

# Kotak

## POS BACHAT BIMA

A Non-Linked Non-Participating Life Insurance plan



**My family's future is guaranteed...**





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A Non-Linked Non-Participating Life Insurance plan

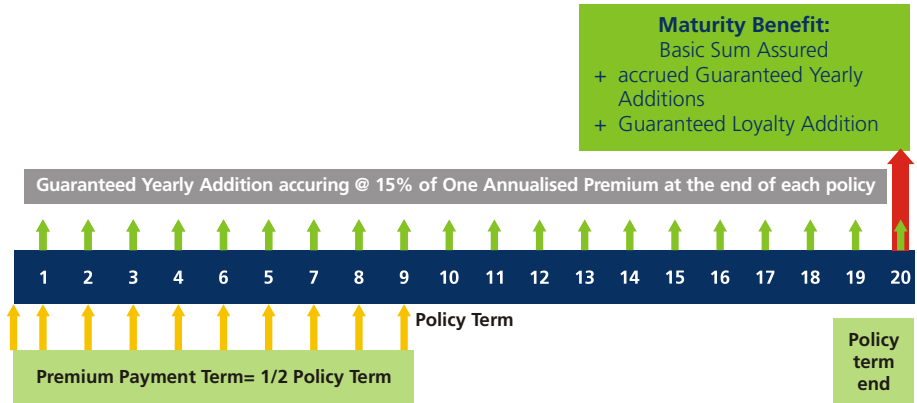
Kotak Life Insurance presents a simple savings and protection oriented plan, which provides all guaranteed benefits while giving life insurance cover - **Kotak POS Bachat Bima**. The plan provides options for life insurance coverage to suit your needs along with providing guaranteed benefits. The plan is not only simple to understand but also will be easy to purchase.

## Key Advantages

- Plan options to choose from – Life & Life Plus
- Double protection cover on accidental death with Life Plus option
- Guaranteed Yearly Additions accruing throughout the policy term
- Guaranteed Loyalty Addition payable on maturity
- Limited premium payment terms of 8 & 10 years

## How does the plan work?

- Decide the Premium amount, frequency, Premium Payment Term and Plan option
- Based on above details and your age at entry the Basic Sum Assured will get derived
- Thereafter, Guaranteed Yearly Addition (15% of one Annualised Premium<sup>1</sup> (AP)) will accrue at the end of each policy year
- At the end of the policy term, Maturity Benefit will be paid which will be the sum of accrued Guaranteed Yearly Additions, Guaranteed Loyalty Addition and Basic Sum Assured
- In case of an unfortunate event of death during the policy term and based on the option chosen, death benefit will be paid out, subject to Waiting Period\* conditions



In case of the unfortunate event of death Life Insured anytime during the policy term, the Death Benefit payable will as follows, subject to Waiting Period conditions:

**Life Option** : Sum Assured on Death PLUS accrued Guaranteed Yearly Additions

**Life Plus Option** :

- **Death due to any reason (other than due to accident):** Sum Assured on Death PLUS Accrued Guaranteed Yearly Additions
- **Death due to Accident:** (2 X Sum Assured on Death) PLUS Accrued Guaranteed Yearly Additions

Note: Figure not drawn to scale

### Guaranteed Yearly Additions:

- Guaranteed Yearly Additions will accrue at the end of each policy year throughout the policy term
- Guaranteed Yearly Additions will be 15% of one Annualised Premium

### Guaranteed Loyalty Addition:

- Guaranteed Loyalty Addition will be paid at maturity.
- Guaranteed Loyalty Addition will be as a % of one Annualised Premium and will be based on the Policy Term chosen and are as follows:

Policy Term	Guaranteed Loyalty Addition (as % of one Annualised Premium)
16 years	150%
20 years	175%

### Plan Options:

The plan offers two cover options:

- **Life Option** : Covers death due to any reason
- **Life Plus Option** : Covers death due to any reason and gives Accidental Death Benefit (ADB) equal to Sum Assured on Death in case the death is due to accident

**Note:** For the same premium, the Basic Sum Assured levels will be different for different options.

## Plan Benefits:

- **Maturity Benefit<sup>4</sup>:**

At the end of the policy term, following will be paid out in lump sum:

Basic Sum Assured

**PLUS** Accrued Guaranteed Yearly Additions

**PLUS** Guaranteed Loyalty Addition

- **Death Benefit<sup>5</sup>:**

In the unfortunate event of death of Life Insured during the term of the policy, the nominee will receive the following benefit subject to Waiting Period (as explained below):

- **Life Option** : Sum Assured on Death **PLUS** Accrued Guaranteed Yearly Additions
- **Life Plus Option**:
  - o Death due to any reason (other than due to accident): Sum Assured on Death **PLUS** Accrued Guaranteed Yearly Additions
  - o Death due to Accident<sup>6</sup> : (2 X Sum Assured on Death) **PLUS** Accrued Guaranteed Yearly Additions

Where Sum Assured on Death is, highest of (1), (2), (3) and (4) as given below:

- (1) 11 times of one Annualised Premium;
- (2) Basic Sum Assured plus Guaranteed Loyalty Addition OR
- (3) 105% of all Premiums Paid till the date of death OR
- (4) Absolute amount assured to be payable on death i.e. Basic Sum Assured

**\*Waiting Period:**

A waiting period of 90 days from the date of commencement of risk of the policy is applicable. In case of death (other than due to accident) during Waiting Period, only 100% of Premiums paid (excluding Goods and Services Tax and Cess, if any) will be payable. Death Benefit will not be payable. Waiting period is not applicable for death due to accident.

**Tax Benefits:**

You may avail of tax benefits under Section 80C and Section 10(10D) of Income Tax Act, 1961 subject to conditions as specified in those sections. Tax benefits are subject to change as per tax laws. You are advised to consult your Tax Advisor for details. Goods and Services Tax and Cess as applicable shall be levied over and above premium amount shown here as per applicable tax laws.

**Eligibility**

Entry Age (last birthday)	Min: 12 years Max: 45 years
Maturity Age (last birthday)	Min: 28 years Max: 65 years
Policy Term (Fixed)	16 years / 20 years
Premium Levels	Min: ₹ 15,000 p.a. Max: Based on maximum Basic Sum Assured capped at ₹ 10 lakhs subject to Underwriting acceptance
Premium Payment Term (PPT)	Limited: <b>PPT</b> <b>Policy Term</b> 8 years      16 years 10 years      20 years
Premium Payment Mode	Yearly, Half yearly, Quarterly, Monthly
Premium Modal Factor	Following modal factors will be used to calculate installment Premium: Yearly – 100% , Half yearly – 51% , Quarterly – 26% , Monthly – 8.8%
Basic Sum Assured	Will be derived based on Premium, Age, Policy Term and Plan Option chosen. Maximum Basic Sum Assured : ₹10 Lacs per Life Insured

## Illustration

Given below is an illustration of the benefits payable, for a healthy male aged 30 years who has opted for Plan Option as 'Life' and an Annual Premium of ₹ 25,000 for a policy term of 20 years with Basic Sum Assured of ₹ 3,48,728:

End of Policy Year	Age (Yrs)	Cumulative Annual Premium (in ₹)	Accrued Guaranteed Additions (in ₹)	Guaranteed Loyalty Addition (in ₹.)	Maturity Benefit (in ₹)	Death Benefit (in ₹)
5	35	125,000	18,750	0	0	4,11,228
10	40	250,000	37,500	0	0	4,29,978
15	45	250,000	56,250	0	0	4,48,728
20	50	250,000	75,000	43,750	4,67,478	4,67,478

**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, as applicable. Goods and Services tax and Cess thereon, shall be charged as per the prevalent tax laws over and above the said premiums.

## Terms and Conditions

- 1. Annualised Premium:** It refers to the premium payable in a policy year, excluding loadings for modal premium, if any, e.g. If the policyholder is paying Half-yearly premium of ₹ 51,000 then the Annualised Premium will be ₹ 100,000 (51,000 / modal factor of 51%).

This premium will also exclude Goods and Services Tax and Cess, as applicable.

- 2.** For policies issued on minor life, the risk commences immediately after the policy is issued. If the policy has been taken on a minor Life Insured, the Policyholder should ensure that the plan benefits received while the Life Insured is still a minor get used for the benefits of the minor life.

- 3. Vesting in case of minor life:**

If the policy has been taken on the life of a minor, the policy shall automatically vest on him/her with effect from the date of completion of 18 years of age and the Life Insured will become the Policyholder from such date.

- 4.** Maturity benefit will be subject to payment of all due premiums and will be reduced to account for any outstanding loans (including interest).

- 5.** Following are some additional conditions pertaining to death benefit:

- The death benefit will be payable subject to payment of all due premiums and will be reduced to account for any outstanding loans (including interest).
- If the death occurs during grace period, the due unpaid premium (if any) till the date of death will be deducted from the aforesaid death benefit

- For policies, where the Premium Payment mode is not annual, balance of the Premium for that Policy year of death will also be deducted from the Death Benefit along with due unpaid premium (if any)

## **6. Conditions and Exclusions for Accidental Death Benefit (ADB) under Life Plus Option:**

### **Conditions:**

In case of death of Life Insured due to an accident, for the Accidental Death Benefit (ADB) to be payable the beneficiary has to prove the same to the satisfaction of the Company subject to the following conditions:

- The accident was a sudden, unforeseen and involuntary event caused by external, visible and violent means
- The policy was in force on the day of the accident
- The life insured had sustained any bodily injury directly and solely from the accident, which had been caused by outward, violent and visible means
- The death occurred within 120 days (provided the policy term had not expired) from the date of accident due to such injury as stated above, solely, directly and independently of all other causes of death

### **Exclusions:**

Accidental Death Benefit (ADB) shall not be paid if death of Life Insured occurs directly or indirectly as a result of any of the following:

- Intentional self-inflicted injury, suicide, while sane or insane;
- Life Insured being under the influence of drugs, alcohol, narcotics, or psychotropic substances unless taken in accordance with the lawful directions and prescription of a Doctor ;
- Life Insured committing an assault, a criminal offence, an illegal activity or any breach of law with criminal intent ;
- Taking part in any naval, military or air force operation during peace time or during service in any police, paramilitary or any similar organization ;
- War, invasion, act of foreign enemy, hostilities (whether war be declared or not), armed or unarmed truce, civil war, mutiny, rebellion, revolution, insurrection, military or usurped power, riot or civil commotion, strikes;
- Engaging in hazardous\* sports/hobbies or activities like (but not limited to) mountaineering, hunting, skiing, pot holing, racing of any kind, deep sea diving or climbing;

*\* Hazardous activities refer to any activity where the duties of the occupation or the environment in which it is performed increases the risk to life. Examples of such occupations/activities include but are not limited to occupations/activities with increased physical activity, working under strenuous conditions and risk elements like working at heights, deep sea, mining, handling explosives, working in extreme conditions, and frequent flying on unscheduled flights or non-commercial carriers.*

- Participation of the Life Insured in any flying activity, except as a bona fide, fare-paying passenger of a recognized airline or Pilots and cabin crew of a commercial airline operating between established aerodromes on regular routes and on a scheduled timetable;
  - Nuclear, Biological and Chemical contamination; the radioactive, explosive or hazardous nature of nuclear fuel materials or property contaminated by nuclear fuel materials or accident arising from such nature;
7. **Grace Period:** There is a grace period of 30 days from the due date for payment of premium for the yearly, half-yearly and quarterly modes and 15 days for the monthly mode. During this period, the policy will be considered to be in-force with the risk cover as per the terms of the policy.
8. **Policy Loan:** Loans can be availed under this plan through Kotak Life Insurance up to the limit of 50% of the Surrender Value of the policy. The Company shall determine the rate of interest from time to time. Currently the interest rate is 9.60% p.a. but it can be revised from time to time with a spread of 225 bps over and above yield on 10 year Government Securities subject to IRDAI approval. The policy will be unconditionally and fully assigned to Kotak Life Insurance as security for the loan and interest repayments during the period of the loan. Policyholder will be intimated in case outstanding loan amount (including interest) exceeds the Surrender Value. In case of failure to repay the outstanding loan with interest policy will be foreclosed i.e. policy will get terminated; all rights and benefits under the policy will stand ceased. The policy will not be auto foreclosed where all due premiums have been paid. In case of any benefit payout before the end of term or at maturity, the Company is entitled to deduct any outstanding loan amount, together with all interest payable before making such benefit payment. The minimum amount of loan that can be granted is ₹ 10,000.
9. **Lapses:** Policy shall lapse from the due date of the first unpaid premium in accordance with the following rules and no benefits will be payable:
- For 8 years PPT : If premiums for the first two consecutive policy years are not paid within the grace period
  - For 10 years PPT: If premiums for the first three consecutive policy years are not paid within the grace period
10. **Surrender:**
- For 8 years PPT, the policy will acquire Surrender Value after payment of full premiums for first two consecutive policy years;
  - For 10 years PPT, the policy will acquire Surrender Value after payment of full premiums for first three consecutive policy years



Guaranteed Surrender Value (GSV) shall be a percentage of total Premiums paid (excluding Goods and Services Tax & Cess, as applicable) PLUS the value of accrued Guaranteed Yearly Additions, if any.

GSV Factors as percentage of total premiums paid are mentioned in the table below:

Policy year	Policy Term: 16 years	Policy Term: 20 years	Policy year	Policy Term: 16 years	Policy Term: 20 years
1	0%	0%	11	68%	65%
2	30%	0%	12	72%	69%
3	30%	30%	13	77%	73%
4	50%	50%	14	81%	77%
5	50%	50%	15	86%	81%
6	50%	50%	16	90%	85%
7	50%	50%	17	NA	88%
8	54%	54%	18	NA	92%
9	59%	58%	19	NA	96%
10	63%	62%	20	NA	100%

Value of accrued Guaranteed Yearly Additions (if any) is calculated as: [**Accrued Guaranteed Yearly Additions X GSV Factor as on the date of Surrender**]

GSV Factors for accrued Guaranteed Yearly Additions will be as per Outstanding Term and will be as follows:

Outstanding Term (years)	GSV Factor	Outstanding Term (years)	GSV Factor
0	100%	11	36%
1	91%	12	32%
2	83%	13	30%
3	75%	14	27%
4	68%	15	25%
5	62%	16	23%
6	57%	17	21%
7	52%	18	19%
8	47%	19	18%
9	43%	20	16%
10	39%		

Subject to the Minimum Guaranteed Surrender Value, the company may however pay a Special Surrender Value (SSV) if higher. The Company may change the Special Surrender Value factor subject to prior approval from IRDAI.

On Surrender, higher of SSV or GSV will be payable. The surrender value will be paid out as a lump sum benefit. After the Surrender benefit payout, all other benefits under the plan will cease and the policy will get terminated.

## 11. Reduced Paid-Up Policy:

After the policy acquires Surrender Value, if the subsequent premiums are not paid within the grace period, the policy will be converted into a Reduced Paid-Up policy by default.

- The Guaranteed Additions already accrued before the policy turning into Reduced Paid-Up shall fully vest for the future policy years
- Upon being made Reduced Paid-Up, policy will be eligible for future accrual of Reduced Guaranteed Yearly Additions and Reduced Guaranteed Loyalty Addition

The benefits will get reduced proportionately as follows:

- **Reduced Paid-Up Basic Sum Assured** = (Total Premiums paid / Total premiums payable over the Policy Term) X Basic Sum Assured
- **Reduced Guaranteed Yearly Additions** = (Total Premiums paid / Total premiums payable over the Policy Term) X Guaranteed Yearly Additions
- **Accrued Guaranteed Yearly Additions** is the sum of Guaranteed Yearly Additions (already vested) and the Reduced Guaranteed Yearly Additions, if any, at any point of time.
- **Reduced Guaranteed Loyalty Addition** = (Total Premiums paid / Total premiums payable over the Policy Term) X Guaranteed Loyalty Addition
- **Reduced Paid-Up Sum Assured on death** = (Total Premiums paid / Total premiums payable over the Policy Term) X Sum Assured on death as on the date of policy being made reduced paid-up
- If a Reduced Paid-up policy is surrendered, the surrender value (if any) will be calculated as per the Surrender Value mentioned under "Surrender" section above. However, the value of accrued Guaranteed Yearly Additions applicable for GSV will be:
  - Accrued Guaranteed Yearly Additions as on the date of the surrender multiplied by the GSV factor mentioned under "Surrender" section above. Reduced Paid-Up policy can be revived and the original benefits can be reinstated within 2 years from the date of first unpaid Premium subject to the conditions mentioned under "Policy Revivals" section
- If policy in Reduced Paid-Up mode is not revived during the revival period, it will continue in that mode until maturity
- Payouts in-case the plan continues in Reduced Paid-Up mode:

### **Payout at Maturity:**

On survival of the life insured till the maturity date, following will be payable:

Reduced Paid-Up Basic Sum Assured

**PLUS** Accrued Guaranteed Yearly Additions

**PLUS** Reduced Guaranteed Loyalty Addition

**Payout on Death:**

On death of the life insured, the Death benefit payable will be:

- **Life Option:**

Reduced Paid-Up Sum Assured on death PLUS Accrued Guaranteed Yearly Additions

- **Life Plus Option:**

Death due to any reason (other than due to accident): Reduced Paid-Up Sum Assured on death **PLUS** Accrued Guaranteed Yearly Additions

Death due to accident: (2 X Reduced Paid-Up Sum Assured on death) **PLUS** Accrued Guaranteed Yearly Additions

**12. Policy Revivals:** A lapsed / Reduced Paid Up policy can be revived within two years from the due date of the first unpaid premium.

- The revival can be done without evidence of good health on payment of the outstanding premiums with interest charge (currently 9% p.a. of outstanding premiums), if the payment is made within six months. Thereafter to revive the policy, evidence of good health would be required along with payment of the outstanding premiums with interest charge (currently 9% p.a. of outstanding premiums). The interest charge may be revised from time to time.
- If lapsed policy is not revived during the revival period, the policy will be terminated without paying any benefits
- If policy in Reduced Paid Up mode is not revived during the revival period, it will continue in that mode until maturity
- All benefits under the policy will be reinstated on revival of the policy
- Waiting period will not be applicable in case of revival

**13. 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.

**14. 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.

**15. Suicide Exclusion:**

In the event of the life insured committing suicide within 12 months from date of inception of the policy, 80% of the total Premiums paid will be payable.

In case of suicide after 12 months from date of inception of the policy, 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, the benefit payable shall be higher of 80% of total Premiums Paid or Surrender Value (if any) at the date of claim event.

**16. Free Look Period:**

The Policyholder is offered 15 days free look period for a Policy sold through all channels (except in case of electronic policies and policies obtained through Distance Marketing<sup>^</sup> 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 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 Premium paid after adjustment for the expenses of 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.

If the Policy has been opted through Insurance Repository (IR), the consideration of the free look period of 15 / 30 days (as per the applicable channel as mentioned above) shall be from the date of email sent by the IR.

<sup>^</sup>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, and interactive television (DTH) and (iv) Physical mode which includes direct postal mail and newspaper & magazine inserts.

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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 Limited (Kotak Life Insurance) is a 100% owned subsidiary of Kotak Mahindra Bank (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](http://www.kotak.com)

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IRDAI clarifies to public that

- IRDAI or its officials do not involve in activities like sale of any kind of insurance or financial products nor invest premiums.
- IRDAI does not announce any bonus.
- Public receiving such phone calls are requested to lodge a police complaint along with details of phone call, number.



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 *Koi hai... hamesha*

**Kotak POS Bachat Bima; UIN:** 107N117V01, Form No: N117, Ref. No.: KLI/17-18/E-PB/707

This is a non-linked, non-participating endowment plan. This is a saving and protection oriented plan. The product 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.** (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](mailto:clientservicedesk@kotak.com). Toll Free No. - 1800 209 8800

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