

# Kotak

A C E

## INVESTMENT

*Individual, Unit-Linked, Non-Par, Life Insurance Plan*

"IN THIS POLICY, THE INVESTMENT RISK IN INVESTMENT PORTFOLIO IS BORNE BY THE POLICYHOLDER"

Linked Insurance Products do not offer any liquidity during the first five years of the contract. The policyholder will not be able to surrender/withdraw the monies invested in Linked Insurance Products completely or partially till the end of the fifth year.



The golden plan for wealth creation





## **KOTAK ACE INVESTMENT**

*Individual, Unit-Linked, Non-Par, Life Insurance Plan*

How your tomorrow shapes up depends on the decisions you make today. However, with so many choices around, choosing that right financial plan can be quite a difficult proposition. Let us make your tasks simpler by offering you a plan that is designed with the clear objective of accumulating wealth and providing adequate life cover.

Kotak Life Insurance presents to you, Kotak Ace Investment, a unit linked life insurance plan. This plan offers you Investment Strategies along with convenient payment options to ensure efficient wealth creation.

### **Key Advantages**

- Option to choose from multiple investment strategies
- Convenient premium payment options
- Life insurance cover as per your need
- Choice of Riders to enhance protection
- Flexibility through partial withdrawal

### **Investments with an Objective**

The first step to get the best out of your money is to determine your investment horizon or the period for which you are willing to stay invested. This enables you to determine your risk- return profile and thereafter choose the Investment Strategy for you. Kotak Ace Investment offers you the flexibility to choose from three Investment Strategies offering wide array of funds i.e. Self Managed Strategy, Age Based Strategy and Systematic Switching Strategy (SSS). Anytime during the policy term, you can choose to exit the opted Strategy and select another Strategy that will be effective from next policy anniversary. In such scenario, the funds in existing Investment

Strategy will be transferred to the opted Investment Strategy.

You will also have the option to stop the Investment Strategy at any point of time during the policy term by a written request and it shall take effect from the next policy month after the receipt of written request. On such a request, you will have to select from the funds available under Self Managed Strategy for transfer of the funds. It does not matter if you are someone who likes to manage his investment portfolio actively or someone who believes in letting investment experts make these decisions for you, following investment strategies are comprehensive enough to cater to your specific requirement.

### 1. Self Managed Strategy:

If you wish to manage your investment on your own, you should opt for the Self Managed Strategy. This strategy offers you the flexibility to choose from a range of 7 power-packed fund options that enable you to maximize your earnings potential. The available fund options will allow you to balance your risk profile with the tenure of your investment.

Fund Options	Investment Objective	Risk-Return Profile	Equity	Debt	Money Market
Classic Opportunities Fund (ULIF-033-16/12/09-CLAOPPFND-107)	Aims to maximize opportunity for long-term capital growth, by holding a significant portion in a diversified and flexible mix of large/medium sized company equities.	Aggressive	75-100%	0-25%	0-25%
Frontline Equity Fund (ULIF-034-17/12/09-FRLEQUFND-107)	Aims for a high level of capital growth, by holding a significant portion in large sized company equities.	Aggressive	60-100%	0-40%	0-40%
Balanced Fund (ULIF-037-21/12/09-BALKFND-107)	Aims for moderate growth by holding a diversified mix of equities and fixed interest instruments.	Moderate	30-60%	20-70%	0-40%
Dynamic Bond Fund (ULIF-015-15/04/04-DYBNDFND-107)	Aims to preserve capital by investing in high quality corporate bonds and generating relatively higher fixed returns.	Conservative	-	60-100%	0-40%
Dynamic Floating Rate Fund (ULIF-020-07/12/04-DYFLTRFND-107)	Aims to minimize the downside of interest rate by investing in floating rate debt instruments that give returns in line with interest rate movements.	Conservative	-	60-100%	0-40%
Dynamic Gilt Fund (ULIF-006-27/06/03-DYGLTFND-107)	Aims to provide safety to capital by investing in Govt. Securities where default risk is close to zero.	Conservative	-	80-100%	0-20%
Money Market Fund (ULIF-041-05/01/10-MNMKKFND-107)	Aims to protect capital and not have downside risks.	Secure	-	-	100%

Money Market Fund (ULIF-041-05/01/10-MNMKKFND-107) is the default fund in case of closure/modification of any fund offered with this product.

2. Age Based Strategy:

The impact of financial crisis is always worrying, and in some cases within a matter of month leads to substantial loss of savings that had taken years to accumulate. This highlights two critical problems i.e. volatility of the market and lack of optimal strategies to limit inherent risks arising out of such volatility. With the help of age based portfolio management such risks can be alleviated. In this investment strategy, allocation is done basis Age of the Life Assured & Risk Appetite. Based on the Risk Appetite of the policyholder, during the term of the policy (except last policy year) i.e. Aggressive, Moderate and Conservative, allocation is done between Classic Opportunities Fund and Dynamic Bond Fund. This strategy cannot be opted in the last policy year.

Aggressive

Age of Life Insured (years)	Classic Opportunities Fund	Dynamic Bond Fund
0-25	80%	20%
26-35	70%	30%
36-45	60%	40%
46-50	50%	50%
51 onwards	40%	60%

Moderate

Age of Life Insured (years)	Classic Opportunities Fund	Dynamic Bond Fund
0-25	70%	30%
26-35	60%	40%
36-45	50%	50%
46-50	40%	60%
51 onwards	30%	70%

Conservative

Age of Life Insured (years)	Classic Opportunities Fund	Dynamic Bond Fund
0-25	60%	40%
26-35	50%	50%
36-45	40%	60%
46-50	30%	70%
51 onwards	20%	80%

In case you wish to change the Risk Appetite during the policy term, you can do so only 4 times in a policy year free of cost through a written request which shall be effective from next month-versary (monthly policy anniversary).

Monthly rebalancing:

On a monthly basis, units shall be rebalanced as necessary to achieve the above proportions of the Fund Value in the identified funds. The re-balancing of units shall be done on the month-versary (monthly policy anniversary). The above proportions shall apply until the last 12 Policy months are remaining.

Monthly rebalancing:

On a monthly basis, units shall be rebalanced as necessary to achieve the above proportions of the Fund Value in the identified funds. The re-balancing of units shall be done on the month-versary (monthly policy anniversary). The above proportions shall apply until the last 12 Policy

Policy Month	1	2	3	4	5	6	7	8	9	10	11	12
Proportion of units transferred	1/12	1/11	1/10	1/9	1/8	1/7	1/6	1/5	1/4	1/3	1/2	1/1

3. Systematic Switching Strategy (SSS):

If you don't want to get hassled with management of your investment and yet desire the best out of them, you can opt for the Systematic Switching Strategy wherein you can participate in the volatile equity markets in a systematic manner. This option if chosen, allows you to invest all or some part of the investment in Money Market Fund and transfer a pre-defined amount every month into, either Classic Opportunities Fund or Frontline Equity Fund based on selection. This shall be executed by redeeming the required number of units from Money Market Fund at the applicable unit value, and allocating new units in the Classic Opportunities Fund or Frontline Equity Fund at the applicable unit value. The transfer is executed automatically at the beginning of the policy month (even at the inception of the policy).

Mechanism for Switching

Units available in the Money Market Fund shall be switched automatically into the selected fund i.e. Classic Opportunities Fund or Frontline Equity Fund in the following manner:

Policy Month t+1	$\left( \frac{\text{Premium Payment Frequency}}{12 - (t * \text{Premium Payment Frequency})} \right) \times \text{the units available at the beginning of Policy Month } t$
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Where,

- Premium Payment Frequency is number of times premium is payable in a policy year.
- 't' is number of complete months elapsed since last premium payment due date
- the above formula is applicable for both, Base Plan and Top-Up Account. For Top-Up, it will start after the Top-Up Premium is received and the formula will apply for a year assuming annual premium payment frequency and the Policy month will mean the Policy month of Top-Up.

You can avail this option either at inception or at any policy anniversary. If you wish to stop this strategy during the policy term, you can do through a written request which shall be effective from next month-versary (monthly policy anniversary). In case you wish to restart during the policy term, you can do through a written request which shall be effective from next policy anniversary. This strategy shall be available only for Yearly & Half-yearly premium payment frequency. The strategy will not be available in the last policy year if Systematic Exit Strategy has been selected.

Where,

- Premium Payment Frequency is number of times premium is payable in a policy year.
- 't' is number of complete months elapsed since last premium payment due date
- the above formula is applicable for both, Base Plan and Top-Up Account. For Top-Up, it will

Policy Month	1	2	3	4	5	6	7	8	9	10	11	12
Proportion of units transferred	1/12	1/11	1/10	1/9	1/8	1/7	1/6	1/5	1/4	1/3	1/2	1/1

You can opt for this option either at inception or at any time prior to the last policy year but will commence only in the last policy year. It can be stopped at any point of time during the policy term, even when operational, by a written request which shall be effective from next monthly policy anniversary.

**Investments are Accessible**

When faced with an unexpected expense, many investors find themselves in a situation where a large withdrawal may not be possible from their fixed term investments. Kotak Ace Investment is structured to prevent this from happening. You can access your investment after completion of the 5 policy years by way of partial withdrawals.

**Maturity Benefit**

On **maturity**, you can avail of the full Fund Value (including Fund Value in Top-Up Account, if any) and the policy terminates OR you can select the Settlement Option<sup>4</sup>.

**Death Benefit<sup>2</sup>**

We understand that you would like to ensure your family's well-being irrespective of whether you are around or not. Kotak Ace Investment helps you safeguard your family's long-term financial well-being in the event of your unfortunate demise by providing you life cover over the policy term. In the event of death, your family would receive.

**Highest of:**

- Basic Sum Assured less applicable partial withdrawal amount from Main Account (if any), or
- Fund Value in Main Account, or
- 105% of the total Premiums paid up to the date of death less applicable partial withdrawal amount from the Main Account

**Plus**

in respect of each Top-Up Premium paid (if any), highest of:

- Top-Up Sum Assured, or
- Fund Value of Top-Up Account, or
- 105% of the total Top-Up Premiums paid

**Please note:** For more details on applicable Partial Withdrawals, please refer to the third point under Terms and Conditions.

**Additional Protection<sup>15</sup>:**

To add to your protection we offer a choice of 2 riders:

- **Kotak Accidental Death Benefit Rider (Linked):** In addition to the death benefit as per the base plan the Rider Sum Assured is payable in case of an unfortunate demise of the life insured due to accident
- **Kotak Permanent Disability Benefit Rider (Linked):** In case of Total & Permanent disability of the life insured due to accident, the Rider Sum Assured is payable and the base policy continues.

Please refer to the respective Rider Brochures for more details<sup>15</sup>.

**Convenient Premium Payment Options**

This plan offers you the option of a shorter term for premium payment where you can choose to pay off your premiums in 5 years for a policy term of 10 years and 10 years for policy terms of 15,20, 25 and 30 years. Further, you can pay your premiums yearly, half-yearly, quarterly or monthly as per your requirement. However, Systematic Switching Strategy (SSS) is not available for quarterly and monthly mode of premium payment.

**Tax Benefit:**

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 deducted from the Fund as per applicable tax laws.

**Enhancing your Options**

To allow your investment plan to keep pace with the changing times and varying needs of your family, you can opt for some of our additional benefits.

Additional Features	Benefits
Top-Up Premiums <sup>1</sup>	Increase your investment contribution as and when you have surplus money
Partial Withdrawals <sup>3</sup>	Be able to meet any sudden or unforeseen expenses, from 6 <sup>th</sup> policy year onwards.
Discontinuance <sup>5</sup> of policy	In the event of unforeseen financial condition, you may decide to discontinue the policy. Discontinuance of policy before the 5 <sup>th</sup> policy year will attract Discontinuance Charges.
Switching/Premium Re-direction	Switch between fund options or change future premium allocation to funds based on Investment Strategies as per your needs and investment objectives to maximize your returns.
Alteration in Basic Sum Assured	Alter your Basic Sum Assured to keep your cover relevant (subject to limit and Underwriting) without any change in premiums.

# Eligibility

<b>Entry Age*</b>	<b>Min:</b> 0 years, <b>Max:</b> 65 years (60 years for limited pay)
<b>Maturity Age</b>	<b>Min:</b> 18 years, <b>Max:</b> 75 years
<b>Policy Term</b>	10 / 15 / 20 / 25 / 30 years
<b>Premium Payment Term</b>	<b>Regular:</b> Equal to policy term <b>Limited:</b> 5 years with 10 years policy term 10 years with 15 / 20 / 25 / 30 years policy term
<b>Mode</b>	Annual, Half-yearly, Quarterly and Monthly
<b>Annual Premium</b>	<p><b>Regular Pay:</b>  <u>Min:</u>  Annual: ₹ 30,000, Half-Yearly: ₹ 18,000, Quarterly: ₹ 9,000 &amp; Monthly: ₹ 3,000.  <u>Max:</u> No limit</p> <p><b>Limited Pay:</b>  <u>Min:</u>  Annual: ₹ 50,000, Half-Yearly: ₹ 30,000, Quarterly: ₹ 15,000 &amp; Monthly: ₹ 5,000.  <u>Max:</u> No limit</p>
<b>Basic Sum Assured</b>	<p><b>Regular Pay:</b></p> <ul style="list-style-type: none"> <li>Less than 45 years = Min: Higher of 10 times AP or 0.5* Policy Term *AP; Max: 25 times AP</li> <li>45 years = Min: Higher of 7 times AP or 0.25* Policy Term * AP; Max: 25 times AP</li> <li>46 years - 54 years = Min: Higher of 7 times AP or 0.25* Policy Term* AP; Max: 15 times AP</li> <li>55 years - 60 years = Min: Higher of 7 times AP or 0.25* Policy Term* AP; Max: 10 times AP</li> <li>61 years and above = 7 times AP</li> </ul> <p><b>Limited Pay:</b></p> <ul style="list-style-type: none"> <li>Less than 45 years = Min: Higher of 10 times AP or 0.5* Policy Term *AP; Max: 15 times AP</li> <li>45 years = Min: Higher of 7 times AP or 0.25* Policy Term * AP; Max: 15 times AP</li> <li>46 years - 54 years = Min: Higher of 7 times AP or 0.25* Policy Term* AP; Max: 15 times AP except for 5 PPT which is 7 times AP</li> <li>55 years - 60 years = Min: Higher of 7 times AP or 0.25* Policy Term* AP; Max: 10 times AP except for 5 PPT which is 7 times AP</li> </ul> <p>Note: AP refers to one Annualized Premium</p>
<b>Top-Up Premium</b>	<p><b>Min:</b> ₹ 10,000</p> <p><b>Max:</b> The total Top-Up premium paid shall not exceed the sum of all the regular premiums paid at that point of time</p>
<b>Top-Up Sum Assured</b>	1.25 X Top-Up Premium

\*Ages above will be as on the last birthday



# Illustration

Dr. Amit Kaul is a 35-year-old well-respected specialist who lives comfortably with his wife and children. He is financially astute and he is looking for ways to invest his growing wealth in the right asset class. He is also looking for life cover to ensure his family's financial independence and security. He is keen to invest in equity but is unable to put in the time or the effort required for research. Kotak Ace Investment is the perfect solution for him as it gives him the option to select Investment Strategy and invest in funds of his choice and at the same time enjoy adequate protection.

Given below is an illustration of the benefits payable to Dr. Kaul in different scenarios for a 20 year term (regular pay) with an Annual Premium of ₹ 50,000 and a Sum Assured of ₹ 5,00,000 under Self Managed Strategy with 100% investment in Classic Opportunities Fund:

End of year	Age (in years)	Cumulative Premium	Benefits at 8%* p.a.		Benefits at 4%* p.a	
			Fund Value	Death Benefit	Fund Value	Death Benefit
10	45	500,000	6,62,265	6,62,265	5,31,601	5,31,601
15	50	750,000	11,88,079	11,88,079	8,54,991	8,54,991
20	55	1,000,000	19,01,130	-	12,18,121	-

**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 figures are net of Goods and Services Tax and Cess<sup>14</sup>, as applicable. Goods and Services Tax and Cess rates are subject to change from time to time as per the prevailing tax laws and/or any other laws. \*The values are based on assumed investment rate of return of 4% p.a. & 8% p.a. The values shown are not guaranteed and they are not upper and lower limit of what you might get back as the value of your policy is dependent on a number of factors including future investment performance. The actual experience may be different from the illustrated.

# Charges

## Premium Allocation Charge

This charge is a percentage of the premium. The net premium is then allocated at the Net Asset Value (NAV)<sup>6</sup> prevailing on the date of receipt of premiums. The charges are applicable until the end of premium payment term:

All Premiums	Year 1 & 2	Years 3 to 5	Years 6 onwards
	6%	4%	2%

The allocation charge for Top-Up premiums is 2%.

## Policy Administration Charge

The policy administration charge is a percentage of the first years' annualized premium paid and will be recovered through monthly cancellation of units. This charge is applicable until the end of the policy term. These charges are not applicable for Top-Up Accounts. The charges are:

Annualised Premium Bands	Charge*
Up to 9,99,999	0.10% p.m.
10,00,000 & above	Nil

**\*Charge will not exceeds ₹ 500 p.m.**

### Fund Management Charge (FMC)

For efficient management of funds, a charge is levied as a percentage of the Fund Value and is adjusted in the Net Asset Value (NAV). The annual FMC of the funds in this plan are:

Classic Opportunities Fund	: 1.35% p.a.
Frontline Equity Fund	: 1.35% p.a.
Balanced Fund	: 1.35% p.a.
Dynamic Bond Fund	: 1.20% p.a.
Dynamic Floating Rate Fund	: 1.20% p.a.
Dynamic Gilt Fund	: 1.00% p.a.
Money Market Fund	: 0.60% p.a.
Discontinued Policy Fund	: 0.50% p.a.

There is no charge for selecting and switching Investment Strategies but the Fund Management Charge of the underlying funds shall be applicable.

### Switching Charge

The first two switches in a year are free. For every additional switch thereafter, ₹ 250 will be charged. Fund switches shall only be chargeable when the policyholder exhausts all available free switches by doing manual fund switches (which is possible only in case of Self-Managed Strategy).

### Partial Withdrawal Charge

For each Partial Withdrawal from the Main Account in any policy year ₹ 250 will be charged.

### Discontinuance Charge

The Discontinuance Charges will be applicable on Main Account only and not on Top-Up Accounts. The charge applicable on the Main Account is:

**For annualized premium up to ₹50,000 :**

Year during which policy is discontinued	Year 1	Year 2	Year 3	Year 4	Year 5 & Onwards
All Premiums	Lowest of: • 20% of AP • 20% of FV • ₹ 3,000/-	Lowest of: • 15% of AP • 15% of FV • ₹ 2,000/-	Lowest of : • 10% of AP • 10% of FV • ₹ 1,500/-	Lowest of : • 5% of AP • 5% of FV • ₹ 1,000/-	Nil

**For annualized premium above ₹50,000**

Year during which policy is discontinued	Year 1	Year 2	Year 3	Year 4	Year 5 & Onwards
All Premiums	Lowest of: • 6% of AP • 6% of FV • ₹ 6,000/-	Lowest of: • 4% of AP • 4% of FV • ₹ 5,000/-	Lowest of : • 3% of AP • 3% of FV • ₹ 4,000/-	Lowest of : • 2% of AP • 2% of FV • ₹ 2,000/-	Nil

AP= Annualized Premium; FV= Fund Value on the date of discontinuance.

**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 charges per thousand Sum at Risk for a healthy individual

Age(in years)	20	30	40	50
Mortality Charge	0.999	1.445	2.328	5.244

\*Sum at risk = Death Benefit (or Reduced Paid Up Death Benefit, if policy is in reduced paid-up status) – Fund Value

**Miscellaneous Charge**

The charge for alteration shall be as per Board Approved Policy Servicing Manual

**Ace Investment in 4 Easy Steps**

Now that you are aware of the Kotak Ace Investment details, here's how you can plan for your future wealth in 4 easy steps:

- Step 1:** Decide how much you will need to save to secure your family's financial affluence and independence.
- Step 2:** Decide the term of the policy and the corresponding amount you will need to save regularly over this term to meet your requirements.
- Step 3:** Choose your life insurance cover - the Basic Sum Assured, depending on your existing insurance cover and needs.
- Step 4:** Choose the Investment Strategy that best suits your objective.

While you save systematically and enjoy returns, we work to create a substantial corpus of wealth that will sustain all your hopes and dreams for the future.

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

**Here's looking forward to a bright tomorrow - today!**

# Terms and Conditions

## 1. Top-Up Premiums

The aggregate of all Top-Up premiums during the policy term should not exceed the sum of all the premiums (Regular, limited) paid till that point of time. Top-Up premiums will be invested in separate Top-Up Accounts, each with a lock-in period of 5 years from the date of Top-Up payment. Each Top-Up will have a Top-Up Sum Assured of 125% of Top-Up amount. Minimum Top-Up premium is ₹ 10,000. No Top-Ups will be allowed during the last five years of the policy term.

## 2. Death Benefit

This benefit will be payable provided you have paid all your premiums up to date. The minimum Death Benefit would be at least equal to 105% of total premiums paid (including Top-Up premiums, if any) up to time of death less applicable partial withdrawal amount from the Main Account. On Death of the Life Insured during Grace Period, Death Benefit as defined above will be payable and the policy terminates thereafter. For policies issued on minor life, the risk commences immediately after the policy is issued.

## 3. Partial Withdrawal

- Partial Withdrawals will be allowed after completion of five policy years and provided five full years premiums are paid.
- The minimum amount of Partial Withdrawal is ₹10,000
- The minimum amount required to be maintained in the Main Account after Partial Withdrawal is equal to 50% of the total Premiums paid till the date of Partial Withdrawal. Partial Withdrawals that result in Fund Value in the Main Account being less than 50% of the total Premiums paid till the date of Partial Withdrawal will not be allowed. If the Fund Value in the Main Account (after Partial Withdrawal) falls below 50% of the total Premiums paid till the date of Partial Withdrawal, either because of a charge or due to a fall in NAV, the policy will continue till Fund Value in the Main Account remains positive.
- The partial withdrawal from Main Account will be allowed only if there is insufficient amount in the Top-Up Accounts or the relevant Top-Up Accounts are still in their lock-in period of 5 year from the date of Top-Up Payment.
- Partial withdrawal will be allowed only if the Life insured is a major.
- Partial Withdrawals that leads to termination of the policy shall not be allowed.
- Basic Sum Assured payable on death will be reduced, in case of Partial Withdrawal from the main account Fund value, by the amount of Partial Withdrawal made during the two year period immediately preceding the date of death of the life insured (the Applicable Partial Withdrawals). However, minimum death benefit will be subject to a floor of 105% of the premiums paid less amount of Partial Withdrawal made from the main account Fund value during the two year period immediately preceding the date of death of the life insured.

#### 4. Settlement Option

Through Settlement Option, Policyholder will have the option of taking maturity proceeds by way of pre-selected periodic installments (yearly, half-yearly and quarterly only) and this should be intimated to the company within 3 months prior to the date of maturity. The Settlement Options available are:

- 1 50% of the maturity proceeds as a lump sum and balance 50% as periodic installments, OR
  - 2 Whole of the maturity proceeds as equated periodic installments
- The instalments can be taken over a maximum period of 5 years called the Settlement Period and the first instalment shall be paid immediately on maturity along with lumpsum, if any.
  - In case of non-annual modes, the yearly instalments for each year shall be further divided equally as per mode chosen
  - Life Insured should specify mode of the periodic instalments, i.e. quarterly / half -yearly / yearly at the point of pre-settlement notification.
    - In case of option 1 above, after the payment of lump sum amount, 20% of the balance amount shall be payable each year (i.e. 10% of the Maturity Benefit) over a period of 5 years.
    - In case of Option 2 above, the yearly installments i.e. 20% of Maturity Benefit will be payable each year over a period of five years.
  - Choice of funds in which maturity proceeds are to be maintained during the Settlement period also needs to be communicated to the Company at the point of pre-settlement notification. Available funds under the plan only can be used for this.
  - At the end of Settlement Period, the balance of Fund Value, if any will be paid out as one lump sum and the policy will cease thereafter.
  - On selecting the Settlement Option, the number of units to be liquidated to meet each payment shall depend on the respective fund NAVs as on the date of each payment. First instalment will be payable at the end of frequency period chosen, i.e. if half-yearly frequency is chosen, the first instalment will be due at the end of the first half year.
  - During the settlement period, the investment risk in the investment portfolio is borne by the Policyholder. Thus there is a possibility that the Fund Value can grow or deplete during the Settlement period and the return/risk of such movement will be borne by the Policyholder. Accordingly the Total Benefit payable under the product may vary.
  - In case of death of life insured during Settlement period, higher of 105% of total premiums paid or balance Fund Value shall be paid immediately in lump sum and the policy ceases. No other benefit is provided during Settlement Period.
  - Switching Charges, if applicable, will be levied through cancellation of unit. Mortality charge will be also be levied during Settlement based on Sum at Risk through deduction of units.

#### 5. Plan benefits on Discontinuance of the Policy

No policy shall be treated as discontinued on non-payment of the said premium if, within the grace period, the premium has not been paid due to the death of the insured or upon the happening of any other contingency covered under the policy.

Discontinuance before the completion of five Policy years:

- i. If premiums are not paid within the grace period, the Fund Value after deducting

applicable discontinuance charges shall be credited to the Discontinued Policy Fund, the life cover and rider cover (if any) shall cease.

- ii. This Discontinued Policy Fund will earn interest rate at least equal to the minimum guaranteed interest (currently 4% p.a.) as specified by IRDAI till the end of lock-in period (5 years from policy inception) or revival period as applicable. The minimum guaranteed interest rate applicable to the Discontinued Policy Fund shall be declared by the Authority from time to time.
- iii. On such discontinuance, Company shall communicate the status of the policy to the policyholder within 3 months of the first unpaid premium and provide the option to revive the policy within the revival period of 3 years.

The treatment under various scenarios is tabulated below -

Scenario	Description	Treatment
1	The policyholder revives the Policy i.e. Policyholder pays the due & unpaid premiums and revives the policy.	<p>The policyholder revives the policy, the policy shall be revived restoring the original risk cover (including the rider cover, if applicable) along with the investments made in the segregated funds as chosen by the policyholder, out of the Discontinued Policy Fund value, less the applicable charges in accordance with the terms and conditions of the policy.</p> <p>The company, at the time of revival:</p> <ol style="list-style-type: none"> <li>i) Shall collect all due and unpaid premiums without charging any interest or fee.</li> <li>ii) Policy administration charge and premium allocation charge as applicable during the discontinuance period. No other charges shall be deducted.</li> <li>iii) Shall add back to the fund, the discontinuance charges deducted at the time of discontinuance of the policy.</li> </ol>
2	<p>The Policyholder opts to Revive the Policy (any time before the end of revival period or lock-in period whichever is earlier).</p> <p>2 a) Revives the Policy within a revival period of 3 years</p> <p>2 b) Does not revive the Policy within Revival Period of 3 years</p>	<p>2 a) The treatment will be same as Scenario 1 above.</p> <p>2 b) The proceeds of the Discontinued Policy Fund shall be payable to the policyholder at the end of lock-in period or revival period whichever is later.</p> <p>In respect of revival period ending after lock-in period, the policy will remain in discontinuance fund till the end of revival period. The Fund management charges of discontinued fund will be applicable during this period and no other charges will be applied.</p>
3	The policyholder doesn't exercise the option to revive the policy	The policy fund shall remain invested in the Discontinued Policy Fund without any risk cover and rider cover (if any) and proceeds of the Discontinued Policy Fund Value shall be payable to the policyholder at the end of lock-in period and policy shall terminate.
4	The policyholder has the option to surrender the policy	<ol style="list-style-type: none"> <li>i) The policyholder need to intimate this to company in writing</li> <li>ii) Fund Value (less applicable discontinuance charges) will be moved into the Discontinued Policy Fund.</li> <li>iii) Proceeds of the discontinued policy shall be paid to the policyholder upon completion of the lock-in period or date of surrender, whichever is later and the policy gets terminated</li> </ol>

- iv. Facilities such as fund switches, switching between strategies and Partial Withdrawals will not be allowed during this discontinuance period.

- v. Fund Management Charge of 0.50% p.a., charged daily, will be levied on the 'Discontinued Policy Fund'. This may be subject to change as notified by Authority from time to time.
- vi. Upon payment of the proceeds from Discontinued Policy Fund, the policy shall be terminated and no further Benefits shall be payable under the policy.
- vii. Investment Strategies will not be available if the policy is in the Discontinuance.

#### **Discontinuance on or after the completion of five Policy years:**

- i. If premiums are not paid within the stipulated grace period, the policy shall be converted to Reduced Paid-Up policy with the reduced paid-up sum assured i.e.  $\text{Original Sum Assured} \times (\text{Total Number of Premiums Paid} / \text{Original Number of Premium Payable during the Policy Term})$   
The policy shall continue to be in reduced paid-up status without rider cover (if any) until the end of revival period. All charges shall be deducted during the revival period. Mortality Charges shall be deducted on the Sum at Risk based on the reduced paid up death benefit.
- ii. On such discontinuance, company shall communicate the status of the policy to the policyholder within 3 months of the first unpaid premium and provide the following options :
  - Option 1: Revive the policy within the revival period of 3 years
  - Option 2: Complete withdrawal of the policy

The treatment under various scenarios is tabulated below -

Scenario	Description	Treatment
1	The policyholder revives the Policy i.e. Policyholder pays the due & unpaid premiums and revives the policy.	The policy shall be revived by payment of due and unpaid premiums without paying any interest or fee. However, the premium allocation charges shall be deducted on revival (if applicable) The company, at the time of revival: I. Shall collect all due and unpaid premiums under base plan without charging any interest or fee. The rider may also be revived at the option of the policyholders. II. Premium allocation charge as applicable. III. No other charges shall be levied.
2	The Policyholder opts to Revive the Policy i.e. chooses Option 1. The policyholder may revive the policy any time before the end of revival period. 2 a) Revives the Policy within a period of 3 policy years from the date of first unpaid premium 2 b) Does not revive the Policy within Revival Period	2 a) The treatment will be same as Scenario 1. 2 b) The policy shall continue to be in reduced paid-up status. The Fund Value shall be payable to the policyholder at the end of revival period and the policy shall terminate
3	The Policyholder doesn't exercises any options mentioned in the communication letter	The policy shall continue to be in reduced paid up status. At the end of the revival period, the proceeds of the policy fund shall be paid to the policyholder and the policy shall terminate.
4	The Policyholder opts for Complete withdrawal of the policy i.e. chooses Option 2.	The proceeds of the fund value as on date of withdrawal shall be payable immediately and policy shall terminate.
5	The policyholder has the option to surrender the policy	The proceeds of the fund value as on date of surrender shall be payable immediately and policy shall terminate.

- iii. In case, Maturity falls within the three-year revival period, the fund value shall be payable at the end of policy term.
- iv. Facilities such as fund switches, switching between strategies, partial withdrawal, fresh assignment and Nomination will be available during Reduced Paid-up status
- v. Investment Strategies will be available if the policy is in Discontinuance

#### **Plan benefit in case of death of the Life Insured within the lock-in period:**

Proceeds of the Discontinued Policy Fund (which is subject to a minimum interest rate specified by Insurance Regulatory and Development Authority of India (IRDAI), till the date of intimation of death), will be paid immediately.

#### **Death of the Life Insured in case of Discontinuance after Lock-in period:**

The policy will be converted to Reduced Paid-up at the end of grace period upon non-payment of due premium. Once the policy is converted into Reduced paid-up, death benefit under the plan shall be based on Reduced Paid-Up Basic Sum Assured instead of Basic Sum Assured as defined below:

#### **Highest of:**

- Reduced Paid-Up Basic Sum Assured less applicable partial withdrawal amount from Main Account (if any), or
- Fund Value in Main Account, or
- 105% of the total Premiums paid up to the date of death less applicable partial withdrawal amount from Main Account (if any),

#### **Plus**

in respect of each Top-Up Premium paid (if any), **highest of:**

- Top-Up Sum Assured, or
- Fund Value of Top-Up Account, or
- 105% of the total Top-Up Premium paid

#### **Discontinued Policy Fund**

In case of discontinuance during first five policy years, funds will be transferred to Discontinued Policy Fund. The details of the Fund are as follows:

Discontinued Policy Fund	Investment Objective	Risk-Return Profile	Investment Pattern
Discontinued Policy Fund (ULIF-050-23/03/11-DISPOLFND-107)	Aims to provide secure returns to policies in the discontinued state, by investing in low-risk debt instruments.	Secure	Money market: 0% to 40%; Government securities: 60% to 100%

**Note:** The asset categories under the discontinued policy fund may vary in future in line with relevant IRDAI Regulations/Circulars.

## **6. Availability of Unit Statement :**

The policyholder may check the Unit Statement in D02 format available on the Online Policy Manager (OPM) using the prescribed link: <https://customer.kotaklifeinsurance.com/CP/Logi nopm.aspx>. In order to view the Unit Statement, the Policyholder has to register on Online Policy Manager to generate the Login ID and Password.



## 7. Fund NAV's

NAV of a fund is calculated and published in financial newspapers on each business day. Net Asset Value (NAV) of a Unit Linked Fund shall be calculated as follows:

$$\frac{\text{(Market Value of investment held by the fund + Value of any Current Assets - Value of Current Liabilities \& Provisions, if any)}}{\text{Number of Units existing on Valuation Date (before creation / redemption of Units)}}$$

- The current cut-off time is 3:00 p.m. which may vary from time to time as per IRDAI guidelines
- Transaction requests (including renewal premiums switches, etc.) by way of local cheques, demand draft, received before the cut-off time will be allocated the same day's closing NAV and the ones received after the cut-off time will be allocated the next day's closing NAV
- Where premiums are paid by outstation cheques or demand drafts, the closing NAV of the day on which cheque / demand draft is credited shall be applicable
- Premiums received in advance will be allocated on the scheduled due dates. No interest will be paid on such premiums.

## 8. Nomination & Assignment

**Nomination** will be allowed under the plan as per Section 39 of the Insurance Act, 1938 as amended from time to time. **Assignment** is allowed in this plan as per Section 38 of the Insurance Act, 1938 as amended from time to time.

## 9. Maximum Charge Level

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

- The miscellaneous and switching charges may be increased to a maximum of ₹ 500.
- Mortality charges and Premium Allocation charges are guaranteed for the term of the policy.

## 10. Grace Period

There is a Grace Period of 30 days for the annual half-yearly and quarterly mode and 15 days for the monthly mode from the due date for payment of premium.

## 11. Policy Revival

The Policyholder shall have the right to revive a discontinued policy within three years from the date of first unpaid premium (in case the Policyholder/Life Insured has chosen the option to revive the policy). Policy shall be revived restoring the risk cover (including the rider cover, if applicable). Investment Strategy will also be revived, i.e. Investment Strategy applicable prior to discontinuance will automatically be available on Revival. All benefits will be reinstated on revival, subject to underwriting. The outstanding premium paid less the applicable allocation & admin charges along with Discontinued Policy Fund value with discontinuance charge reversed will be used for purchasing the units of the segregated fund(s).

## 12. Increase/Decrease in Sum Assured

Increase/Decrease in Sum Assured are allowed as alteration only at policy anniversaries. Increase of basic Sum Assured is allowed without any increase in premium, subject to underwriting and maximum Sum Assured levels. Decrease of basic Sum Assured is allowed

without any decrease in premium, subject to minimum Basic Sum Assured prescribed by IRDAI. However, the premium shall not be changed. Alteration charges will be collected separately upfront.

### **13. Free Look Period**

The policyholder is offered 15 days free look period for a policy sold through all channels (except for policies obtained through Distance Marketing\* Mode and in case of electronic policies 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 s/he is not agreeable with any of the terms and conditions of the plan. Should s/he choose to return the policy, s/he shall be entitled to a refund of the of the non-allocated premium plus charges levied by cancellation of units plus fund value at the date of cancellation after deducting proportionate risk charges, stamp duty, cost of medical examination, if any. Free Look Provision as per the base policy is also applicable on the Riders. The Rider stands cancelled when the Free Look Provision of the base policy is exercised.

\*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.

### **14. General Exclusion**

In case of death due to suicide within 12 months from the date of commencement of the policy or from the date of revival of the policy, as applicable, the nominee or the beneficiary of the policyholder shall be entitled to the fund value in the Main Account and Top-Up Account, as available on the date of intimation of death.

In the event of the Life Insured committing suicide within 12 months from the date of revival of the policy, when the revival is done within 6 months from the date of discontinuance, Suicide Exclusion shall not be applicable and the Death Benefit under the product shall be payable.

In case of suicide within 12 months from the date of revival, when the revival is done after 6 months from the date of discontinuance, only the fund value in the Main Account and Top-Up Accounts (if any) as on the date of intimation death are payable. Further, any charges other than Fund Management Charges (FMC) recovered subsequent to the date of death shall be added back to the Fund Value as available on date of intimation of death.

### **15. Goods and Services Tax and Cess**

Goods and Services Tax and Cess, as applicable 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) by deduction from Fund Value.

## 16. Rider details

Applicable Rider Charges will be deducted from the Fund Value if Riders are chosen. For more details on rider eligibility conditions, rider terms and other applicable conditions please refer to the detailed rider brochures for Kotak Accidental Death Benefit Rider (Linked) and Kotak Permanent Disability Benefit Rider (Linked) available on our website.

## 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 Life Insurance Company Ltd. is only the name of the Insurance Company and Kotak Ace Investment 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.
- The past performance of other Funds of the Company is not necessarily indicative of the future performance of the funds.
- Please know the associated risks and the applicable charges (along with the possibility of increase in charges), from your Insurance Agent or Corporate Agent / Insurance Broker or policy document of the insurer.

### **Extract of Sections 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

### **Section 45 of the Insurance Act, 1938 as amended from time to time states:**

Fraud, Misrepresentation 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](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 Limited (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 fastest 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 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](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.



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 Hum hain... hamesha

**Kotak Ace Investment UIN No.:** 107L064V06, Form No.: L064, **Kotak Accidental Death Benefit Rider (Linked) UIN No.:** 107A017V01 Form No.: A017. **Kotak Permanent Disability Benefit Rider (Linked) UIN No.:** 107A018V01 Form No.: A018.

This is a unit linked non-participating endowment plan. The sales brochure gives only the salient features of the plan. Please refer the Policy Document for specific details on all terms and conditions.

**Kotak Mahindra Life Insurance Company Ltd.** Regn. No.:107, CIN : U66030MH2000PLC128503, Regd. Office: 8th Floor, Plot # C- 12, G- Block, BKC, Bandra (E), Mumbai - 400 051. Website: [www.kotaklife.com](http://www.kotaklife.com) | WhatsApp: 9321003007 | Toll Free No:1800 209 8800 | Ref. No.: KLI/23-24/E-PB/1190

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