

# Kotak Single Invest



Invest once



and reap big benefits



A JOINT VENTURE WITH  OLD MUTUAL

Faidey ka Insurance

# Kotak Single Invest



## KEY ADVANTAGES

- Easy one time payment
- High allocation of premium
- Ease of switching between funds
- Tax benefits



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## KOTAK SINGLE INVEST

There are times when life can surprise you pleasantly with financial windfalls or unexpected rewards. Such surplus is normally spent by you over a period of time or it simply lies idle. However, an intelligent investment of such a lump sum amount can go a long way in ensuring a bright future for you.

Keeping this in mind, Kotak Life Insurance brings to you Kotak Single Invest, a hassle-free unit linked plan, where you invest once and reap the benefits throughout the policy term. Coupled with easy liquidity and well-defined fund options, we ensure that your investments work for you and not vice versa.

### Note

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

# How does this plan work?

## Convenience of One Time Investment

In this plan, a single premium enables you to enjoy the benefits of investment and insurance throughout the policy term. There is no obligation of future payments, which means that now you can sit back and relax. On maturity under this plan, you will get the Fund Value whereas in case of death during the policy term you will get the higher of Fund Value or Insured Benefit<sup>2</sup>.

## Convenience of Well Defined Funds

As an individual investor, your investment objective can be very specific. Some of us might be aggressive and look for mostly equity exposure while others might be cautious and would like safety of capital. Whatever be your investment style, Kotak Single Invest offers you fund options to match your risk profile and investment objective.

Fund Option	Investment Objective	Risk-Return Profile	Equity	Debt (Including Money Market Instruments*)
Classic Opportunities Fund	Aims to maximize opportunity for long term capital growth, by holding a significant portion in a diversified and flexible mix of large/ medium sized company equities	Aggressive	75-100%	0-25%
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%
Dynamic Floor Fund II	Aims to provide stable, inflation beating growth over medium to long term and defend capital against short-term capital shocks	Cautious	0-75%	25-100%
Peak Guarantee Fund <sup>1</sup>	Guarantees a percentage of the highest NAV <sup>2</sup> recorded during a pre-specified guaranteed period	Cautious	0-100%	0-100%
Bond Fund	Aims to preserve capital and minimize downside risk with investment in debt and government instruments	Conservative	-	100%
Gilt Fund				
Money Market Fund	Aims to protect your capital and not have downside risks	Conservative	-	100%

\*Investments in Money Market Instruments will not exceed 40%, except for Money Market Fund and Peak Guarantee Fund.

## Convenience of Switches

Attractiveness of an asset class depends both on your requirements and on the market conditions. It therefore becomes very important that your plan gives you the flexibility to move your investments from one fund to another. Under Kotak Single Invest, your first 12 switches are free thereby enabling you to choose the right fund as per market conditions.

## Convenience of Life Cover

Kotak Single Invest offers you life cover that maximizes your investment potential. The Basic Sum Assured offered under this plan is 5 times the single premium.

The death benefit<sup>9</sup> in this plan is:

- During the first policy year: Higher of Fund Value or Basic Sum Assured
- Second policy year onwards: Higher of Fund value or 22% of the Basic Sum Assured

### Tax Benefit:

You can avail tax benefits under Section 80C and Section 10 (10D) of Income Tax Act, 1961. Tax benefits are subject to change in the tax laws. You are advised to consult your Tax Advisor for details

### Other Benefits

<b>Partial Withdrawals<sup>3</sup></b>	You have the convenience and flexibility to withdraw your money from year 4 onwards thus enhancing the liquidity.
<b>Surrender</b>	You can surrender the policy by paying the applicable Surrender Charges, that will be deducted from the Fund Value.
<b>Settlement Options<sup>4</sup> (available at maturity)</b>	Provides flexibility to receive the maturity benefits in the form of: <ul style="list-style-type: none"><li>• A lump sum payment; OR</li><li>• In installments over a maximum period of five years</li></ul>

# Eligibility - A Ready Reckoner

This eligibility table will help you plan your family's future needs.

Entry Age	Min: 0 years, Max: 65 years
Maturity Age	Min: 10 years, Max: 75 years
Policy Term	10 years
Basic Sum Assured	5 times single premium
Single Premium	Min: Rs. 25,000, Max: No limit
Partial Withdrawal	Min: Rs. 5,000

## Illustration

For a premium of Rs. 100,000 and Basic Sum Assured of Rs. 500,000, the Fund Value at the end of 10 years for different ages is given below:

Fund Value at the end of 10 years (in Rs.)		
Age at Entry (in years)	at an assumed growth of 6%	at an assumed growth of 10%
25	1,36,629	1,99,639
30	1,36,596	1,99,595
35	1,36,405	1,99,345
40	1,35,829	1,98,575

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

It is an initial distribution charge as a percentage of the single premium received. The net premium is then allocated at the Net Asset Value (NAV)<sup>5</sup> prevailing on the date of receipt of premiums. The charge varies for premium bands as below.

Single Premium	Premium Allocation Charge as % of Single Premium
Rs. 25,000 to Rs. 99,999	2.25%
Rs. 100,000 to Rs. 4,99,999	1.50%
Rs. 5,00,000 and above	1.00%

## Policy Administration Charge

The administration charge is a percentage of the single premium paid and will be recovered through monthly cancellation of units for first 5 policy years. There is no Policy Administration Charge from 6th policy year onwards.

Single Premium (Rs.)	Rs. 25,000 - Rs. 499,999	Rs. 5,00,000 and above
Charge per month (as % of Single Premium)	0.15%	0.10%

## Fund Management Charge (FMC)

To manage your money efficiently, an annual charge is levied as a percentage of the Fund Value and is adjusted in the Net Asset Value (NAV). The annual FMC of 1.35% is applicable for all the funds.

## Guarantee Charge

Guarantee Charge of 0.40% p.a. is applicable for Peak Guarantee Fund and is adjusted in the Net Asset Value (NAV).

## Mortality Charge

Mortality Charge is the cost of life cover 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	1.688	1.994	3.898	10.333

\*Sum at Risk = Insured Benefit – Fund Value

## Surrender Charge

The amount payable on surrender is the Fund Value less the surrender charge. The surrender value will be paid after completion of the third policy year. Surrender Charge in the first four policy years is 3% of the Fund Value and in the 5th year it is 1% of the Fund Value. There is no surrender charge from 6th policy year onwards.

## **Switching Charge**

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There is no charge for first 12 switches in a year under this plan. Thereafter a charge of Rs. 500 will be applicable for each additional switch.

## **Partial Withdrawal Charge**

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Partial Withdrawals are not allowed in the first 3 years. From year 4 onwards, a part of the Fund Value can be withdrawn in any policy year. The charge applicable is a percentage of the amount withdrawn and is the same as that of surrender.

Besides the partial withdrawal charges, there is no charge for the first two withdrawals in a policy year. For the third and subsequent withdrawal in a policy year, Fixed Charge of Rs. 500 per withdrawal will be levied.

## **Miscellaneous Charge**

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The charge for alteration (such as replacement of policy contract etc.) is Rs. 500.

# Terms and Conditions

## 1. Peak Guarantee Fund

Peak Guarantee Fund is a close-ended fund and will be available for specific periods from time to time. Please consult your Life Advisor for details.

## 2. Insured Benefit

Insured Benefit is Basic Sum Assured (5 times Single Premium) or 22% of Basic Sum Assured, as applicable at that time.

## 3. Partial Withdrawals

Partial withdrawals from the Fund Value will be allowed after completion of three policy years and after life insured has attained 18 years of age. Minimum amount for partial withdrawal is Rs.5,000. Partial withdrawals should be in multiples of Rs.1,000. Minimum Fund Value of Rs. 10,000 has to be maintained post withdrawal.

Partial withdrawals will have the following effect on your Sum Assured: (1) Up to the age of 60 years, Insured Benefit applicable on death is reduced to the extent of partial withdrawals made in the preceding two years (2) After the age of 60 years, Insured Benefit is reduced to the extent of all partial withdrawals made from age 58 years onwards.

## 4. Settlement Option

On selecting the Settlement Option on maturity, the value of the payments will depend on the number of units and 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.

You can elect to receive a percentage of the maturity proceeds in cash or by way of pre-selected periodic installments, for up to 5 years after maturity by informing the company within 3 months prior to maturity of the policy.

## 5. Net Asset Value

The NAV's of your fund are 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 units existing at the valuation date.

The basis used for unit pricing will be the 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 received

before the cut-off time will be allocated to the same day's NAV and the ones received after the cut-off time will be allocated to the next day's NAV. The current cut-off time is 3:00 p.m. which may vary from time to time as per IRDA guidelines.

6. Loans

No loan is available under this product.

7. Cap on Charges

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.2,000
- Mortality charges are guaranteed for the term of the policy.

8. 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 expenses on medical examination, stamp duty and proportionate risk premium for the period of cover.

9. General Exclusion

In case the life insured commits suicide during the first year of the plan or within one year from the date of revival, the beneficiary will receive the Fund Value only. If death occurs within five years from the date of commencement and the life insured has not attained age 18, the death benefit would be greater of the single premium paid or the Fund Value.

10. Service Tax and Education Cess

Service Tax and education cess shall be levied on all applicable charges as per the prevailing tax 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.

11. Tax clause:

Taxes may be levied by the Company as per the Tax Laws and other Legislations prevailing in India. In the event of any amendments, or change (prospective and retrospective) to any of the provisions of the said Tax Laws and/or Legislations and /or in the event any interpretation adopted by the Company is held contrary to the position adopted by the Government Authorities, impacting the policy contract, the Company reserves the right to revise the premium(s) or the benefits(s) under this policy and/or modify the terms and conditions entailed in this Contract.

## 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 Single Invest 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 the Intermediary or policy document of the insurer.

## Section 41 and 45

### Section 41 of the Insurance Act, 1938:

- (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.**

**[www.kotaklifeinsurance.com](http://www.kotaklifeinsurance.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 Company is one of the fastest growing insurance companies in India and has shown remarkable growth since its inception in 2000. Kotak Life Insurance employs around 5,593 people in its various businesses and has 203 branches pan India.

## **The Kotak Mahindra Group**

**[www.kotak.com](http://www.kotak.com)**

The Kotak Mahindra Group is one of India's leading banking and financial services organizations, with offerings across personal financial services; commercial banking; corporate and investment banking and markets; stock broking; asset management and life insurance. The Kotak Group has a net worth of Rs. 6,799 cr and has a distribution network through branches, franchisees, representative offices and satellite offices across cities and towns in India and offices in London, New York, San Francisco, Singapore, Dubai and Mauritius, servicing around 6.4 million customer accounts.

## **Old Mutual plc**

**[www.oldmutual.com](http://www.oldmutual.com)**

Old Mutual plc is an international savings and wealth management company based in the UK. Originating in South Africa in 1845, Old Mutual is a Global 500 and FTSE 100 company, listed in UK, South Africa and other 3 African exchanges. The group has a balanced portfolio of businesses offering Asset Management, Life Assurance, Banking and General Insurance Services in over 40 countries, with a focus on South Africa, Europe and the United States, and a growing presence in Asia Pacific.

Numbers as on 30th June, 2009



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Insurance is the subject matter of the solicitation. This is a unit linked single premium non-participating plan. This is not a contract of insurance and must be read in conjunction with specific policy document and benefit illustration.