

Kotak

CREDIT TERM GROUP PLAN

Non-Par, Non-Linked, Group Pure Risk Product

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Kotak Credit Term Group Plan is a one year renewable protection oriented plan that provides comprehensive cover to a group of borrowers of the credit / lending institution (e.g., banks, retail finance providers). The Kotak Credit Term Group Plan, is the right solution for your needs, protecting both your customer's interest as well as institution's need. Not only is it cost effective and easy to administer, but it also gives a differentiating edge over competitors. This plan provides life insurance to a group of borrowers of the credit institution (banks, retail finance providers etc.) with the Life Assured being the borrower.

Key Features

What are the advantages to my borrowers?

- The borrower's family is relieved of the financial burden of paying the loan amount in the unfortunate event of death of the life assured.
- The pooling of risk (group cover) allows the cover to be provided at relatively lower cost.
- Hassle-free and convenient documentation process.
- Relaxed medical examination norms (subject to applicable conditions). However non-medical limit will vary by loan type, borrower's age and tenure of the loan.
- The life cover is available 24 hours a day, 7 days a week, anywhere in the world.
- Option to provide cover to Co-borrowers is also available under the plan.

What are the advantages to me as a credit institution?

- Eliminates the risk of default in the event of death of the borrower / co-borrower.
- Facilitates competitive pricing for credit products and ensures a differentiating edge over competitors.
- Extremely cost-effective and hassle-free administrative procedures.

Benefits:

What are the benefits available with this plan?

- On death during the term of the cover the beneficiary will receive Sum Assured.
- The plan covers maximum of one additional co-borrower along with the primary borrower, only where there is an insurable interest between the lives. Both the primary borrower and co-borrower shall be covered individually for equal cover amount not higher than the original loan amount. In case of death of any one of the life, the cover of the other life shall continue till the end of term.

Are there any tax benefits?

- Tax benefits under the policy will be as per the prevailing Income Tax laws and are subject to amendments from time to time. It is advised to consult your tax advisor for details.

Eligibility Criteria:

Parameter	Details
Minimum Group Size	50 members
Age at Entry (last birthday)	Minimum: 18 years Maximum: 74 years
Maximum Maturity Age (last birthday)	75 years
Cover Term	One year

Premium Payment Mode	Yearly, Half-yearly, Quarterly and Monthly
Premium Modal Factor	Half Yearly – 51%, Quarterly – 26%, Monthly – 8.5% on annual premiums
Sum Assured	Minimum: ₹ 10,000 Maximum: No Limit, subject to Board Approved Underwriting limit

When will the cover terminate?

The cover for a member will cease on the earliest of:

- The date the borrower attains the ceasing age as in the policy contract
- The date on which the cover terminates
- The date on which the premium for the member ceases
- Member opts for Free Look Cancellation

Terms and Conditions:

1. Grace Period:

A grace period of 30 days from due date of Premium will be allowed for payment of premiums for half-yearly and quarterly mode of premium payment. In case of monthly mode a grace period of 15 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 lapse.

2. **Payment of Death Benefit:**

If the Policyholder is a financial institution in whose favour there is a valid assignment and the Member/ Beneficiary (as the case may be) (i) is informed in advance about the existence of such assignment; (ii) has given confirmation to the outstanding loan amount as on the date of occurrence of the contingent event; and (iii) has given consent for payment of such outstanding loan amount to the Policyholder, then the payment of insured benefits may be made to the Policyholder to the extent of outstanding loan amount as on the date of contingent event and subject to the conditions laid down by IRDAI under the Master Circular on Operations and Allied Matters of Insurers dated 19.06.2024 and various other applicable regulations/ guidelines/ circulars or instructions issued by IRDAI from time-to-time. In cases of non-financial institutions, the insured benefit shall be payable to the Beneficiary.

3. **Loan:**

Policy loan facility is not available under this product.

4. **Lapse & Revival:**

The cover for individual member will cease if the premiums are not paid within the grace period. The member can revive his/her cover subject to the application for revival is made before the end of the term of the member cover;

Revival within 6 months :

- The applicant may revive the policy within 6 months, from the due date of the first unpaid premium without proof of good health and payment of outstanding premiums together with interest (currently) at 9% p.a. will be charged.

Revival after 6 months :

- The applicant may revive the policy after 6 months, from the due date of the first unpaid premium by furnishing satisfactory evidence of health as required by Kotak Life.
- The arrears of premiums together with interest (currently) at 9% p.a. will be charged.
- The revival of the member cover may be on terms different from those applicable when the member cover lapsed based on board approved underwriting policy.
- The revival will take effect only after the Company communicates its decision to the insured member.
- If the policy is not revived within the revival period then surrender value if any shall be paid and the policy shall be terminated.
- The member cover can be revived based on the board approved underwriting policy subject to prevailing option revival conditions and underwriting guidelines.

The Insurer is liable for any claim if the Premiums in respect of the concerned Member is received by the Insurer/Policyholder, subject to the Member proving that he has paid the Premium and has secured a proper receipt that he was duly insured.

5. **Surrender:**

These policies acquire no surrender value while in force. However in case of master policy holder surrendering the policy, the individual members of the group, will be given an option to continue the policy as an individual policy till the expiry of the term of the group policy.

6. **Suicide Exclusion:**

In case of death due to suicide within 12 months from the date of commencement of risk under the policy or from the date of revival of the policy, as applicable, the nominee or beneficiary of the policyholder shall be entitled to 80% of the total premiums paid[#] till the date of death or the surrender value available as on the date of death whichever is higher, provided the policy is in force.

Suicide Exclusion shall not be applicable for future renewals of the member as long as there is continuity in the coverage. Suicide exclusion is applicable for borrower as well as co-borrower.

[#]Total Premiums Paid is total of all the premiums paid, excluding any extra premium, any rider premium and taxes.

7. **Free Look Period:**

The Policyholder/Member is offered a 30 days' free look period to review the terms and conditions of the Policy/COI (except for policies having a cover term of less than a year) beginning from the date of receiving the Policy Document / COI in electronic form. In case the Policyholder/Member

is not agreeable to any terms and conditions of the Policy/COI or otherwise; then subject to no claims having been made hereunder, the Policyholder/Member may choose to return the Policy/COI to the Insurer for cancellation, stating the reasons thereof within the aforesaid free look period.

Should the Policyholder/Member choose to return the Policy/COI, the Policyholder/Member shall be entitled to a refund of the Premium paid after deducting the proportionate risk Premium for the period of cover, stamp duty charges and expenses of medical examination (if any). A Policy/COI 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/COI.

8. Goods and Services Tax and Cess:

Goods and Services Tax and Cess, as applicable shall be levied as per the prevailing tax laws. In case of any statutory levies, cess, duties etc., as may be levied by the Government from time to time, the Company reserves its right to recover such statutory charges from the policyholder(s).

Nomination and Assignment

Nomination will be in accordance with provisions of section 39 of the Insurance Act, 1938 as amended from time to time. Assignment will be in accordance with provisions of section 38 of the Insurance Act, 1938 as amended from time to time.

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:

Fraud, Misstatement and Forfeiture would be dealt with in accordance with provisions of Section 45 of the Insurance Act, 1938 as amended from time to time.

Please visit our website for more details:

https://www.kotaklife.com/assets/images/uploads/why_kotak/section38_39_45_of_insurance_act_1938.pdf

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

Kotak Mahindra Group

Kotak Mahindra Group is one of India's leading banking and financial services organizations, offering a wide range of financial services that encompass every sphere of life. From commercial banking, to stock broking, mutual funds, life 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

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

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



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Kotak Credit Term Group Plan – UIN No. 107N006V05.

This is a Non-Par, Non-Linked, Group Pure Risk Product. For sub-standard lives, extra premium may be charged based on the KLI'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.

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