

READY RECKONER.

Service Tax Notification 2012.



Dear Policyholder,

This is to bring to your notice that as per the union budget 2012-13 the service tax has been revised. The revised service tax is applicable from the 1st of April 2012. The revised service tax will be applicable to the premiums / charges according to the plan type as mentioned below.

Plan Type	Existing Service Tax Rate	Revised Service Tax Rate	Service Tax Applicability	Change in Premium Amount Payable
All Unit Linked Plans (except Kotak Flexi Plans, Kotak Platinum Advantage and Kotak Privileged Assurance Plan)	10.30%	12.36%	Service Tax is payable on charges such as Mortality Charges, Fund Management Charges, etc., which will be adjusted from Units in your Policy.	No
Kotak Flexi Plans, Kotak Platinum Advantage and Kotak Privileged Assurance Plan (Unit Linked)	10.30%	12.36%	1. Service Tax is payable on the risk portion of the Premium. 2. Service Tax is payable on charges such as Mortality Charges, Fund Management Charges, etc., which will be adjusted from Units in your Policy.	Yes
Term Plans	10.30%	12.36%	Service Tax levied on Premium Amount	Yes
Unitised Plans & Conventional Plans	1.55%	3.09%	Service Tax levied on Premium Amount for First Policy Year	Yes (Revised Service Tax is Applicable for First Policy Year only)
	1.55%	1.55%	Service Tax levied on Premium Amount from Second Policy Year onwards	No (from Second Policy Year onwards)

The revised service tax, at the rate of 12.36%, will also be applicable to :

1. The rider amount (if riders are opted for) and
2. The handling charges on revival of a policy in lapse or Automatic Cover Maintenance mode

The illustration of Service Tax applicable for Rider Premiums is attached for your reference.

With Warm Regards,

Customer Service Desk

Kotak Mahindra Old Mutual Life Insurance



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