

Kotak

RAKSHA GROUP
MICRO INSURANCE
P L A N

A Non-Linked Non-Participating Group Term Life Micro Insurance Plan





KOTAK RAKSHA GROUP MICRO INSURANCE PLAN

A Non-Linked Non-Participating Group Term Life Micro Insurance Plan

Kotak Raksha Group Micro Insurance Plan is a protection oriented plan that aims to cover the socially and economically weaker sections of the society. It offers to provide security to them and their families in case of any unfortunate event. The plan broadly offers to cover the members or employees of Micro Finance Institutions, Self Help Groups, Non-Banking Financial Companies, District Cooperative Banks; Regional Rural Banks, NGOs or any other homogenous groups. The plan provides flexibility in choosing cover options as per the needs and requirements of the members.

Key features of the plan are:

- Flexibility to choose Plan options - Level Cover or Reducing Cover
- Flexibility to cover Single or Joint Life
- Flexibility to pay premiums as per convenience

Plan Options:

Basis needs, Member can choose from the 2 plan options as mentioned below and can cover either Single or Joint Life. It has 2 plan options to choose from, Master Policyholder can choose any of the options basis needs of the members at the inception and also covering either Single or Joint Life.

1. Level Cover:

Under this option the Sum Assured chosen at the inception will remain same through-out the tenure

2. Reducing Cover:

This cover option will be available for Creditor - Borrower relationship only and with Regular or Single Premium payment option, i.e. can be taken against loans taken by the members. Under this option the Sum Assured will start reducing from the beginning of the 2nd policy month onwards. The reduction will be basis the loan Interest rates chosen at the inception of the policy under the plan.

Plan Benefits:

• Death Benefit:

In the unfortunate event of death of the covered member or first death of the two members covered in case of Joint Life policy, during the term of the cover the following benefit will get paid out in lump sum provided all due premiums have been paid:

- **Level Cover:** Sum Assured will be paid out and cover will cease
- **Reducing Cover¹:** Sum Assured as on the date of death as per the Loan Cover Schedule will be paid irrespective of the loan outstanding and cover will cease
- In case of Joint Life, post payout of death benefit (on the first death) the cover will terminate. Joint Life option is available only under non-OYRT policies.
- In case of Creditor - Borrower schemes, in the event of the Member's / Employee's death under Regulated Entities², the outstanding loan amount, shall be payable to the Master Policyholder subject to prior authorization from the Member at inception, out of the total Death Benefit. In absence of authorization, the outstanding loan amount shall be payable to the Nominee or Beneficiary.
- In case of Creditor - Borrower schemes under Other Entities², the Sum Assured shall be payable to the Nominee or Beneficiary, in the event of the Member's demise

• Maturity Benefit:

Being a pure protection plan, no maturity benefit would be available.

Eligibility for members:

Particulars	Description										
Group size	Min: 5 Max: No limit										
Entry age (Last birthday)	Min: 18 years Max: 65 years										
Maximum Maturity age (Last birthday)	Regular Pay : 70 years Single Pay : 67 years One Year Renewable Term (OYRT): 66 yrs										
Premium Payment Term (PPT)	Regular, Single & OYRT										
Cover Term	Regular Pay : 6 months - 7 years (Term will be in multiple of One Month) Single Pay : 6 months - 7 years (Term will be in multiple of One Month) OYRT : 1 year (Annually Renewable, indefinitely)										
Basic Sum Assured	₹ 5,000 - ₹ 2,00,000 per member										
Premium Frequency	Single Regular/OYRT - Yearly, Half-yearly, Quarterly, Monthly										
Modal Factors (as % of tabulated rate)	<table border="1"> <thead> <tr> <th>Frequency</th> <th>Yearly</th> <th>Half-yearly</th> <th>Quarterly</th> <th>Monthly</th> </tr> </thead> <tbody> <tr> <td>Modal Factor:</td> <td>100%</td> <td>51%</td> <td>26%</td> <td>8.5%</td> </tr> </tbody> </table>	Frequency	Yearly	Half-yearly	Quarterly	Monthly	Modal Factor:	100%	51%	26%	8.5%
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Terms and Conditions

- Conditions for Reducing Cover option:** In case of pre-payment of loan or miss out on paying the Monthly Equated Installments - under any circumstance, Death Benefit shall not be affected by the actual loan outstanding on the date of death of the Member and the same shall be as per the Cover schedule provided at the inception.
- Regulated Entities & Other Entities have been defined as follows:
 - Regulated Entities shall include the following:
 - Reserve Bank of India ("RBI") regulated Scheduled Banks (including co-operative Banks)
 - NBFCs having Certificate of Registration from RBI or
 - National Housing Bank ("NHB") regulated Housing Finance Companies
 - National Minority Development Finance Corporation (NMDFC) and its State Channelizing
 - Small Finance Banks (SFB) regulated by RBI
 - Other Entities shall include the entities other than Regulated Entities
- Grace Period:** A grace period of 30 days from the due date for payment of premium will be provided for Annual, Half Yearly and Quarterly modes and grace period of 15 days from the due date for payment of premium will be provided for monthly mode to the individual members. For OYRT policies grace period will not be applicable for policies with annual mode.

4. **Lapse:** In Single Premium & OYRT with Annual mode option, member's cover will not lapse; whereas in case of Regular Premium & OYRT with non-Annual mode options member's cover will lapse if the premiums are not paid within the Grace Period.

5. **Revival:** It will be allowed only for Regular premium & OYRT with non-Annual mode policies, member can revive his / her cover subject to the following conditions:

- **For OYRT with non-Annual mode policies:** The policy can be revived within 6 months, from the due date of the first unpaid premium without proof of good health and by payment of outstanding premiums together with interest (currently) at 9% p.a. The interest rate* may be revised from time to time with prior approval from IRDAI. If the cover is not revived within 6 months, it will be terminated.
- **For Regular Premium policies:** Revival can be done within two years from the date of the first unpaid premium and before the cease date of the member cover.
- **Revival within 6 months:**
The policy can be revived within 6 months, from the due date of the first unpaid premium without proof of good health and by payment of outstanding premiums together with interest* (currently) at 9% p.a.
- **Revival after 6 months:**
The policy can be revived after 6 months, from the due date of the first unpaid premium by furnishing satisfactory evidence of good health, if required. The arrears of premiums together with interest* at 9% p.a. (currently) will be charged.

Revival will take effect only after the Company communicates its decision to the insured member. The interest rate mentioned above may be revised from time to time on prior approval from the Authority.

6. **Surrender:**

- Policy will acquire Guaranteed Surrender Value (GSV) for Single Premium option only. Policy will acquire Surrender Value immediately after payment of Single Premium.
- In case the Master Policyholder surrenders the Policy, the Members shall have the option to continue their cover till the end of their respective Cover Term
- The members who do not want to continue with the cover, the Surrender value shall be payable to them and the cover will terminate
- GSV will be as follows:

Reducing Cover Plan Option:

$75\% \times \text{Total Premiums Paid to date} \times ((\text{Cover Term} - 1) / \text{Cover Term}) \times (\text{Outstanding Cover Term}^* / \text{Cover Term}) \times (\text{Outstanding loan amount}^* / \text{Initial loan amount}^*)$

^The initial and outstanding loan amount mentioned above will be as per the loan cover schedule issued to the member at inception of the cover.

Level Cover Plan Option:

$75\% \times \text{Total Premiums Paid to date} \times ((\text{Cover Term} - 1) / \text{Cover Term}) \times (\text{Outstanding Cover Term}^* / \text{Cover Term})$

On Surrender, all benefits fall away and the member cover will be terminated. The surrender value will be paid out as a lump sum benefit.

7. The Insurer is liable for any claim if the premium in respect of the concerned member is received by the Insurer/Master policyholder, subject to the Member proving that he has paid the premium and has secured a proper receipt that he was duly insured.
8. **Nomination:** 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.
9. **Assignment:** 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.

10. **Suicide Exclusion:**

- i. **For OYRT policies:** In case of death of insured member due to suicide within first 12 months from the date of inception of the cover i.e. the date when the Member was first covered as a member of the Group under Kotak Raksha Group Micro insurance plan of the Insurer, no death benefit shall be paid and the nominee of the insured person shall be paid 80% of the total premiums paid.
- ii. **For Non-OYRT policies:**

In the event of the life insured committing suicide within 12 months from date of inception of the cover, 80% of the premiums paid will be payable.

In the event of suicide after 12 months from date of inception of the cover, following will be applicable:

 - a) In case of suicide within one year of the date of revival of the cover 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 product shall be payable.
 - b) However, in case of suicide within 1 year of the date of revival, when the revival is done after than 6 months from the date of first unpaid premium, the benefit payable shall be higher of 80% of Premiums Paid or Surrender Value (if any) at the date of claim event.

11. **Free Look Period:**

In case Master Policyholder/Member is not agreeable to any of the provisions stated in the policy, then he/she has the option of returning the policy/ COI, stating the reasons thereof within 15 days from the date of the receipt of the policy. On receipt of letter along with the original policy document/ COI Insurer shall refund the Premium paid after deducting the proportionate risk premium, medical charges (if any) and stamp duty. A policy/COI 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

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 (Formerly known as Kotak Mahindra Old Mutual Life Insurance Ltd.) is a 100% owned subsidiary of Kotak Mahindra Bank Limited (Kotak). Kotak Life Insurance 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

Established in 1985, Kotak Mahindra Group is one of India's leading financial services conglomerate. The Group offers a wide range of financial services that encompass every sphere of life. For more information, please visit the company's website at www.kotak.com

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Koi hai... hamesha

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This is a Group Term Life Micro Insurance plan. The product brochure gives only the salient features of the plan. Please refer the policy document for specific details on all terms and conditions.

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