

# Kotak

CLASSIC  
ENDOWMENT  
PLAN

Individual, Non-linked, Participating, Savings Life Insurance Plan



Small and simple steps for a dream future





## **KOTAK CLASSIC ENDOWMENT PLAN**

Individual, Non-linked, Participating, Savings Life Insurance Plan

You always needed protection but what if you are provided with an alternative that offers an opportunity for savings and wealth accumulation as well? Kotak Classic Endowment Plan can help in fulfilling these requirements. Kotak Classic Endowment Plan is a life insurance plan that offers protection benefit while earning Bonuses during the policy term.

# Key Advantages

- Participating endowment plan offering protection up to the age of 75 years
- Earn yearly bonus from 1st policy year
- Convenience to pay premiums as per affordability
- Flexibility to choose from wide range of term options as per suitability
- More value for money through discount for high Sum Assured on maturity
- Option to enhance protection through a wide range of Riders
- Tax benefits u/s Sec 80(C) and 10(10D) of the Income Tax Act 1961

## How Does the Plan Work?

You select the Sum Assured on maturity as per your requirement basis which premiums payable is determined. You pay such premium for the selected premium payment term. At maturity, you will receive Maturity Benefit i.e. Sum Assured on maturity Plus Accrued Bonuses, if any.

### Death Benefit<sup>1</sup>

In case of an unfortunate event of death of the life insured during the term of the plan, your nominee will receive the following:

- Sum Assured on death, Plus
- Bonuses accrued as on the date of death (if any).

Sum Assured on death is defined as higher of:

- 11 times annualised premium + Extra Premium, if any), or
- Sum Assured on maturity or
- 105% of total premiums paid till date (excluding any extra premium)

### Maturity Benefit<sup>2</sup>:

On survival till the end of the policy term (PT), Maturity Benefit will be paid. The Maturity Benefit payable is:

- Sum Assured on maturity, Plus
- Accrued reversionary bonus (if any), Plus
- Terminal bonus (if declared).

### Tax Benefits:

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 levied over and above premium amount shown here as per applicable tax laws.

## Enhancing your Options

Additional Options	Benefits
Convenient premium payment term & modes	<p>As per suitability, you can opt for premium payment term (PPT) i.e. either regular or limited pay, from available options (please refer to "Eligibility" section below).</p> <p>You have the option to pay your premiums yearly, half-yearly, quarterly or monthly and can also change the premium payment mode on policy anniversary.</p>
Additional Protection <sup>6</sup> (Optional)	<p>If you feel the insurance cover is not adequate or wish to customize the protection, you can do so by attaching below mentioned optional Riders to your base plan:</p> <ul style="list-style-type: none"> <li>• <b>Kotak Term Benefit Rider</b> (KTB / UIN: 107B003V03): Provides additional protection over and above the Death Benefit under the base plan</li> <li>• <b>Kotak Accidental Death Benefit Rider</b> (ADB / UIN:107B001V03): Lump sum benefit paid on accidental death of life insured in addition to Death Benefit under the base plan</li> <li>• <b>Kotak Permanent Disability Benefit Rider</b> (PDB/UIN:107B002V03): Installments paid on admission of a claim on life insured becoming disabled due to accident</li> <li>• <b>Kotak Life Guardian Benefit Rider</b> (LGB / UIN: 107B012V02): Remaining premiums will be paid on behalf of the policyholder in case of his / her death</li> <li>• <b>Kotak Accidental Disability Guardian Benefit Rider</b> (ADGB / UIN: 107B011V02): Remaining premiums paid on behalf of the policyholder in case of accidental disability</li> <li>• <b>Kotak Critical Illness Plus Benefit Rider</b> (CIP / UIN-107B020V01): Lump Sum benefit paid on diagnosis of any of the 37 Critical Illnesses</li> </ul> <p>For more details on Riders and exclusions please refer to the Individual Rider Brochure before concluding the purchase.</p>
Policy Loan Facility <sup>7</sup>	You can avail loans up to 80% of Surrender <sup>10</sup> Value subject to a minimum loan amount of ₹10,000.
Reduced Paid-Up Benefit <sup>11</sup>	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. Along with Reduced Paid-up Sum Assured on maturity, all subsisting reversionary bonuses that have already been attached to the policy will also be payable at maturity.
Discount for high Sum Assured on maturity	You will get a premium discount for Sum Assured on maturity of ₹ 5 Lakhs & above. The discount rate will be of ₹2 per 1000 Sum Assured on maturity.

# Eligibility

Entry Age <sup>12</sup>	<p><b>Regular pay:</b> Min : 0 years, Max: 70 years Less Policy Term (except for Policy Term / Premium Paying Term combination of 15/15 &amp; 16/16 years) : 54 years (for Policy Term / Premium Paying Term combination of 15/15 years) : 53 years (for Policy Term / Premium Paying Term combination of 16/16 years)</p> <p><b>Limited pay:</b> Min : 0 years, Max - 60 years (except for PT/PPT combination of 15/7 years)</p> <p><b>PT/PPT combination of 15/7 years:</b> Min : 0 years, Max - 58 years</p>																								
Maturity Age	<p>Min : 18 years, Max: 70 years (Regular Pay) : 75 years (Limited Pay except for Policy Term / Premium Paying Term combination of 15/7 years) : 73 years (Limited Pay 15/7 years)</p>																								
Premium Payment Term (PPT)	<p><b>Regular Pay:</b> Equal to Policy Term <b>Limited Pay:</b></p> <ul style="list-style-type: none"> <li>• 7 years for policy term 15 years</li> <li>• Policy term less 5 years</li> </ul>																								
Policy Term	<p>15 to 30 years For minors, minimum term will be greater of; 15 years or (18 years minus age at entry as on last birthday)</p>																								
Premium Payment Option	Regular and Limited pay																								
Minimum Premium	<p><b>Regular Pay:</b> ₹ 7,000 <b>Limited Pay:</b> ₹ 7,000 (except for PT/PPT combination of 15/7 years) <b>PT/PPT combination of 15/7 years:</b> ₹ 12,000</p>																								
Maximum Premium	No limit, subject to underwriting. Determined on the basis of sum assured, entry age, policy term and PPT selected.																								
Minimum Sum Assured on maturity	<p>Determined on the basis of minimum premium amount, entry age, policy term and PPT</p> <p>Example: Mentioned below is the sample Sum Assured on maturity at minimum premium for minimum and maximum terms at highest and lowest ages respectively:</p> <table border="1"> <thead> <tr> <th>Age</th> <th>Policy term</th> <th>Premium payment term</th> <th>Sum Assured on maturity (₹)</th> </tr> </thead> <tbody> <tr> <td>0 year</td> <td>30 years</td> <td>30 years</td> <td>₹ 1,92,413</td> </tr> <tr> <td>0 year</td> <td>30 years</td> <td>25 years</td> <td>₹ 1,80,319</td> </tr> <tr> <td>54 years</td> <td>15 years</td> <td>15 years</td> <td>₹ 86,763</td> </tr> <tr> <td>60 years</td> <td>15 years</td> <td>10 years</td> <td>₹ 61,071</td> </tr> <tr> <td>58 years</td> <td>15 years</td> <td>7 years</td> <td>₹ 73,584</td> </tr> </tbody> </table> <p>For details, please refer to the premium calculator on our website.</p>	Age	Policy term	Premium payment term	Sum Assured on maturity (₹)	0 year	30 years	30 years	₹ 1,92,413	0 year	30 years	25 years	₹ 1,80,319	54 years	15 years	15 years	₹ 86,763	60 years	15 years	10 years	₹ 61,071	58 years	15 years	7 years	₹ 73,584
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Premium Payment Mode	Yearly, Half yearly, Quarterly, Monthly																								
Modal Factor (% of annual premium)	<p>The following modal loadings will be used to calculate the installment Premium.</p> <p>Yearly - 100% Half yearly - 51% Quarterly - 26% Monthly - 8.8%</p>																								

## Illustration

Given below is an illustration of the benefits payable, for a healthy male aged 35 years for a Sum Assured on maturity of 5 Lakhs and with a policy term 15 years & premium payment term of 10 years:

General Details		Guaranteed Benefits		Non-Guaranteed Benefits				Total Benefits			
		Sum Assured on death	Guaranteed surrender value	Benefits at lower rate		Benefits at higher rate		Benefits at lower rate @4% p.a.		Benefits at higher rate @8% p.a.	
End of Year	Cumulative Annual Premium			Accrued revisionary bonus	Terminal bonus	Accrued revisionary bonus	Terminal bonus	Death benefit	Maturity benefit	Death benefit	Maturity benefit
1	48,270	5,30,970	-	5,000	-	14,500	-	5,35,970	-	5,45,470	-
5	2,41,350	5,30,970	1,20,675	25,000	-	72,500	-	5,55,970	-	6,03,470	-
10	4,82,700	5,30,970	3,24,099	53,125	-	1,54,063	-	5,88,095	-	7,33,033	-
15	4,82,700	5,30,970	4,34,430	84,375	6,000	2,44,688	72,000	6,21,345	5,90,375	8,47,658	8,16,688

**Please note:** The values mentioned above are in rupees (₹) except Age which is in years. The above illustration is an extract of a separate, more detailed Benefit Illustration. For full details, please refer to the Benefit Illustration. The benefits illustrated at lower and higher rate is 4% p.a. and 8% p.a. respectively. 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.

\*The assumed non-guaranteed rates of return chosen in the illustration are 4% p.a. and 8% p.a. These assumed rates of return are not guaranteed and they are not the upper or lower limits 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. The guaranteed and non-guaranteed benefits are applicable only if all due premiums are paid. Reversionary Bonus and Terminal Bonus have been calculated at the assumed non-guaranteed rates of return of 4% p.a. & 8% p.a. Please note that Bonuses are NOT guaranteed and may be as declared by the Company from time to time.

# Terms and Conditions

## 1. Death benefit:

If the death occurs during Grace Period, the due unpaid premium (if any) till the date of death will be deducted from the Death Benefit. For non-annual Policy, the balance of the premium for that policy year will be deducted from the Death Benefit.

## 2. Maturity benefit:

The Maturity benefit will be reduced to account for any outstanding loans (including interest).

## 3. Bonuses:

- **Simple Reversionary Bonus:** At the end of each financial year the company may declare a bonus expressed as a percentage of the Sum Assured on maturity. These bonuses shall accrue from 1st policy year onwards till the end of the Policy Term and will be payable either on Maturity or Death.
- **Interim Bonus:** In the event of a claim, part-way through a financial year or before declaration of the Simple Reversionary Bonus for the Financial Year in which such a claim is intimated, an interim bonus (if applicable) may be payable at such rate as may be decided by the Company.
- **Terminal Bonus:** The Company may decide to pay Terminal Bonus in case of death after 10 full policy years. This bonus, if declared, may also be payable on Maturity and shall be a percentage of the Sum Assured on maturity. Terminal Bonuses, if declared, will not be payable on policies which have been made Reduced Paid-Up or Surrendered.

## 4. Annualised Premium:

It refers to the amount of premium paid by the Policyholder in a year excluding modal factor loading and extra premium, if any, e.g. If the policyholder is paying Half-yearly premium of ₹51,000 then the Annual Premium will be ₹100,000 i.e.  $(51,000 / \text{modal factor of } 51\%)$ , and loading will be ₹2,000 i.e.  $(₹51,000 \times 2 - (₹51,000/51\%))$ .

## 5. Grace Period:

There is a grace period of 30 days from the due date of payment of premium for the yearly, half-yearly and quarterly mode, and 15 days for the monthly mode. The policy shall remain in force during the Grace Period.

## 6. Riders:

The payment of Rider premium will be made in addition to the premium for the base plan and collected along with the premiums for the base plan.

## 7. Policy Loan:

Loans can be availed under this plan through Kotak Life Insurance up to the limit of 80% of the Surrender Value of the policy. The Company shall determine the rate of interest from time to time. Currently the interest rate is 9.80% p.a. and the company may revise the interest rate from time to time. The interest rates would be revised with a spread of 225 bps over and above yield on 10 year Government Securities as per the methodology approved by IRDAI.

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 (higher of GSV or SSV). 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.

**8. Lapses:**

The Policy shall lapse if the premiums for the first two policy years are not paid within the grace period. In the event where a policy has been lapsed, no further benefits shall be payable under the policy.

**9. Policy Revivals:**

A lapsed or a Reduced Paid-Up policy can be reinstated for full benefits on revival within five years of the first unpaid premium. The revival can be done without evidence of good health on payment of the outstanding premiums with revival charges (currently 9% p.a. of outstanding premiums), if the payment is made within six months from the date of first unpaid premium. Thereafter to revive the policy, evidence of good health would be required along with payment of the outstanding premiums with revival charges (currently 9% p.a. of outstanding premiums). If a lapsed policy is not revived during the revival period, the policy will be terminated without paying any benefits. However, if a Reduced Paid-Up policy is not revived during the revival period, it will continue in that mode until maturity.

The interest rate for revival charges may be revised from time to time.

The interest rate for revival charges shall be revised if the current interest rate is outside the range of 150 basis point from average of last 5 years of 10 year G-Sec rate + 100 basis points. Company shall review this once every year.

**10. Surrender:**

The policy acquires a Guaranteed Surrender Value (GSV) if the premiums have been paid for a minimum of 2 consecutive years (in full).

The Guaranteed Surrender Value (GSV) is a percentage of total premiums paid (excluding Goods and Services Tax and Cess, as applicable, Rider premium and Extra Premium, if any). In addition, the value of subsisting bonuses (if any) will also be payable.

GSV Factors as percentage of total premiums paid is given in the table below:

Year of Surrender	GSV Factors (as % of Premiums paid)
2nd year	30%
3rd year	35%
4th to 7th year	50%
8th year onwards	$50\% + (\text{Year of surrender} - 7) \times (Y - 50\%) / (\text{Policy Term} - 8)$ Where, Y: 90%
Last two years of the Policy Term	90%

Value of Subsisting Bonus (if any) is calculated as:

[Accrued Bonuses (if any) X GSV Factor as on the date of surrender]



GSV factors as percentage of subsisting bonuses (if any) is given in the table below:

Outstanding Term	GSV Factors (as % of subsisting bonuses)	Outstanding Term	GSV Factors (as % of subsisting bonuses)	Outstanding Term	GSV Factors (as % of subsisting bonuses)	Outstanding Term	GSV Factors (as % of subsisting bonuses)
0	78.00%	8	45.24%	16	21.05%	24	10.60%
1	72.40%	9	41.02%	17	19.21%	25	9.83%
2	72.08%	10	37.22%	18	17.55%	26	9.13%
3	70.44%	11	33.78%	19	16.06%	27	8.51%
4	67.14%	12	30.68%	20	14.72%	28	7.95%
5	60.80%	13	27.89%	21	13.52%	29	7.46%
6	55.08%	14	25.37%	22	12.44%	30*	7.02%
7	49.91%	15	23.10%	23	11.47%		

\*Surrender Value is not acquired at the inception of the policy

- The Company may consider paying a Special Surrender Value when policy acquires Guaranteed Surrender Value. In any case, higher of Guaranteed Surrender Value or Special Surrender Value will be payable.
- On Surrender, all benefits fall away and the policy terminates. The surrender value will be paid out as a lump sum benefit.

#### 11. Reduced Paid-Up Policy:

After the policy acquires Surrender Value, if the subsequent premiums are not paid within the Grace Period, the Base Policy along with Riders (if any) will be converted into a Reduced Paid Up policy by default. Upon being made Reduced Paid-up;

- The Sum Assured on maturity is reduced to Reduced Paid-Up Sum Assured on maturity as follows:  

$$\text{Sum Assured on maturity} \times (\text{Total Premiums paid} / \text{Total premiums payable during the entire policy term}),$$
- Policy may be revived (for the original benefits) within 5 years from the date of first unpaid premium,
- Policy will not be eligible for any future bonuses,
- Rider benefit will be available as per Reduced Paid-Up Sum Assured (if applicable).

If the Reduced Paid-Up policy is surrendered, the Special Surrender Value (if any) will be based on the Reduced Paid-Up Sum Assured on maturity.

#### Payout on maturity:

The Reduced Paid-Up Sum Assured on maturity is calculated as follows:

$$\text{Sum Assured on maturity} \times (\text{Total Premiums paid} / \text{Total premiums payable during the entire policy term})$$
 On survival of the life insured till the maturity date, the benefit payable will be the Reduced Paid-up Sum Assured on maturity PLUS Accrued bonuses (if any).

#### Payout on death:

The Reduced Paid-Up Sum Assured on death will be calculated as:

$$\text{Sum Assured on death} \times (\text{Total premiums paid} / \text{Total premiums payable, during the entire policy term})$$
 On death of the life insured during the policy term after being made Reduced Paid-Up, the benefit payable will be the Reduced Paid-up Sum Assured on death PLUS Accrued bonuses (if any).

## 12. 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.

## 13. Nomination & Assignment:

**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.

**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.

## 14. Free Look Period:

The policyholder is offered 15 days free look period for a policy sold through all channels (except for Distance Marketing\* Channel which will have 30 Days) from the date of receipt of the policy wherein the policyholder may choose to return the policy 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.

\*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) and (iv) Physical mode which includes direct postal mail and newspaper & magazine inserts.

## 15. General Exclusion:

In the event of the life insured committing suicide within one year of the date of commencement of the risk of the policy, 80% of the Total premiums paid till the date of death will be payable.

In case of suicide after 12 months from date of commencement of the risk, 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 plan shall be payable.
- However, in case of suicide within 1 year of the date of revival, when the revival is done after more than 6 months from the date of first unpaid premium, the benefit payable shall be higher of 80% of Total Premiums Paid till the date of death or Surrender Value at the date of death provided the policy is in-force.

**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.** is a 100% owned subsidiary of Kotak Mahindra Bank Limited (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](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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**kotak life**

*Koi hai... hamesha*

**Kotak Classic Endowment Plan** UIN:107N082V02, Form No.: N082, Kotak Term Benefit Rider UIN: 107B003V03, Form No.: B003, Kotak Accidental Death Benefit Rider UIN: 107B001V03, Form No.: B001, Kotak Permanent Disability Benefit Rider UIN: 107B002V03, Form No.: B002, Kotak Critical Illness Plus Benefit Rider UIN: 107B020V01, Form No.: B020, Kotak Life Guardian Benefit Rider UIN: 107B012V02, Form No.: B012, Kotak Accidental Disability Guardian Benefit Rider UIN: 107B011V02, Form No.: B011, Ref. No.: KLI/19-20/E-BB/597.

This is a Savings-cum-Protection oriented Participating Endowment Plan. For sub-standard lives, extra premium may be charged based on Kotak Life Insurance'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. For more details on riders please read the Rider Brochure.

**Kotak Mahindra Life Insurance Company Ltd.** Regn. No.:107, CIN : U66030MH2000PLC128503, Regd. Office: 2nd Floor, Plot # C- 12, G- Block, BKC, Bandra (E), Mumbai - 400 051. Website: <https://insurance.kotak.com> | Email: [clientservicedesk@kotak.com](mailto:clientservicedesk@kotak.com) | Toll Free No:1800 209 8800.

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