Kotak Premier Pension Plan

(UIN: 107N094V02)

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 (Non Linked Insurance Products) Regulations, 2019. As per the new Regulations, the following clauses in your existing policy stand revised:

1. Benefits Payable:

A. **Death Benefit:**

i. Death Benefit available during the Policy Term shall be the sum of:

a. Assured Benefit
b. Accrued Guaranteed Additions
c. Accrued Reversionary Bonuses(if any)
d. Terminal Bonus(if any)

ii. Death Benefit during Reduced-Paid-Up:
On death of the Life Insured during the Policy Term after being Reduced Paid-Up, the benefit available will be the Assured Benefit plus Accrued Guaranteed Additions and Accrued Reversionary Bonuses (if any)

If the Life Insured dies during the Policy Term, the nominee shall exercise one of the following options:

- To utilize the entire proceeds of the Policy or part thereof for purchasing an immediate annuity or deferred annuity at the then prevailing rate from the Company; or
- To utilize a specified percentage (currently 50%) of proceeds of the policy (net of the commutation) to purchase an immediate annuity or deferred annuity at the then prevailing rate from any other insurer and remaining proceeds to purchase an immediate annuity or deferred annuity from Kotak Mahindra Life Insurance Company Ltd (also Kotak Life Insurance) or
- Withdraw the entire proceeds of the Policy.

B. **Vesting/Maturity Benefit:**

i. On Survival to the end of the Policy Term, Vesting / Maturity Benefit will be:
Higher of;

a. [Basic Sum Assured] + [Accrued Guaranteed Additions] + [Accrued Reversionary Bonuses (if any)] + [Terminal Bonus (if any)], OR
b. Assured Benefit

ii. Vesting/Maturity Benefit during Reduced-Paid-Up:
On maturity of the Policy after being made Reduced Paid-Up, the benefit available will be the Reduced Paid-up Basic Sum Assured (as mentioned in the section of Reduced Paid-Up) plus Accrued Guaranteed Additions and Accrued Reversionary Bonuses (if any).

iii. On the date of vesting, the Policyholder shall exercise one of the following options:

- To utilize the entire proceeds to purchase immediate or deferred annuity at the then prevailing annuity rate from the Company or from any other insurer subject to (a) below or,
- To commute to the extent allowed by the Authority (currently 60%) and utilize the balance amount to purchase immediate or deferred annuity from the Company or any other insurer subject to (a) below, which shall be guaranteed for life, at the then prevailing annuity rate, or option to purchase immediate annuity or deferred annuity from another insurer at the then prevailing annuity rate to the extent of percentage, as stipulated by the Authority (currently 50%), of the entire proceeds of the policy net of commutation;
- To utilize the entire proceeds to purchase a single premium deferred pension product from the Insurer; or
- To extend the accumulation period within the same policy with the same terms and conditions as the original policy provided the Life Insured is below 55 years of age

In the event where the proceeds of the Policy is not sufficient to purchase minimum annuity prescribed by IRDAI from time to time [currently Rs. 1000 per month as prescribed under IRDAI (Minimum Limits for Annuities and other Benefits) Regulations, 2015], such proceeds of the Policy may be paid to the Policyholder or beneficiary as lump sum.

C. **Surrender Benefit:**

a) The Surrender benefit available under the Policy shall be the higher of:
   i. Guaranteed Surrender Value; or
   ii. Special Surrender Value.

Once the surrender value is paid, the Policy shall stand terminated.

b) Guaranteed Surrender Value:
   For Regular & Limited Premium Paying policy: The policy will acquire a Guaranteed Surrender Value ("GSV") after payment of full Premiums for two consecutive Policy Years. For Single Premium Paying policy:

The policy will acquire a GSV anytime after payment of the Single Premium.

On the date of surrender, the Policyholder shall exercise one of the following options:

- To utilize the entire proceeds to purchase immediate or deferred annuity at the then prevailing annuity rate from the Company or from any other insurer subject to (a) below or
- To commute to the extent allowed (currently 60% of the benefit amount) and utilize the balance amount to purchase immediate or deferred annuity from the Company or any other insurer subject to (a) below, which shall be guaranteed for life, at the then prevailing annuity rate, or
  (a) Option to purchase immediate annuity or deferred annuity from another insurer at the then prevailing annuity rate to the extent of percentage, as stipulated by the Authority, currently 50%, of the entire proceeds of the policy net of commutation

In the event where the proceeds of the policy is not sufficient to purchase minimum annuity prescribed by IRDAI from time to time [currently Rs. 1000 per month as prescribed under IRDAI (Minimum Limits for Annuities and other Benefits) Regulations, 2015], such proceeds of the policy may be paid to the policyholder or beneficiary as lump sum.

- To utilize the entire proceeds to purchase a single premium deferred pension product from the Company.

<u>iii. Guaranteed Surrender Value will be calculated as under:</u>

GSV will depend on the year of surrender of Policy and GSV factor will be a percentage of total Premiums / Single Premium paid (excluding Goods and Services Tax and Rider premium if any). In addition, the value of subsisting Bonuses and Guaranteed Additions (if any) will also be available.

a. **For Regular / Limited Premium paying policies:** GSV factors as percentage of total Premiums paid is given in the table below:

Year of Surrender	GSV factor (as % of Total Premiums paid)
2nd Year	30%
3rd year	35%
4th to 7th year	50%
8th year to (Policy Term less 2 years)	50% + (Year of surrender – 7) x (Y - 50%) / (Policy Term – 8) Where Y: 90% for both Regular Premium Paying Term and Limited Premium Paying Term
Last 2 policy years	90%

b. **For Single Premium paying policies:**
GSV Factors as percentage of the Single Premium paid is given in the table below:

Year of Surrender	GSV Factors (as % of Single Premium paid)
1 to 3 year	**75%**
4th year onwards	**90%**

c. Value of Subsisting Bonus and Guaranteed Additions (if any) is calculated as:
[Accrued Bonuses and Guaranteed Additions (if any) X GSV factor as on the date of surrender]

d. GSV factors as percentage of subsisting bonuses and Guaranteed Additions (if any) is given in the table below:

Remaining term to maturity	GSV Factors (as % of subsisting bonuses & Guaranteed Additions)	Remaining term to maturity	GSV Factors (as % of subsisting bonuses & Guaranteed Additions)
0	100.00%	**16**	21.01%
1	90.50%	**17**	19.17%
2	81.91%	**18**	17.50%
3	74.15%	**19**	16.01%
4	67.13%	**20**	14.67%
5	60.80%	**21**	13.46%
6	55.07%	**22**	12.38%
7	49.90%	**23**	11.41%
8	45.23%	**24**	10.53%
9	41.01%	**25**	9.75%
10	37.20%	**26**	9.05%
11	33.76%	**27**	8.43%
12	30.66%	**28**	7.87%
13	27.86%	**29**	7.37%
14	25.34%		
15	23.06%		

e. **Special Surrender Value ("SSV")**:
The Company may consider paying a SSV when the Policy acquires a Guaranteed Surrender Value. Such special surrender value will be solely determined by the Company at its discretion, and the same will be quoted in writing by the Company, on receipt of a written request from the Policyholder.

2. Lapse:

a. This section is not applicable for Single Premium payment option.
b. The Policy shall lapse from the due date of the first unpaid Premium, if Premiums for the first two Policy Years are not paid within the Grace Period
c. During the lapse phase the Policy will not be eligible for either Guaranteed Additions or declared bonuses

3. Revival: The Policyholder can revive a Lapsed/ Reduced Paid-Up Policy by making an application within a period of five years from the due date of the first unpaid Premium and before the date of maturity of the Policy. The revival of the Policy shall be done upon payment of a) Premiums in arrears; b) late payment charges (currently 9% per annum of outstanding premiums) at such rates as may be prescribed by the Company from time to time on Premiums in arrears, and as per the Board Approved Underwriting Principles

The Company may, at its absolute discretion, accept or decline the request for revival (made by the Policyholder in writing) of a Lapsed/Reduced Paid-Up Policy, or accept the request for revival on such terms and conditions as it deems fit. The revival of the Policy will be effective after the Company's approval is communicated in writing to the Policyholder.

In the event, the Lapsed Policy is not revived within five years of due date of the first unpaid Premium and before the date of maturity of the Policy, the Policy shall stand terminated and the benefits available under the Policy shall cease.

If policy is in Reduced Paid-Up mode (Please refer Clause on Reduced Paid-Up below) and is not revived as aforesaid, it will continue in that mode till the end of the Policy Term.
Policy will not be eligible for declared bonuses / guaranteed additions during the lapse period. However, all benefits under the Policy (including guaranteed additions and declared bonuses) will be reinstated on the revival of the Policy.

All benefits under the policy will be reinstated on the revival of the Policy.

Revival clause is not applicable for Single Premium payment option.

4. Suicide Exclusion

In case of Life Insured committing suicide within one year from the Date of Commencement of Risk of Policy, only 80% of the Premiums paid till date of death shall be payable to the nominee.

In the event of suicide after one year from the date of Commencement of Risk of Policy, following will be applicable:
In case of Life Insured committing suicide within 1 year from the date of Minor Revival (revival done within 6 months from the date of first unpaid premium), Suicide Exclusion shall not be applicable and the Death Benefit under the Policy shall be payable.
In case of suicide within 1 year of the date of Major Revival (revival done after 6 months from the date of first unpaid premium), the benefit payable shall be higher of 80% of Premiums Paid till date of death or Surrender Value (if any) at the date of death, provided the Policy is in force.

5. 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.