

# Kotak

SECURE RETURN  
SUPERANNUATION  
P L A N

(A Group Variable Insurance Superannuation Plan)





## **KOTAK SECURE RETURN SUPERANNUATION PLAN**

### **(A Group Variable Insurance Superannuation Plan)**

Kotak Life Insurance presents Kotak Secure Return Superannuation Plan which is designed to cater to the needs of Employers / Trustees / State governments / Central government / PSUs planning to fund group members' benefit schemes. This product is designed as a comprehensive employee benefit solution to manage the Superannuation schemes in the most efficient manner.

# Key Highlights of Kotak Secure Return Superannuation Plan (KSRSP):

- Composite Employee Benefit Solution to cater to the requirements of Superannuation schemes.
- **Guaranteed Minimum Floor Rate** of 2% p.a. for the entire policy term accumulating on the balance of the Account Value.
- Competitive **Additional Interest Rate** declared at the beginning of every quarter.
- Professionally managed fund with high service levels.
- Convenient renewal process: This is an annually renewable policy which will be auto renewed subject to availability of sufficient premiums.

## Key Features:

Kotak Secure Return Superannuation Plan is a Traditional Non-Participating Variable Insurance Group plan which offers competitive returns.

- This Group plan covers the Superannuation schemes.  
The nature of the schemes may be Defined Benefit (DB) or Defined Contribution (DC).

- **Scheme Benefit:**

Depending on the scheme rules, the benefits in the event of death, retirement or any other exit of the members as per scheme rules will be payable. Such benefits will be payable from the policy account of the policyholder or member as applicable, subject to availability of funds in the policy account.

**Note:** Policyholder has the option to provide additional life cover to members at additional cost through Kotak Term Group Plan.

- **Premium:**

- The Premium shall be paid by the policyholder as per the funding valuation report in accordance with AS15 (Revised) guidelines or as per scheme rules.
- Premium can be paid in any frequency (i.e. monthly, quarterly, half-yearly, annually) or as desired by the policyholder depending upon the liability, if any.
- No Top-up or additional premium is allowed unless required as per the funding valuation report in accordance with AS15 (Revised) guidelines, to address under funding of the scheme. The Scheme Trustees will ensure that this before the contribution to the Scheme is paid.

- **Policy Account:**

- Each policyholder/ member will have a separate policy account, according to the nature of the scheme. The policy account will be credited with the premiums paid, net of all applicable charges under the policy, on which the guaranteed minimum interest rate, the additional interest rate and residual additions, if any as stated below will be credited. All withdrawals, payouts etc. made will also be deducted from the policy account.
- The policy account value of this product will be disclosed on a daily basis through the assigned unique identification number (SAIN). SAIN for this product is 107N086V01001.

- **Interest credit :**

- **Minimum Floor Rate:**

2% p.a.is guaranteed for the entire term of the policy accumulating on the balance of the Account Value. Such accumulation shall be at quarterly frequency.

- **Additional Interest Rate:**

At the beginning of each calendar quarter KLI will declare a non-negative return applicable for that quarter. The Additional Interest Rate will be set equal to 95% of the expected gross yields to be earned on the backing assets less the minimum floor rate. This return shall be applied on the funds as at the beginning of the quarter and the contributions received during the quarter. This is applicable over and above the Minimum Floor rate. This rate shall be credited at a quarterly frequency.

- **Residual Additions:**

Non-negative residual additions, if any shall be credited to the policy account at the end of each policy year starting from 5<sup>th</sup> policy year.

- **Tax benefits:** Tax benefits under the policy will be as per the prevailing Income Tax laws and are subject to amendments from time to time. It is advised to consult your tax advisor for details.

- **Goods and Services Tax and Cess:** Goods and Services Tax and Cess, as applicable shall be levied as per the prevailing taxlaws. In case of any statutory levies, cess, duties etc., as may be levied by the Government from time to time, the Company reserves its right to recover such statutory charges from the policyholder(s).

## Eligibility conditions:

Particulars	Description
Age at entry (Age Last Birthday)	Min age at entry: 18 Years Max age at entry: 74 Years
Maximum Maturity Age (Age Last Birthday)	75 years
Term	1 year renewable
Minimum Contribution	Defined Benefit : ₹ 15,00,000 Defined Contribution: ₹ 2,000 per member
Maximum Contribution	No Limit

## Benefits

The benefits are payable to group member who is eligible for Superannuation or to his nominee or legal heir in case of death.

Events / Scheme	For schemes where individual member level accounts are not maintained such as Defined Benefit Schemes <sup>^</sup>	For schemes where individual member level accounts are maintained such as Defined Contribution Schemes <sup>^</sup>
Death of a scheme member	Benefit is payable in accordance with the scheme rules, subject to a maximum of the policy Account Value or Assured Benefit*	Higher of Member's Account Value or Assured Benefit*  On payment of the death benefit, all benefits in respect of the member will cease
Maturity / Vesting	Benefit is payable in accordance with the scheme rules, subject to a maximum of the policy Account Value or Assured Benefit*  The benefit payments made will be in turn used to purchase either immediate or deferred annuity <sup>^</sup> plan from the Insurer	Higher of Member's Account Value or Assured Benefit*  On payment of the vesting benefit, all benefits in respect of the member will cease.  The benefit payments made will be in turn used to purchase either immediate or deferred annuity <sup>^</sup> plan from the Insurer
Exits due to termination of service or resignation or early retirement or exit other than normal death	Benefit is payable in accordance with the scheme rules, subject to a maximum of the policy Account Value.  The benefit payments made will be in turn used to purchase either immediate or deferred annuity <sup>^</sup> plan from the Insurer	Member's Account Value on payment of this benefit, all benefits in respect of the member will cease.  The benefit payments made will be in turn used to purchase either immediate or deferred annuity <sup>^</sup> plan from the Insurer

<sup>^</sup>Please refer to Point 3 under Terms & Conditions for more details

The vesting benefits for members will be payable only on the normal retirement date as per the scheme rules of the employer.

**\*ASSURED BENEFIT:** The Assured benefit will be in the form of the Minimum Floor Rate (MFR) i.e. a 2% p.a. guaranteed return on the account value at the start of the year.

For Defined Benefit scheme the accrual of MFR and additional Interest Rate (AIR) will be, adjusted for the timing of the contributions and benefit pay-out cash flows occurring during the year. For example, if a policyholder paid ₹ 10,00,00,000 premium at inception and withdrew ₹ 5,00,000 for making benefit payments in the middle of the year, the assured benefit at the end of the year will be: ₹ 10,00,00,000 x (1+2%) – ₹ 5,00,000 x (1+2%)<sup>0.5</sup>. However, for defined contribution (DC) schemes, individual accounts are maintained therefore, the MFR and additional Interest Rate (AIR) shall be applicable at member level.

## Charges

- **Allocation Charge** : Nil.
- **Surrender Charge** : The policy may be surrendered at any time by giving 1 month's written notice. Surrender<sup>2</sup> value will be equal to the policyholders account value adjusted for Market Value Adjuster (MVA).

**Generic Benefit Illustration:** The below illustration details the benefits for easy reference.

Year	Contribution	Annual Contribution	Investment Income (Non-Guaranteed)		Account Value at the end of year	
			4%	8%	4%	8%
1	100,000,000	40,000,000	5,600,000	11,200,000	145,600,000	151,200,000
2	0	42,400,000	7,520,000	15,488,000	195,520,000	209,088,000
3	0	44,944,000	9,618,560	20,322,560	250,082,560	274,354,560
4	0	47,640,640	11,908,928	25,759,616	309,632,128	347,754,816
5	0	50,499,078	14,405,248	31,860,312	374,536,455	430,114,206
6	0	53,529,023	17,122,619	38,691,458	445,188,097	522,334,687
7	0	56,740,764	20,077,154	46,326,036	522,006,016	625,401,488
8	0	60,145,210	23,286,049	54,843,736	605,437,275	740,390,434
9	0	63,753,923	26,767,648	64,331,549	695,958,846	868,475,906
10	0	67,579,158	30,541,520	74,884,405	794,079,525	1,010,939,469

### Please Note:

1. All amounts in Indian Rupees.
2. This is only an indicative illustration. Rates may vary for each group.
3. The assumed non-guaranteed rates of return chosen in the illustration are 4% p.a. and 8% p.a. These assumed rates of return are not guaranteed and they are not the upper or lower limits of what you might get back as the value of your policy is dependent on a number of factors including future investment performance. The actual experience may be different from the illustrated. The guaranteed and non-guaranteed benefits are applicable only if all due premiums are paid. Reversionary Bonus and Terminal Bonus have been calculated at the assumed non-guaranteed rates of return of 4% p.a. & 8% p.a. Please note that Bonuses are NOT guaranteed and may be as declared by the Company from time to time.
4. Non-guaranteed benefits will vary with returns based on future rate declared by insurer carrying on life insurance business. If your policy offers guaranteed returns then these will be clearly marked "guaranteed" in the illustration table on this page.
5. Goods and Services Tax and Cess, as applicable shall be levied as per the prevailing tax laws. In case of any statutory levies, cess, duties etc., as may be levied by the Government from time to time, the Company reserves its right to recover such statutory charges from the policyholder(s).
6. This illustration is not a contract of insurance and must be read in conjunction with the product's Sales Brochure and Policy Document.

# Terms and Conditions

## 1. Withdrawals:

Except for exits as per scheme rules, no other withdrawals shall be allowed.

## 2. Surrender Value:

Surrender Value will be equal to the policyholders' account value multiplied by the MVA.

**Market Value Adjuster (MVA):** MVA shall be applicable if the amount to be paid on total exits in any event exceeds 25% of total fund of the scheme at the beginning of the year. Such transactions shall be treated as bulk exits, where exits shall be as per scheme rules.

The MVA shall be applied to the maximum of (i) and (ii) below:

(i) is zero

**and**

(ii) = {Account Value (AV) in respect of bulk exit in any underlying event

**Minus** 25% of the total AV at the beginning of the policy year}

Where the realizable/market value of assets held in respect of this product class is less than the total of all policyholder account values, an MVA will apply.

$$\text{MVA} = \frac{\text{Aggregate Market Value of Assets}}{\text{Aggregate Account Values}}$$

## 3. Annuity Benefits payable :

a. For schemes where member level accounts (Defined Contribution) are maintained:

**I. Death Benefits** – The nominee of the deceased member shall be entitled:

- i. To utilise the death benefits, fully or partly, for purchasing an immediate annuity, at the then prevailing annuity rate offered; or
- ii. To withdraw the entire death benefit

**II. Vesting Benefits** – The member shall be entitled:

- i. To commute to the extent allowed under the Income Tax laws and to utilise the residual amount to purchase an immediate annuity, at the then prevailing annuity rate offered or
- ii. To utilise the vesting/maturity benefit to purchase a single premium deferred pension product

**III. Exit** on the grounds such as resignation, early retirement, termination etc - member shall be entitled:

- i. To transfer his/her account value to an approved superannuation fund or
- ii. To continue his/her account with us or
- iii. To commute to the extent allowed under the Income Tax laws and to utilise the residual amount to purchase an immediate annuity at the then prevailing annuity rate offered or
- iv. To purchase a single premium deferred pension plan.

**IV. Surrender by master policyholder** – The member shall be entitled subject to scheme rules:

- i. To transfer his/her Account Value to an approved superannuation fund or
- ii. To commute to the extent allowed under the Income Tax laws and to utilise the residual amount to purchase an immediate annuity at the then prevailing annuity/pension rate offered; or
- iii. To utilise the proceeds to purchase a single premium deferred pension product.

**b.** For schemes where member level accounts are not maintained with us and only maintains a superannuation fund, the benefits being paid out on exits such as death, retirement, termination etc. shall be payable to the master policyholder to be utilised in accordance with the scheme rules of the employer.

Where the policyholder maintains superannuation funds with more than one insurer, the policyholder shall have the option to choose the insurer to purchase the immediate annuity.

**4. Free Look Period:**

The Policyholder is offered a 15 days free look period, from the date of receipt of this policy. During this period the Policyholder may choose to reconsider his/her decision to hold this policy, or may choose to return the same stating the reasons thereof within the said 15 days. Should the Policyholder choose to return the Policy, he/she shall then be entitled to a refund of the premium paid after adjustments for expenses for stamp duty, if any. The product will be offered through personal interaction with the Policyholder through direct sales only. This product will not be offered through distance marketing or the online channel.



## 5. Insurance Ombudsman:

The company shall endeavor to promptly and effectively address Policyholder's grievances. However, in case the Policyholder may not be satisfied with the response of the company, he/she may also approach the Insurance Ombudsman located in his/her region. Details of the offices of the Ombudsman across the country are made available on the website of the company at <http://insurance.kotak.com> and will also be made available to the Policyholder on request.

6. Kotak Life Insurance's liability at any point of time is restricted to the account value and to any death benefits payable.
7. Group members are not allowed to contribute premiums to this scheme directly. All premiums have to be administered through the master policyholder only.

*If currently you do not have a group superannuation benefit plan, you can start one today with Kotak Life Insurance! If you have an existing plan you can transfer your fund to Kotak Life Insurance. We will help you with all the necessary paperwork and guide you through the process to make it hassle-free.*

**Kotak Life Insurance assures you of a cost effective fund management for you and your employees' benefit in a transparent and simplistic manner without any hidden costs!**

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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 punishable with fine which may extend to ten lakhs rupees

# About Us

## **Kotak Mahindra Life Insurance Company Ltd** (Formerly known as Kotak Mahindra Old Mutual Life Insurance Ltd.)

Kotak Mahindra Life Insurance Company Ltd. (Kotak Life Insurance) is a 100% owned subsidiary of Kotak Mahindra Bank Ltd. (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. In February 2003, Kotak Mahindra Finance Ltd. (KMFL), the Group's flagship company, received banking license from the Reserve Bank of India (RBI), becoming the first nonbanking finance company in India to convert into a bank - Kotak Mahindra Bank Ltd. The Group offers a wide range of financial services that encompass every sphere of life. From commercial banking, to stock broking, mutual funds, insurance and investment banking, the Group caters to the diverse financial needs of individuals and the corporate sector. The Group has a wide distribution network through branches and franchisees across India, and International Business Units.

For more information, please visit the company's website at [www.kotak.com](http://www.kotak.com)

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*Koi hai... hamesha*

**Kotak Secure Return Superannuation Plan** - UIN No.: 107N086V02, Form No.: N086, Ref No.: KLI/17-18/E-PB/496

**Kotak Mahindra Life Insurance Company Ltd.** (Formerly known as Kotak Mahindra Old Mutual Life Insurance Ltd.) Regn. No.:107, CIN : U66030MH2000PLC128503, Regd. Office: 2nd Floor, Plot # C- 12, G- Block, BKC, Bandra (E), Mumbai - 400 051. Website: <http://insurance.kotak.com> | Email: [clientservicedesk@kotak.com](mailto:clientservicedesk@kotak.com) | Toll free No:1800 209 8800.

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