

# Kotak

ASSURED RETURN  
EMPLOYEE  
BENEFIT PLAN

Non-Participating, Non Linked Fund Based Group Plan





## **KOTAK ASSURED RETURN EMPLOYEE BENEFIT PLAN**

**Non-Participating, Non Linked Fund Based Group Plan**

Kotak Assured Return Employee Benefit Plan is an insurance plan designed for Employers /Trusts, Employer – Employee groups who wants experts to manage their employee benefit schemes like Gratuity, Leave Encashment, Superannuation (Defined Contribution and Defined Benefit) and Post-Retirement Medical Benefit Schemes (PRMBS).

Kotak Assured Return Employee Benefit Plan provides assured return on your contributions and life cover to your employees (not applicable under Superannuation Schemes). As an employer of choice, you can help your employees by assisting in their retirement planning, gratuity, leave encashment and PRMBS and in turn, increase employee retention.

### **Key Highlights of Kotak Assured Return Employee Benefit Plan:**

- Provide wide range of benefits like Gratuity, Leave Encashment, Superannuation and Post-Retirement Medical Schemes.
- Attractive rate of interest for a Specified Period declared in advance<sup>^</sup>.
- Life cover of ₹ 5,000 per member under Gratuity, Leave Encashment and PRMBS
- Professionally managed fund with high level of service by our representatives

<sup>^</sup>Specified Period is the period for which the contribution is being made, it is selected by Master Policyholder at the time of making each contributions.

# How Kotak Assured Return Employee Benefit Plan Works

## Defined Benefit (DB) Schemes:

Kotak Assured Return Employee Benefit Plan is a Traditional Non-Participating Group Plan which offers assured returns on your contribution. The interest rate declared are for Specified Period.

The Interest rate will be declared by the Company every month for all Specified Periods and will be applicable for all contributions received between 15th of the current month and 14th of next month.

This return is applicable from the date of contribution for a period as per Master Policyholder's choice. This product enables you to safeguard your contributions from market fluctuations and provide assured return with complete peace of mind.

- Schemes Allowed
  - Gratuity
  - Leave Encashment
  - Superannuation
  - Post Retirement Medical Scheme

For a Defined Benefit policy, a Scheme Account Value will be maintained which is accumulation of contributions received net of withdrawals plus accrued interest. Policy Value is equal to Scheme Account Value.

## Defined Contribution (DC) Schemes

For Defined Contribution Schemes Specified Period of only one year is applicable. Contributions received during the month will accumulate at declared interest rate for the next one year. Each contribution from a member shall be renewed at end of the year, at the then declared interest rate.

For each DC scheme the Company shall maintain an individual Member Account. Member Account Value is accumulation of contributions at respective interest rate applicable to the contribution. Policy Value is equal to sum of all individual Member Account Value in the policy.

## **Assured Benefits:**

The product shall have an Assured Benefit equal to 100.01% of all contributions received net of withdrawals made, if any.

- **Defined Benefit Scheme:**

For Defined Benefit schemes, where the scheme does not maintain individual member accounts and only maintains single fund, the Assured Benefit shall be applicable on the entire fund available with the insurer.

The assured benefit shall also be available on death of every member.

- **Defined Contributions Scheme:**

For Defined Contribution schemes where the scheme maintains individual member accounts, the assured benefit shall be applicable on each of such individual accounts.

## **Life insurance cover**

Life insurance of ₹ 5,000 shall be provided to each member except under Superannuation Schemes.

Mortality Charge for EB schemes other than PRMBS is equal to ₹ 1 (excluding GST and/or other taxes, if any) per annum per ₹ 1,000 Sum Assured per Member covered under the Policy.

Mortality charge for Post-Retirement Medical Benefit Scheme is equal to ₹ 7 (excluding GST and/or other taxes, if any) per annum per 1,000 Sum Assured per Member covered under the Policy.

## **Contributions**

The contributions should be made by the Master Policyholder / Members in accordance with the scheme rules and accounting standard governing the measurement of long term employee benefits.

The policy will continue to be renewed on every policy anniversary date by charging mortality premium wherever applicable through deduction from Policy Value subject to availability of sufficient funds.

In the scenario of insufficient funds, the policy shall be discontinued and Policy Value, if any shall be paid out to the Master Policyholder.

Once the policy is discontinued, it cannot be revived.

**What are the various annuity options available at the time of vesting under Superannuation Schemes?**

At vesting, employer/member can opt for annuity options then available at the then prevailing annuity rates, subject to the rules of superannuation scheme. Currently Kotak Lifetime Income (UIN 107N103V05^ ) offers the following annuity options:

- Option 1: Lifetime Income
- Option 2: Lifetime Income with Cash-back
- Option 3: Lifetime Income with Term Guarantee
- Option 4: Last survivor Lifetime Income with 100% annuity to Surviving Spouse
- Option 5: Last survivor Lifetime Income with 50% annuity to Surviving Spouse
- Option 6: Last survivor Lifetime Income with 100% annuity to the Surviving Spouse and Cash-back on death of Surviving Spouse

Where the group policyholder maintains superannuation funds with more than one insurer, the group policyholder shall have the option to choose any insurer to purchase available annuity as per the provisions of Regulation 18 of IRDAI (Non Linked Insurance Products) Regulations, 2019 as amended from time to time.

^Kotak Life may modify the product Kotak Lifetime Income Plan and/or provide another Annuity Product at the time of vesting

**Benefits of the Plan?**

Events	How and when benefits are payable	Benefit Amount
Death	Payable at the time of Death of a Member.	Benefit is payable in accordance with the scheme rules, subject to a maximum of the Policy Account/ Member Value or Assured Benefit For all schemes other than superannuation scheme, the Sum Assured of ₹ 5,000 will also be paid

Member's exit from employer's service due to Retirement/ Resignation/ Termination	On a Member's exit from employer's service benefit as per the scheme rules are payable.	Benefit is payable in accordance with the scheme rules, subject to a maximum of the Policy/ Member Account Value or Assured Benefit
Any other benefit in accordance to Scheme Rules (e.g. Leave encashment while in service, Post-Retirement Medical Benefit Scheme, etc)	Payable to the member/ Master Policyholder as per the scheme rules if any.	Benefit is payable in accordance with the scheme rules, subject to a maximum of the Policy/ Member Account Value or Assured Benefit.

There is no maturity and survival benefit under the product. All the benefits are paid as per the Scheme Rules.

### Are withdrawals allowed?

In any policy year, withdrawals are allowed as per scheme rules for benefit payment.

### Who can opt for plan?

Employer- employee groups can opt for this plan. The following table lists down the eligibility criteria for this plan:

<b>Member Minimum Age at entry (Age Last Birthday)</b>	18 years or as per scheme rules whichever is higher
<b>Member Maximum Maturity Age (Age Last Birthday)</b>	86 years or as per scheme rules whichever is lower
<b>Minimum / Maximum Policy Term</b>	One year renewable
<b>Sum Assured (per member)</b>	₹ 5,000 for Gratuity, Leave Encashment and Post-Retirement Medical Benefit Schemes
<b>Minimum Initial Contribution</b>	₹ 10 lakh for Defined Benefit Schemes at scheme level ₹ 500 per member for Defined Contribution Schemes
<b>Maximum Initial Contribution</b>	No Limit

# Terms and Conditions

## 1. Surrender Value:

Surrender value will be equal to the policyholders account value on the date of surrender multiplied by the MVA factor, if applicable.

## 2. Free Look Period:

The Policyholder is offered 15 days free look period, from the date of receipt of this Policy Document. During this period the Policyholder may choose to reconsider his/her decision to hold this Policy, or may choose to return the same within the said 15 days by stating the reasons thereof.

If the Policyholder returns the Policy, within the aforesaid period he/she shall be entitled to a refund of fund value at the date of cancellation after deducting proportionate risk charges, medical charges if any and stamp duty in accordance with IRDA (Protection of Policyholders' Interests) Regulations, 2017. 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.

## 3. Market Value Adjustment (MVA):

MVA shall be applicable if the amount to be paid on total exits during the policy year exceeds 25% (bulk exit) of policy account values as at the beginning of the policy year. Such transactions shall be treated as bulk exits, where exits shall be as per scheme rules. Exit shall mean exit of member from the group.

Market value adjustment shall not be applicable for the amounts below the amount which represents the bulk exits and shall be applied only to the amount which is over and above the amount representing bulk exit.

Applicability of MVA shall be as below

- ☒ • MVA shall be applicable on bulk exits during the specified period. Specified Period shall be at least one year (on annually renewable basis).
- ☒ • At the time of each exit, we shall calculate total exits (including current exit request) during the year
- If the sum of total exits during the year is less than 25% of policy account value at the beginning of policy year, no MVA shall be applied.

- During any exit, if the total exits during the year become greater than 25% of policy account value at the beginning of policy year, MVA shall be applied on exit amount above 25% of policy account value at the beginning of policy year.
- Once the MVA has been triggered during the policy year, all future exits till the end of policy year shall be subject to MVA.
- At the end of each policy year, total exits shall be reset and above mentioned steps will be repeated

#### **4. Renewal**

- Company shall renew the policy annually on date of policy anniversary by deducting the applicable charges, if any, (mortality and applicable taxes/ levies/ cess as per the Tax Laws) from the Policy Value subject to availability of funds.
- Insurer shall renew the policy annually (except for insufficient funds to cover mortality and applicable taxes, if any) on the policy anniversary date. Once the policy is renewed, a renewal intimation shall be provided by the Company to the Policyholder;
- Policy shall be in force till the time the Account Value has sufficient funds to cover the applicable charges.
- Master Policyholder shall have the right to not renew the Policy on Annual Renewal Date, and thereby exit the Policy subject to MVA (if applicable).

#### **5. Suicide Exclusion:**

The nominee of the member shall be entitled for Sum assured, if applicable under the employee benefit scheme along with the benefits as per Scheme / Trust Rules.

#### **6. Goods and Services Tax and Cess:**

Goods and Services Tax and Cess, as applicable, is levied at applicable tax rates in accordance with prevailing tax laws, from time to time.

In future, the Company shall charge any additional taxes levied by the Government or any statutory authority to the policyholder. The method of collection of these taxes shall be informed to the policyholders under such circumstances.



## **7. Nomination**

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

## **8. Assignment**

Assignment shall be allowed under this plan as per the provisions of Section 38 of the Insurance Act, 1938 as amended from time to time

## **9. Loans**

No loan facility is available under this policy.

## **10. Termination of Cover**

A Group Member's cover will cease on the earliest of:

- a) A claim under this Policy in respect of that Group Member being paid as per scheme rules;
- b) Death of the Group Member;
- c) Date of the Group Member withdrawing from the service of the Employer settling the gratuity / superannuation trust, or date he ceases to be a Group Member as herein defined;
- d) The Group Member attaining the maximum age limit as specified in the Policy;
- e) The date the Policy Value is insufficient to meet the risk premiums;
- f) The date of termination of the Policy; or
- g) Specific event as per scheme rules.
- h) On Free Look cancellation of the Policy

## **11. Revival**

A policy once terminated due to any reason 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.

## **12. Fraud / Misstatement:**

The provisions of Section 45 of the Insurance Act 1938, as amended from time-to-time, will be applicable to this contract and each life cover provided therein.

### **13. Tax Benefits**

Tax benefits under the policy may be as per the prevailing Income Tax laws. Tax laws are subject to amendments from time to time. Employers are advised to consult a tax expert

### **14. Insurance Ombudsman:**

The company shall endeavor 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 Ombudsman across the country are made available in the policy document and on the website of the company at <http://insurance.kotak.com> and will also be made available to the Policyholder on request.

Kotak Life Insurance assures you of a cost effective fund management for you and your employees' benefit in a transparent and simplistic manner without any hidden costs!

**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 punishable with fine which may extend to ten lakhs rupees.**

**Section 45 of the insurance Act, 1938 as amended from time to time states that:**

- (1) No policy of life insurance shall be called in question on any ground whatsoever after the expiry of three years from the date of the policy, i.e. from the date of issuance of the policy or the date of commencement of risk or the date of revival of the policy or the date of the rider to the policy whichever is later.**
- (2) A policy of life insurance may be called in question at any time within three years from the date of issuance of the policy or the date of commencement of risk or the date of revival of the policy or the date of the rider to the policy, whichever is later, on the ground of fraud:**

**Provided that the insurer shall have to communicate in writing to the insured or the legal representatives or nominees of the insured the grounds and materials on which such decisions are based**

## About Us

**Kotak Mahindra Life Insurance Company Ltd** is a 100% owned subsidiary of Kotak Mahindra Bank Ltd. (Kotak) which provides 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 growing insurance companies in India and has covered over several million lives.

For more information, please visit the company's website at [www.kotaklife.com](http://www.kotaklife.com)

### Kotak Mahindra Group

Kotak Mahindra Group is one of India's leading banking and financial services organisations offering 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.

For more information, please visit the company's website at [www.kotak.com](http://www.kotak.com)

#### BEWARE OF SPURIOUS PHONE CALLS AND FICTITIOUS/FRAUDULENT OFFERS

IRDAI is not involved in activities like selling insurance policies, announcing bonus or investment of premiums. Public receiving such phone calls are requested to lodge a police complaint.



**TOLL FREE 1800 120 7856**

**[www.kotaklife.com](http://www.kotaklife.com)**



 *Hum hain... hamesha*

**Kotak Assured Return Employee Benefit Plan** – UIN No.: 107N119V01 Form No: N119 This is a Non-Participating Non-Linked Fund Based Group Plan. Ref No: KLI/20-21/E-PB/1221.

This document is not a contract of insurance and must be read in conjunction with the Policy Document. Please refer to the policy documents for specific details on all terms and conditions.

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