

Kotak
SECURE
INVEST
INSURANCE



Market participation now with guarantee of your capital.



A JOINT VENTURE WITH  OLD MUTUAL

Faidey ka Insurance



Why Kotak Secure Invest Insurance?

- ✓ Equity exposure backed by Capital Guarantee
- ✓ Inbuilt investment advice of Guarantee Fund
- ✓ Long term benefits of insurance with a short payment term
- ✓ Tax Benefits



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KOTAK SECURE INVEST INSURANCE

Of all the investment avenues available, equity markets have the potential to provide the best returns. However there is uncertainty associated with investing your money in the markets.

Understanding the value of your hard-earned money, we bring to you a unit linked insurance plan Kotak Secure Invest Insurance. This plan invests your money in the capital markets and at the same time insulates you from the risks involved, by giving you a capital guarantee.

Note

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

Key Features

Capital Guarantee

Your investments must ensure that financial requirements for you and your family are met comfortably. Erosion in your savings due to market fluctuations can therefore cause inconvenience to you to a great extent. To safeguard you from such an eventuality, we offer your investment the protection of Capital Guarantee. So, while we ensure that your money works hard for you, we also ensure your peace of mind.

When the markets are in a bull phase, you will enjoy the market linked returns delivered on your portfolio. However, in a bear phase, your investment is still safe as you are sure of getting the Capital Guarantee. In a nutshell, "Bulls You Win and Bears You Win".

In this plan, Capital Guarantee is equal to the total amount of premium paid by you over the policy term. Capital Guarantee is available only if the policy is in force and no Partial Withdrawals are made.

Inbuilt Investment Advice

Kotak Secure Invest Insurance offers Guarantee Fund that invests in debt or equity depending on market conditions and delivers consistent inflation beating returns. This means that as an investor you do not have to worry about the course of markets. Instead, a team of experts invests on your behalf and ensures that your investment objective is met. You also have the option of Money Market Fund, a risk-averse fund investing in Money Market Instruments.

Fund	Fund Objective	Risk-Return Profile	Equity	Debt (Including Money Market Instruments*)
Guarantee Fund	Aims to provide stable, long-term inflation beating growth over medium to long-term and defend capital against short-term capital shocks	Cautious	0% to 75%	25% to 100%
Money Market Fund	Aims to protect your capital and not have downside risks	Conservative	-	100%
If Capital Guarantee falls away on account of Partial Withdrawal, you can invest in Frontline Equity Fund.				
Frontline Equity Fund	Aims for a high level of capital growth by holding a significant portion in large sized company equities	Aggressive	60-100%	0-40%

* Investments in Money Market Instruments will not exceed 40%, except for Money Market Fund

You can switch or change future premium allocation between fund options as per your needs and investment objectives.

Maturity Benefit

At maturity of the plan, you would be entitled to the higher of:

- Capital Guarantee or
- Fund Value

In cases where Capital Guarantee falls away on account of Partial Withdrawal, the maturity benefit would be the Fund Value.

You can take the maturity proceeds either as a lumpsum or in instalments over next five years under the Settlement Option⁵.

Death Benefit

Life is uncertain and you would not want to take a chance when it comes to your loved ones.

In the unfortunate event of death, this plan offers highest of:

- Basic Sum Assured or
- 105% of all premiums paid till the date of death or
- Fund Value

The benefit will be payable if you have paid all your premiums up to date.

Option of Short Term Payment

Kotak Secure Invest Insurance offers you the option to pay for the full policy term or for a shorter term of five or ten years when you are not sure of your income in the years to come. While you pay for the Short Term, you still enjoy the benefits of the policy for the long policy term chosen.

Tax Benefit

You can avail tax benefits under Section 80C and Section 10 (10D) of Income Tax Act, 1961. Premiums paid for Kotak Critical Illness Benefit (CIB) may qualify for a deduction under Section 80D of the Income Tax Act, 1961. Tax Benefits are subject to change in the tax laws. You are advised to consult your tax advisor for details.

Additional Options

Additional Options	Benefits
Boosted protection through riders	<p>You can opt for additional rider benefits if you want to guard against any specific eventuality. This plan offers the following riders:</p> <ul style="list-style-type: none">• Kotak Term / Preferred Term Benefit (KTB/KPTB)• Kotak Accidental Death Benefit (ADB)• Kotak Permanent Disability Benefit (PDB)• Kotak Critical Illness Benefit (CIB)• Kotak Life Guardian Benefit (LGB)• Kotak Accidental Disability Guardian Benefit (ADGB) <p>Please refer to the rider brochure for more details on riders.</p>
Discontinuance of policy	<p>In the event of unforeseen financial condition you may decide to discontinue the policy. Discontinuance of policy before the 5th year will attract Discontinuance Charges.</p>
Partial Withdrawals¹	<p>You have the convenience and flexibility to withdraw your money from year 6 onwards thus enhancing the liquidity.</p>

Eligibility

Entry Age	Min: 0 years, Max: 60 years
Maturity Age	Min: 18 years , Max: 75 years
Policy Term	10/ 15/20/25/30 years For minors, minimum term –10 years or 18 less entry age (as on last birthday), whichever is higher, rounded to the next higher policy term available.
Premium Payment Term	Regular: Equal to policy term Limited: 5 years with 10 year policy term 10 years with 15 / 20 /25 /30 policy terms
Premium Payment Mode	Annual only
Regular Premium	Min: Rs.20,000 p.a., Max: Rs.1,50,000 p.a.
Limited Premium Payment	Min - Rs 50,000 p.a.,Max: Rs.1,50,000 p.a.
Basic Sum Assured	For entry age less than 45 yrs: Higher of (10 X Annual Premium) OR (0.5 X Policy Term X Annual Premium) For entry age 45 yrs and above: Higher of (7 X Annual Premium) OR (0.25 X Policy Term X Annual Premium)

Illustration

Mr. Naveen is a 35-year-old well-respected IT professional working with a reputed organization. He heads the financial services vertical of his company. Having burnt his fingers twice in the markets, he is quite wary of its unpredictability. On the other hand, he also realizes that for long-term investment growth, equity has to be a part of his portfolio. Kotak Secure Invest Insurance is the plan that addresses his concern by providing equity exposure backed by Capital Guarantee on his investment.

Given below is an illustration of the benefits payable to Mr. Naveen in different scenarios with an Annual Premium of Rs. 1,00,000 for a 20 year policy and a Sum Assured of Rs. 10,00,000:

			Benefits at 6%		Benefits at 10%	
End of Year	Age (in years)	Cumulative Premium (Rs.)	Fund Value (Rs.)	Death Benefit (Rs.)	Fund Value (Rs.)	Death Benefit (Rs.)
5	40	5,00,000	5,10,285	10,00,000	5,72,838	10,00,000
10	45	10,00,000	11,31,725	11,31,725	14,10,958	14,10,958
15	50	15,00,000	18,77,281	18,77,281	26,18,664	26,18,664
20	55	20,00,000	27,68,707		43,56,466	

The Capital Guarantee is Rs. 20,00,000 at maturity
Net yield at 10% investment return: 7.97%

Please note that the above illustration is an extract of a separate, more detailed benefit illustration. For full details, please refer to the Benefit Illustration.

Charges

Premium Allocation Charge

This is charged as a percentage of the annual premium. The net premium is then allocated at the Net Asset Value (NAV)⁶ prevailing on the date of receipt of premiums. The charges applicable are:

Policy Year	1	2	3 onwards
Premium Allocation Charge	6%	5%	3%

Policy Administration Charge

The administration charge is a percentage of the annual premium paid and will be recovered through monthly cancellation of units throughout the term of the policy. The charge will be 0.25% per month of the annual premium.

Fund Management Charge (FMC)

To manage the fund efficiently, an annual charge is levied as a percentage of the Fund Value and is adjusted in the Net Asset Value (NAV)⁶. The annual FMC of the funds in this plan are:

- Guarantee Fund – 1.35%
- Money Market Fund – 1.35%
- Frontline Equity Fund * – 1.35%

*Available only for switches when the capital guarantee falls away due to Partial Withdrawal(s).

Guarantee Charge

Guarantee Charge of 0.75% p.a. is applicable on the Fund Value. The Guarantee Charge will not apply after the Capital Guarantee falls away permanently (on Partial Withdrawal).

Switching Charges

First four switches in a policy year will be free of cost. Any additional switch will be charged at Rs.500.

Partial Withdrawal Charge

For each Partial Withdrawal in any policy year Rs.500 will be charged. This charge may be increased to a maximum of Rs.1,000 subject to IRDA approval.

Discontinuance Charge

Year during which policy is discontinued	1	2	3	4	5 Onwards
Below and equal to Rs.25,000	Lowest of: •20% of AP •20% of FV •Rs.3000/-	Lowest of: •15% of AP •15% of FV •Rs.2000/-	Lowest of: •10% of AP •10% of FV •Rs.1500/-	Lowest of: •5% of AP •5% of FV •Rs.1000/-	Nil
Premium above Rs.25,000	Lowest of: •6% of AP •6% of FV •Rs.6000/-	Lowest of: •4% of AP •4% of FV •Rs.5000/-	Lowest of: •3% of AP •3% of FV •Rs.4000/-	Lowest of: •2% of AP •2% of FV •Rs.2000/-	Nil

AP= Annual Premium; FV= Fund Value

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 annual charges per thousand sum at risk* for a healthy individual.

Age (in Years)	25	35	45	55
Mortality Charge	1.407	1.662	3.248	8.611

* Sum at Risk = Death Benefit – Fund Value

Rider Charge

For providing the additional rider benefits, charges will be recovered by way of additional premiums, paid in addition to the basic and extra regular premiums throughout the rider term.

Miscellaneous

The charge for alteration in the policy contract is Rs.500 per request. For premium redirection, a fee of Rs.100 will be charged.

Terms and Conditions

1. Partial Withdrawal

Partial Withdrawals will be allowed after completion of five policy years and provided the policy is in full force. Minimum amount for Partial Withdrawal is Rs.10,000. Minimum balance of one annual premium should be maintained after Partial Withdrawal. If the Fund Value (after Partial Withdrawal) falls below one annual premium, either because of a charge or due to a fall in NAV, the policy will continue till Fund Value reaches zero.

Partial Withdrawals will have the following effect on the Basic Sum Assured: (1) Up to the age of 60 years, Sum Assured payable on death is reduced to the extent of Partial Withdrawals made in the preceding two years (applicable partial withdrawals). (2) After the age of 60 years, Sum Assured payable on death is reduced to the extent of all Partial Withdrawals made from age 58 years onwards (applicable partial withdrawals). The minimum Death Benefit will be revised to 105% of all premiums paid till the date of death less applicable Partial Withdrawals.

2. Grace Period and Notice Period

There is a Grace Period of 30 days from the due date for payment of premium. If the premium is not paid till the end of Grace Period, within next 15 days Kotak Life Insurance will send a notice to the policyholder to either revive or terminate the policy without any risk cover. Notice Period is the duration of 30 days after receipt of the notice by the policyholder.

3. Discontinuance

If premiums are not paid until the end of Grace Period, Kotak Life Insurance will send a notice to the policyholder to exercise the option to either i) revive the policy or ii) opt for complete termination of the policy without any risk cover.

The Fund Value will remain invested in the existing funds as before until the policyholder exercises the options or till the expiry of the Notice Period, whichever is earlier. During this period, the policy is deemed to be in force with risk cover as per terms & conditions of the policy and all charges are deducted. Death Benefit will be higher of Basic Sum Assured (less due unpaid premium) or Fund Value.

The policy will be considered discontinued if the premiums are not paid and the policyholder has not exercised any option until the end of the Notice Period or if the policyholder exercises the option to terminate the policy. The Basic Sum Assured and rider benefits will permanently cease in such a scenario.

- In case of discontinuance during the lock-in period of 5 years:
Fund Value of the policy after deduction of discontinuance charges will be credited to the Discontinued Policy Fund. This amount will compound at minimum interest rate of 3.50%. The proceeds of the discontinued policy will be refunded only after completion of the lock-in period of five years except in case of death where it will be paid out immediately.
- In case of discontinuance after the lock-in period of 5 years:
Policy ends and the proceeds i.e. the Fund Value will become payable immediately.

4. Policy Revival

A policy can be revived with or without rider until the expiry of the Notice Period. All benefits will be reinstated on revival. The outstanding premium paid will be used to purchase units on the date of revival. If the policyholder does not exercise the option of revival until the end of Notice Period or opts for complete withdrawal from the policy without any risk cover, the policyholder will be deemed to have completely withdrawn from the policy.

5. Settlement Option

This plan provides an option to receive the maturity proceeds in cash or by way of pre-selected periodic installments (yearly, half-yearly and quarterly only), for up to 5 years after maturity by informing the company within 3 months prior to maturity of the policy.

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. Partial withdrawals and switches are not allowed during this period. During the settlement period, the investment risk in the investment portfolio is borne by the policyholder. Life cover and other benefits are not provided during the settlement period. If Fund Value is insufficient (due to volatility in the Market) to pay the desired amount of installment, then the balance Fund Value will be payable and the policy will be terminated.

6. Fund NAV's

NAV of a fund is calculated and published in financial newspapers on a daily basis.

Net Asset Value (NAV) = (Market Value of investment held by the fund +/- the expenses incurred in the purchase/sale of assets + value of Current Assets + any accrued income net of fund management charges – value of Current Liabilities – Provisions) divided by Number of outstanding units in the Fund.

The basis used for unit pricing would be appropriation price or the expropriation price, whichever prevails on the valuation date. The Appropriation price shall be the basis used for determining unit price when the Company is required to purchase assets to allocate the units at the valuation date. The Expropriation price shall be the basis in a situation when the Company is required to sell assets to redeem the units at the valuation date.

Where premiums are paid by outstation cheques, the NAV of the clearance date or due date, whichever is later, will be used for allocation of the premium. Transaction requests (including renewal premiums by way of local cheques, demand draft, switches, etc.) received before the cutoff time will be allocated to the same day's NAV and the ones received after the cutoff time will be allocated to the next day's NAV. The current cutoff time is 3:00 p.m. which may vary from time to time as per IRDA guidelines.

Premiums received in advance will be allocated on the scheduled due dates. No interest will be paid on such premiums.

7. Loans

No loan facility is available

8. Maximum Charge Level

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

- The miscellaneous, switching and withdrawal charges may be increased to a maximum of Rs. 1,000.
- Mortality charges are guaranteed for the term of the policy.

9. Free Look Provision

The policyholder is offered 15 days free look period, from the date of receipt of the policy wherein the Policyholder may choose to return the policy within 15 days of receipt if he is not agreeable with any of the terms and conditions of the plan. Should he choose to return the policy, he/she shall be entitled to refund of the premium paid after adjustment for stamp duty, medical expenses and proportionate risk premium.

10. General Exclusions

In case the Life Insured commits suicide within one year of date of issue of the policy or date of revival, the beneficiary would receive the Fund Value.

11. Service Tax and Education Cess

Service Tax and Education Cess shall be levied on the Fund Management Charges and the Mortality 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) either by increasing the premium and / or by reducing the benefits payable under the plan.

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 Old Mutual Life Insurance Ltd. is only the name of the Insurance Company and Kotak Secure Invest Insurance 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.
- Please know the associated risks and the applicable charges from your Insurance Agent or Corporate Agent / Insurance Broker or the policy contract.

Section 41 and 45

Section 41 of the Insurance Act, 1938 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.

Provided that acceptance by an insurance agent of commission in connection with a policy of life insurance taken out by himself on his own life shall not be deemed to be acceptance of a rebate of premium within the meaning of this sub section if at the time of such acceptance the insurance agent satisfies the prescribed conditions establishing that he is a bona fide insurance agent employed by the insurer.

- (2) Any person making default in complying with the provisions of this section shall be punishable with fine which may extend to five hundred rupees.

Section 45 of the Insurance Act, 1938 states:

No policy of life insurance effected before the commencement of this Act shall after the expiry of two years from the date of commencement of this Act and no policy of life insurance effected after the coming into force of this Act shall, after the expiry of two years from the date on which it was effected be called in question by an insurer on the ground that statement made in the proposal or in any report of a medical officer, or referee, or friend of the insured, or in any other document leading to the issue of the policy, was inaccurate or false, unless the insurer shows that such statement was on a material matter or suppressed facts which it was material to disclose and that it was fraudulently made by the policy holder and that the policy holder knew at the time of making it that the statement was false or that it suppressed facts which it was material to disclose:

Provided that nothing in this section shall prevent the insurer from calling for proof of age at any time if he is entitled to do so, and no policy shall be deemed to be called in question merely because the terms of the policy are adjusted on subsequent proof that the age of the life insured was incorrectly stated in the proposal.

About Us

Kotak Mahindra Old Mutual Life Insurance Ltd.

<http://insurance.kotak.com>

Kotak Mahindra Old Mutual Life Insurance Ltd is a 74:26 joint venture between Kotak Mahindra Bank Ltd., its affiliates and Old Mutual plc. A Company that combines its international strengths and local advantages to offer its customers a wide range of innovative life insurance products, helping them take important financial decisions at every stage in life and stay financially independent.

The Kotak Mahindra Group

www.kotak.com

Kotak Mahindra 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, to mutual funds, to life insurance, to investment banking, the group caters to the diverse financial needs of individuals and corporate sector. The group has a net worth of over Rs. 79 billion and has a distribution network of branches, franchisees, representative offices and satellite offices across cities and towns in India, and offices in New York, London, San Francisco, Dubai, Mauritius and Singapore servicing around 7 million customer accounts.

Old Mutual plc

www.oldmutual.com

Old Mutual plc is an international long-term savings, protection and investment Group. Originating in South Africa in 1845, the Group provides life assurance, asset management, banking and general insurance in Europe, the Americas, Africa and Asia. Old Mutual plc is listed on the London Stock Exchange and the JSE, among others.

Numbers as on 14th June, 2010.



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Kotak Secure Invest Insurance – UIN – 107L062V01, Form No. - L062, Reference No, KLI/10-11/P-PB/93.

Kotak Accidental Death Benefit UIN 107C001V01, Form No. C001, Kotak Permanent Disability Benefit UIN 107C002V01, Form No. C002, Kotak Term Benefit UIN 107C003V02, Form No. C003, Kotak Critical Illness UIN 107C004V02, Form No. C004, Kotak Accidental Disability Guardian UIN 107C011V01, Form No. C011, Kotak Life Guardian UIN 107C012V01, Form No. C012, Kotak Preferred Term Benefit UIN 107C013V01, Form No. C013.

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Insurance is the subject matter of the solicitation. This is a unit linked non-participating endowment plan. This document is not a contract of insurance and must be read in conjunction with the Benefit Illustration and Policy Document.