and ensure a better future for your loved ones even in your absence with **Kotak Income Protection Plan** - a plan that provides Monthly Income which increases @ 6% p.a. compounding for the remaining policy term in the unfortunate event of your death along with a lump sum Assured Benefit to take care of immediate requirements.

Key Advantages

- Provides protection cover in lump sum and Monthly Income thereafter
- Monthly Income increases by 6% p.a. compounding on each policy anniversary
- Monthly Income will be provided for atleast 5 years if the balance term is less than 5 years
- Preferred rates for Female lives and Non-Smokers

Monthly Income increases throughout the Term

This plan ensures that in the unfortunate event of your death, your family is looked after financially by providing a regular Monthly Income for a relevant payout period subject to a minimum of 5 years.

It also ensures that the Monthly Income is protected against the year on year inflation so that your family need not have to bear the brunt of inflation in later years. This plan offers the benefit of Increased Monthly Income every year, where **Increased Monthly Income** is Initial Monthly Income growing every year @ 6% compounding, i.e. every year the Monthly Income will grow to 106% of the previous year's Monthly Income from the end of 1st Policy year onwards. For example:

- Initial Monthly Income: ₹ 50,000
- 2nd Policy Year Monthly Income: ₹ 53,000 (106% of 50,000)
- 3rd Policy Year Monthly Income: ₹ 56,180 (106% of 53,000) and so on and so forth.

Guaranteed payout period of Monthly Income:

This plan offers a minimum guaranteed payout period for the Monthly Income of 5 years in case the balance Policy Term is less than 5 years. Thus, under any circumstance the Monthly Income payout period will be higher of: Balance Policy Term (Policy Term less year of death) OR 5 years.

Assured Benefit as lump sum on Death:

In the unfortunate event of death of the Life Insured an Assured Benefit is paid to the family to ensure that the family has sufficient financial resources to meet the immediate expenses. The lump sum payout i.e. Assured Benefit, will be equal to 12 times of the Increased Monthly Income in that Policy Year.

For example: The Life Insured has chosen an Initial Monthly Income of ₹ 50,000 and death happens in the 3rd Policy Year.

Assured Benefit = 12 X Increased Monthly Income in 3rd Policy Year = 12 X 56,180 = ₹ 674,160

Death Benefit¹:

In the unfortunate event of the death of the Life Insured, the Nominee will receive the following:

- a) Assured Benefit (payable in lump sum)
and
- b) Monthly payouts of Increased Monthly Income for the balance of the Policy Term, subject to a minimum of 5 years

Maturity Benefit:

Being a pure protection plan there is no Maturity Benefit.

How will the Plan Work?

1. Select your Monthly Income amount, which can be less than or equal to your current Monthly Income;
2. Select the Policy Term and the Premium Payment Term. Along with these details, i.e. your age, smoking status, gender and chosen Monthly Income, the premium will get determined
3. The chosen Monthly Income will increase by 6% every policy year compounding, i.e. every policy year the Monthly Income amount will be 106% of the previous year's Monthly Income amount, e.g. If Monthly Income chosen is ₹ 50,000, in the 2nd policy year the Monthly Income amount increase to ₹ 53,000, in 3rd policy year it will be ₹ 56,180 and so on and so forth.
4. Upon the unfortunate event of death of the Life Insured, Assured Benefit as explained above will be paid in lump sum to meet the immediate financial requirements and the Monthly Income will start after the Assured Benefit payout. Monthly Income will be paid for the remaining Policy Term subject to a minimum of 5 years and the Monthly Income will continue to increase every year till the end of the payout period.

Example: Ms. Sayana is a 30 years old working professional and she wants to provide for Monthly Income for her family in her absence and thus, chooses Kotak Income Protection Plan. She is a non-smoker. She opts for a Monthly Income level of ₹ 50,000, a term of 20 years and a regular premium payment term. Assuming in case of her unfortunate demise in the beginning of 7th policy year, the benefits under the plan will be as shown.

Age	30yrs	Gender	Female
Term	20yrs	Tobacco	No
PPT	20yrs	Annual base Premium	₹ 12,330
Income chosen	₹ 50,000 p.m.		

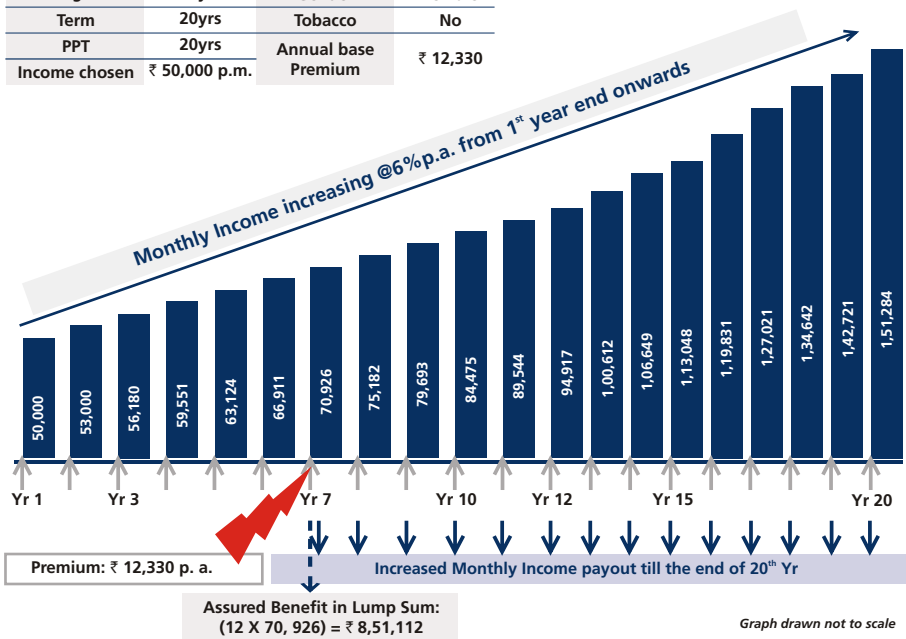


Illustration:

For the above example the benefits over the policy term will be as follows:

End of Year	Age (yrs)	Annualised Premium (₹)	Death Benefit (₹)	
			Assured Benefit	Increased Monthly Income (₹)
1	31	12,330	600,000	50,000
5	35	12,330	757,488	63,124
10	40	12,330	1,013,700	84,475
15	45	12,330	1,356,576	113,048
20	50	12,330	1,815,408	151,284

Please note: The above illustration is an extract of a separate, more detailed benefit illustration. For full details, please refer to the Benefit Illustration. The above premium figures are exclusive of Goods and Services Tax and Cess. Goods and Services Tax and Cess, as applicable, shall be charged as per the prevalent tax laws over and above the said premiums.

Tax Benefits:

Tax benefits are subject to conditions specified under section 10(10D) and section 80C of the Income-tax Act, 1961. Tax laws are subject to amendments from time to time. Customer is advised to take an independent view from tax consultant. Goods and Services Tax and Cess, as applicable shall be levied over and above premium amount shown here as per applicable tax laws.

Enhancing your Options

Additional Features	Benefits
Optional Rider: Kotak Accidental Disability Guardian Benefit Rider (UIN:107B011V02)	<p>On taking this rider, all future due premiums will be waived off on the admissible Total and Permanent disability due to accident of the Premium payer and the Policy will continue as it is with its base benefits.</p> <p>For more details on rider and exclusions, please refer to the Individual Rider Brochure before concluding the purchase.</p>
Reduced Paid-Up Benefit⁶	<p>For Limited Premium paying policies, after the policy acquires Surrender Value, if the subsequent premiums are not paid within the Grace Period, the Base Policy will be converted into a Reduced Paid-Up policy by default and the policy will continue till maturity in that mode unless revived within revival period.</p>

Eligibility

Entry Age	18 - 60 years
Maximum Maturity Age	70 years
Monthly Income Level	Min: ₹ 20,000 Max: No limit, subject to underwriting acceptance Note: The initial income chosen by the policyholder should be less than or equal to his/her current Monthly Income
Premium	Min: Will be determined basis Monthly Income Chosen, Age, Gender, Smoking Status, Policy Term and the Premium Payment Option chosen Max: No Limit but subject to Underwriting consideration Note: Preferred rates will be applicable for Females and Non-smokers
Premium Payment Term (PPT)	Regular Limited Pay - 12 & 15 yrs
Policy Term	For Regular Pay: 10 - 30 yrs For 12 Pay: 17 - 30 yrs For 15 Pay: 20 - 30 yrs
Premium Payment Mode	Yearly, Half yearly, Quarterly, Monthly
Premium Modal Factor	The following modal loadings will be used to calculate the installment Premium Yearly - 100%, Half yearly - 51%, Quarterly - 26%, Monthly - 8.8%

Terms and Conditions

1. Death Benefit:

The total of Assured Benefit and all the Increased Monthly Income payouts (for balance of the term subject to a minimum of 5 years) will be subject to higher of:

- a. 10 times the Annualised Premium* OR
- b. 105% of the Total premiums paid till the date of death excluding taxes & rider premium, if any

*Annualised Premium refers to the total premiums paid out in a year by the customer excluding extra premium, taxes and rider premium, if any. For example: For monthly installment premium of ₹ 4,400 the Annualised Premium will be $(12 \times 4,400)$ i.e. ₹ 52,800.

2. Assured Benefit will be paid on death followed by Increased Monthly Income which will start from the earliest month anniversary from the date of death.

3. Grace Period:

There is a grace period of 30 days from the due date for payment of premium in case of yearly, half-yearly and quarterly modes and 15 days in case of the monthly mode.

4. Lapse:

The Policy shall lapse from the due date of the first unpaid premium in accordance with the following rules and no benefits will be payable:

- **Regular Pay:** If premium is not paid within the specified grace period the policy together with the rider benefits, if any, shall lapse from the due date of the first unpaid premium and no benefits will be payable.
- **Limited Pay:** If premiums for the first three policy years are not paid within the grace period.

Revival: A Lapsed or Reduced Paid-Up policy can be revived within two years of the first unpaid premium on payment of the outstanding premiums with late payment charges (currently 9% p.a. of outstanding premiums) subject to conditions specified by the Company from time to time. If a Lapsed policy is not revived within the revival period, the policy will be terminated without paying any benefits and if a Reduced Paid-Up policy is not revived within the revival period, it will continue in that mode till end of the Policy Term and in case of death during the Policy Term, death benefit as explained under "Reduced Paid-Up" section will be payable. Rider benefit (if opted) may continue with Reduced Paid-Up Sum Assured (if applicable) depending on the terms and conditions of the Rider. Revival will be based on Underwriting Policy of the Company.

5. Policy Alteration:

Any alterations pertaining to Monthly Income, Premium, Policy Term or Premium Payment Term (PPT) are not allowed in this plan.

6. Reduced Paid-Up:

For Limited Premium paying policies, after the policy acquires Surrender Value, if the subsequent premiums are not paid within the Grace Period, the Base Policy will be converted into a Reduced Paid-Up policy by default.

- On such conversion, the Increased Monthly Income at the time of conversion to Reduced Paid-Up status will get reduced as per the formula below:
 - ▶ $\text{Reduced Paid-Up Increased Monthly Income} = (\text{Total premium paid} / \text{Total premiums payable}) \times \text{Increased Monthly Income (at the time of Reduced Paid-Up)}$
 - ▶ This Reduced Paid-Up Increased Monthly Income will increase @ 6% p.a. compounding subsequently
- Benefit payable on death would be:
 - ▶ $\text{Reduced Paid-Up value of the benefit payable on death, which will be calculated as: } (\text{Total premiums paid} / \text{Total premiums payable}) \times [\text{Benefit payable on death as explained above}]$
 - ▶ The manner of benefit payout will be as per the normal Death Benefit payout.
- When the policy becomes Paid-up rider benefit will cease
- Reduced Paid-Up policy can be revived within two years from the date of first due unpaid premium and all benefits under the policy will be reinstated on the revival of the policy

7. Surrender:

- **Regular premium:** No Surrender Value is applicable.
- **Limited premium:** The policy will acquire a Guaranteed Surrender Value (GSV) after payment of full premiums for three consecutive policy years.

Guaranteed Surrender Value will be calculated as: $60\% \times (\text{Total premiums paid to date}) \times [(\text{Policy Term} - \text{PPT}) / \text{Policy Term}] \times (\text{Outstanding Policy Term} / \text{Policy Term})$.

8. Nomination:

Nomination will be allowed under the plan as per the provisions of Section 39 of the Insurance Act, 1938 as amended from time to time.

9. Assignment:

Assignment will be allowed in the plan as per the provisions of Section 38 of the Insurance Act, 1938 as amended from time to time.

10. Free Look Period:

The policyholder is offered 15 days free look period for policies 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 stating the reasons thereof within 15 days/30 Days of receipt if he/she is not agreeable with any of the terms and conditions of the plan. Should he/she choose to return the policy, he/she shall be entitled to refund of the premium paid after adjustment for expenses on medical examination, stamp duty 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.

*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.

11. General Exclusion:

In the event of the life insured committing suicide within one year of the date of inception of the policy, 80% of the premiums paid will be payable to the nominee, provided the policy is in force.

In the event of suicide after one year from the policy inception date, following will be applicable:

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 product shall be payable. However, in case of suicide within 1 year of the date of revival, when the revival is done after 6 months from the date of first unpaid premium, higher of 80% of the premiums paid or Surrender Value, if any at the date of claim event shall be payable.

Extract of Section 41 of the Insurance Act, 1938 as amended from time to time 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.

- (2) Any person making default in complying with the provisions of this section shall be liable for a penalty which may extend to ten lakh rupees.

About Us

Kotak Mahindra Life Insurance Company Ltd (Formerly known as Kotak Mahindra Old Mutual Life Insurance Ltd.)

Kotak Mahindra Life Insurance Company Ltd. (Kotak Life Insurance) is a 100% owned subsidiary of Kotak Mahindra Bank Ltd. (Kotak). Kotak Life Insurance provides world-class insurance products with high customer empathy. Its product suite leverages the combined prowess of protection and long term savings. Kotak Life Insurance is one of the fastest growing insurance companies in India and has covered over several million lives. For more information, please visit the company's website at <https://insurance.kotak.com>

Kotak Mahindra Group

Established in 1985, Kotak Mahindra Group is one of India's leading financial services conglomerate. In February 2003, Kotak Mahindra Finance Ltd. (KMFL), the Group's flagship company, received banking license from the Reserve Bank of India (RBI), becoming the first nonbanking finance company in India to convert into a bank - Kotak Mahindra Bank Ltd. The Group offers a wide range of financial services that encompass every sphere of life. From commercial banking, to stock broking, mutual funds, 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 Business Units.

For more information, please visit the company's website at www.kotak.com

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TOLL FREE 1800 209 8800

SMS KLIFE to 5676788

clientservicedesk@kotak.com
<http://insurance.kotak.com>



Koi hai... hamesha

Kotak Income Protection Plan UIN: 107N095V01, Form No.: N095, Kotak Accidental Disability Guardian Benefit Rider; UIN:107B011V02; Form No.: B011. Ref. No.: KLV17-18/E-PB/459

Kotak Mahindra Life Insurance Company Ltd. (Formerly known as Kotak Mahindra Old Mutual Life Insurance Ltd.) Regn. No.:107, CIN : U66030MH2000PLC128503, Regd. Office: 2nd Floor, Plot # C- 12, G- Block, BKC, Bandra (E), Mumbai - 400 051. Website: <http://insurance.kotak.com> | Email: clientservicedesk@kotak.com | Toll Free No:1800 209 8800.

This is a non-participating non-linked protection plan. Extra premium may be charged for sub-standard lives or smokers based on Kotak Life Insurance'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. For more details on riders please read the Rider Brochure.

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