

Kotak

CREDIT TERM GROUP PLAN

(A Non-Linked, Non-Participating, One Year Renewable Group Term Insurance Plan)





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Kotak Credit Term Group Plan is 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: ₹ 5,000 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. During the grace period the cover to the member is considered to be in-force without any interruption as per the terms of the Policy.

2. Payment of Death Benefit

If the Policyholder is 1) Reserve Bank of India (RBI) regulated Scheduled Banks (including Cooperative Banks) 2) NBFCs having Certificate of Registration from RBI or 3) National Housing Bank (NHB) Regulated Housing Finance Company 4) National Minority Development Finance Corporation (NMDFC) and its State Channelizing Agencies 5) Small

Finance Banks (SFB) regulated by RBI 6) Mutually Aided Cooperative Societies formed and registered under the applicable State Act concerning such Societies 7) Microfinance companies registered under section 8 of the Companies Act, 2013 8) any other category as approved by IRDAI, and only if the Member has authorized the Insurer to pay the benefits under the Policy to the Policyholder, the payment of Insured Benefit may be made to the Policyholder, to the extent of loan outstanding as on the date of contingent event, and subject to the conditions laid down by IRDAI under the Circular IRDAI Circular IRDA/LIFE/ CIR/MISC/172/09/2019, dated 26.9.2019, and various other applicable Regulations/ Guidelines/ Circulars or instructions issued from time-to-time. In other cases, the Insured Benefit shall be payable to the Beneficiary.

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.

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 company shall review the revival interest rate in the month of October every year. Rate if changed shall be average of 5 years of 10 year G-Sec Rates plus 100 basis point, rounded to the nearest 25 basis point. Any change on basis of determination of interest rate for revival can be done only after prior approval of the Authority.

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 both borrower and 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:

In case the Policyholder / member is not agreeable to any of the provisions stated in the Policy / COI, then there is an option of returning the Policy, stating the reasons thereof within 15 days from the date of the receipt of the Policy / COI. The cancellation request should be submitted to nearest Branch of the Insurer or sent directly to the Insurer's Head Office. On receipt of letter along with the original Policy Document / COI, the Insurer shall refund the Premium paid after deducting the proportionate risk premium, medical charges (if any) and stamp duty. 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.

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

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.

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.

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 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

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 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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Koi hai... hamesha

Kotak Credit Term Group Plan – UIN No. 107N006V04, Form No: N006. Ref. No.: KLI/20-21/E-PB/253

This is a non-participating group term plan. This document is not a contract of insurance and must be read in conjunction with the policy document. Hard copy of the information will be provided on request.

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