

Kotak Single Invest Advantage Plan

(UIN: 107L065V03)

Thank you for being a part of the Kotak Life Insurance family.

We view insurance as being much more than a cover; it is about savings and protection, about being carefree, about living life to the fullest. It is indeed heartening to know that you share our sentiments.

We would like to bring to your notice that Insurance Regulatory and Development Authority of India (IRDAI) has revised the regulations pertaining to products by issuing IRDAI (Linked Insurance Products) Regulations, 2019. As per the new Regulations, the following clauses in your existing policy stand revised:

1. Settlement Option:

The Policyholder may take the maturity benefit either as a lump sum or over a period of five years (settlement period) in the following manner:

- i.* 50% as a lump sum and the rest through regular instalments, or
- ii.* Entire payment through regular instalments;

The above mentioned options (i) and (ii) would be subject to the following conditions:

1. To exercise this Settlement Option at the time of maturity, the Policyholder will need to inform the company within a period of 3 months preceding the maturity of the policy.
2. At maturity, the Policyholder will pre-specify the mode in which instalments will be paid (e.g. quarterly, semi-annually or annually)
 - i. In case of option *i* above, after the payment of lump sum amount, 20% of the balance amount (i.e. 10% of the Maturity Benefit) shall be payable each year over a period of 5 years.
 - ii. In case of option *ii* above, the yearly installments i.e. 20% of Maturity Benefit will be payable over a period of five years.
 - iii. In case of non-annual modes, the yearly installments for each year shall be further divided equally as per mode chosen.
3. The first instalment under settlement option shall be payable on the date of maturity.
4. During this settlement period, the investment risk will be borne by the Policyholder. Thus there is a possibility that the Fund Value can grow or deplete during the Settlement Period and the return/risk of such movement will be borne by the Policyholder. Accordingly, the Total Benefit payable under the product may vary.
5. Only Self-Managed Investment Strategy will be available for choosing Funds available during Settlement period. The Policyholder should specify the choice of funds into which maturity amounts are to be maintained with the Company. Such selection of funds should be specified at the point of pre-settlement notification.
6. Switching between the funds will be allowed during the settlement period.
7. Partial Withdrawals will not be allowed during the settlement period.
8. 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.
9. If the Policyholder requests for pre-closure or the Fund Value is insufficient (due to volatility in the Market or due to Charges) to pay the desired amount of instalment, then the balance Fund Value will be payable and the policy will be terminated without levying any other charges.

10. In case of death of the Policyholder during this period, higher of 105% of Single premium paid or the balance Fund Value shall be payable immediately and the policy will be terminated. No other benefit is provided during Settlement Period.
11. Fund Management Charges and the applicable taxes (currently Goods and Services tax and cess) are levied during this period. The Fund Management Charge will be adjusted in the NAVs of the applicable Funds. Switching Charges, if applicable, will be levied through deduction of units. Mortality charge will also be levied during Settlement Period based on the Sum At Risk. Other charges will not be applicable.
12. At the end of the settlement period, the balance fund Value, if any, will be payable as lump sum.

Note:

The Fund Value will be computed based on the closing Net Asset Value (NAV) on:

- i. the business day coinciding with the date of maturity if it is a business day; or
- ii. the next business day if the date of maturity falls on a holiday.

2. Death Benefit

- i. The benefits available on the death of the Life Insured during the Policy Term will be as follows:

Highest of

- Basic Sum Assured, i.e., 10 times of Single Premium paid Less applicable Partial Withdrawals* ; or
- Fund Value (inclusive of Loyalty Additions, if any)
- 105% of the Single Premium paid Less applicable partial withdrawals*

*Please refer to “Partial withdrawal” section for details.

- ii. Death Benefit is payable as a lump sum and no settlement option is available. Once this benefit is paid the Policy terminates and no further benefits are payable.

- iii. Amount payable on Death of the Life Insured under Discontinuance of Policy:

On the death of the Life Insured during the Lock-in Period (when the Policy has been discontinued /surrendered/completely withdrawn), the proceeds of the Discontinued Policy Fund (which is subject to a minimum interest rate specified by IRDAI) till the date of intimation of death, will be paid immediately and the Policy will get terminated thereafter. The current minimum interest rate applicable is 4% p.a.

No other benefit shall be paid.

3. Benefits on Discontinuance of the Policy:

Where the policyholder exercises the option of complete withdrawal from the policy / Surrender without any risk cover;

i. During lock-in period of first five years:

- a. Has to intimate the Company in writing,
- b. The Fund Value net of discontinuance charges on the date of discontinuance will be credited to the Discontinued Policy Fund.
- c. Only fund management charge can be deducted from this fund during this period. Further, no risk cover shall be available on such policy during the discontinuance period.
- d. Date of discontinuance will be the date on which KLI receives the intimation from the policyholder about discontinuance of the policy.
- e. This Discontinued Policy Fund will earn interest rate at least equal to the minimum guaranteed interest (currently 4% p.a.) as specified by IRDAI till the end of lock-in period (5 years from policy inception) or revival period as applicable. The minimum guaranteed interest rate applicable to the Discontinued Policy Fund shall be declared by the Authority from time to time
- f. The excess Income earned on discontinuance fund over and above the minimum guaranteed interest rate shall also be apportioned to the Discontinued Policy Fund in arriving at the proceeds to the discontinued policy and shall not be made available to the shareholders;
- g. Insurer shall refund the amount by means of a cheque or demand draft or direct credit, to be delivered to the insured,
- h. Facilities such as fund switches, strategies and Partial Withdrawals will not be allowed during this discontinuance period.
- i. Upon payment of the proceeds from Discontinued Policy Fund, the Policy shall be terminated and no further Benefits shall be payable under the Policy.

ii. After the Lock-in Period of 5 years:

- a. Fund Value (including Loyalty Additions, if any) will be paid out immediately and policy will get terminated

iii. Death Benefit during the Lock-in period (when the plan has been Surrendered/completely withdrawn):

Proceeds of the Discontinued Policy Fund (which is subject to a minimum interest rate specified by Insurance Regulatory and Development Authority (IRDAI)), till the date of intimation of death, will be paid immediately and the policy will get terminated thereafter. The current minimum interest rate applicable is 4% p.a.

Investment Strategies will not be available during Discontinuance period. Once the benefit on Discontinuance as aforesaid is paid, the Policy will stand terminated.

- 4. Partial Withdrawal:** The Partial Withdrawals are allowed only after completion of the Lock-in Period. Partial Withdrawal will only be allowed if the Life Insured has attained 18 years of age.

- i. The minimum amount of Partial Withdrawal is Rs.5,000. Partial Withdrawals should be in multiples of Rs.1,000. Partial Withdrawal charges (as mentioned under the Section ‘Charges’) will be applicable.
- ii. The minimum amount equal to 50% of the Single Premium paid is required to be maintained after the partial withdrawal, i.e. Partial Withdrawals that result in Fund Value being less than 50% of the Single Premium will not be allowed. If the Fund Value (after Partial Withdrawal) subsequently falls below the aforementioned limit, either because of a charge or due to a fall in NAV, the Policy will continue so long the Fund Value remains positive.
- iii. Sum Assured on death is reduced to the extent of Partial Withdrawals made from the Fund Value during the two years period preceding the date of death (the applicable partial withdrawals)
- iv. Partial withdrawal will not be allowed during Discontinuance state and during Settlement period.
- v. The Company may at any time, change such limits on Partial Withdrawal and minimum Fund Value to be maintained after Partial Withdrawal. Any such limits will be subject to approval by IRDAI.

5. Mortality Charges

For the purpose of calculation of Mortality Charges, Sum at Risk shall be calculated as follows:

Sum at Risk for policies other than Policies during Settlement Period will be calculated as:

[Highest of:

- Basic Sum Assured (10 times of Single Premium) LESS applicable Partial Withdrawals, if any, or
- Fund Value including Loyalty Additions (if any) infused into the fund or
- 105% of the Single Premium paid Less applicable Partial Withdrawals

LESS Fund Value in Main Account including Loyalty Additions (if any) infused into the fund

Sum at Risk for policies during Settlement Period

Sum at Risk will be

Highest of:

- 105% of the Single Premium
- Fund Value

Minus Fund Value

6. Discontinuance Charges

Following discontinuance charges shall be applicable:

Discontinued policy year	Maximum Discontinuance Charges
1	Lower of 1% *(SP or FV) subject to a max of Rs.3,000

2	Lower of 0.70% *(SP or FV) subject to a maximum of Rs.2,000/-
3	Lower of 0.50% *(SP or FV) subject to a maximum of Rs.1,500/-
4	Lower of 0.35% *(SP or FV) subject to a maximum of Rs. 1,000/-
5 and onwards	Nil

7. Switching Charge:

12 free switches in a year are allowed under this plan. Thereafter a charge of Rs. 250 per switch is applicable. Fund switches shall only be chargeable when the policyholder exhausts all available free switches by doing manual fund switches (which is possible only in case of Self-Managed Strategy). This charge may be increased to a maximum of Rs.500 subject to IRDAI approval.

8. Minimum Cap on charges:

- The Switching Charge and Partial Withdrawal Charge cannot be increased beyond Rs. 500 per switch.
- Replacement of policy document will be charged at Rs.250.
- Any change in the above limits will be made only after clearance by the IRDAI.

9. Suicide Exclusion:

In case of death due to suicide within twelve months from the Date of commencement of the Policy, the nominee or the beneficiary of the policyholder shall be entitled to the Fund Value as available on the date of intimation of death. Further any charges other than Fund Management Charges (FMC) recovered subsequent to the date of death shall be added back to the fund value as available on the date of intimation of death.

10. Force Majeure:

If Our performance or any of Our obligations are in any way prevented or hindered as a consequence of a force majeure event, the performance of this Policy shall be wholly or partially suspended during the continuance of such force majeure event. This shall be subject to the following conditions:

- a. The Company shall value the Funds (SFIN) on each day for which the financial markets are open. However, the Company may value the SFIN less frequently in extreme circumstances external to the Company i.e. in force majeure events, where the value of the assets is too uncertain. In such circumstances, the Company may defer the valuation of assets for up to 30 days until the Company is certain that the valuation of SFIN can be resumed.
- b. The Company shall inform IRDAI of such deferment in the valuation of assets. During the continuance of the force majeure events, all request for servicing the policy including policy related payment shall be kept in abeyance.
- c. The Company shall continue to invest as per the fund mandates submitted to IRDAI at the time of Product approval. However, the Company shall reserve its right to change the exposure of all or any part of the Fund to Money Market Instruments [as defined under Regulations 2(j) of IRDAI (Investment) Regulations, 2016, as amended from time to time] in circumstances mentioned under points a. and b. above. The exposure of the fund as per the fund mandates submitted to IRDAI (as stated above) shall be reinstated within reasonable timelines once the force majeure situation ends.
- d. In such an event, an intimation of such force majeure event shall be uploaded on the Company's website for information.
- e. Few examples of circumstances as mentioned a. & b. above are:
 - i. when one or more stock exchanges which provide a basis for valuation of the assets of the fund are closed otherwise than for ordinary holidays;

- ii. when, as a result of political, economic, monetary or any circumstances which are not in the control of the Company, the disposal of the assets of the fund would be detrimental to the interests of the continuing Policyholders;
- iii. in the event of natural calamities, strikes, war, civil unrest, riots and bandhs;
- iv. in the event of any force majeure or disaster that affects the normal functioning of the Company.

11. Jurisdiction:

Without prejudice to the generality of the aforesaid provisions, this Policy shall be governed by the laws of India. The Courts of India shall have the exclusive jurisdiction to settle any disputes arising under this Policy.

All other clauses and conditions remain the same. This document is an addendum to your existing policy contract and the clauses as mentioned in this letter supersede the corresponding clauses of the existing policy contract that you may have.

Warm regards,

Authorised Signatory
Kotak Mahindra Life Insurance Co. Ltd.