Introduction

Insurance is a means of providing protection against financial loss in a great variety of situations. It is a contract in which one party agrees to pay for another party's financial loss resulting from a specified event. Insurance works on the principal of sharing losses. If you wish to be insured, against any type of loss, agree to make regular payments, called premiums, to an insurance company. In return, the company gives you a contract, the insurance policy. The company promises to pay a certain sum of money for the type of loss stated in the policy.

According to section 2 (ii) of Insurance Act 1938" Life insurance is the business of effecting contracts of insurance upon human life including any contract, where by the payment of money is assured on death except death by accident on the happening of any contingencies dependent on human life and any contract which is subject to the payment of premium for a term dependent on human life."

Insurance is a contract whereby, in return for the payment of premium by the insured, the insurers pay the financial losses suffered by the insured as a result of the occurrence of events. The term "risk" is used to describe all the accidental happenings, which produce a monetary loss.

Insurance is an ethos in which a large number of people exposed to a similar risk make contributions to a common fund out of which the losses suffered by the unfortunate

due to accidental events, are made good. The sharing of risk among large groups of people is the basis of insurance. The losses of an individual are distributed over a group of individuals.
According to section 2 (ii) of Insurance Act 1938" Life insurance is the business of effecting contracts of insurance upon human life including any contract, where by the payment of money is assured on death except death by accident on the happening of any contingencies dependent on human life and any contract which is subject to the payment of premium for a term dependent on human life."

Important milestones in the Indian life insurance business:

- **1912**: The Indian Life Assurance Companies Act came into force for regulating the life insurance business.
- **1928**: The Indian Insurance Companies Act was enacted for enabling the government to collect statistical information on both life and non-life insurance businesses.
- **1938**: The earlier legislation consolidated the Insurance Act with the aim of safeguarding the interests of the insuring public.

1956: 245 Indian and foreign insurers and provident societies were taken over by the central government and they got nationalized. LIC was formed by an Act of Parliament, viz. LIC Act, 1956. It started off with a capital of Rs. 5 crores and that too from the Government of India.

Meaning of Insurance:

Insurance is an arrangement by which a company or the state undertakes to provide a guarantee of compensation for specified loss, damage, illness, or death in return for payment of a specified premium."Many new borrowers take out insurance against unemployment or sickness" synonyms: assurance, indemnity, indemnification, (financial) protection, security ,surety, cover

Insurance is the equitable transfer of the risk of a loss, from one entity to another in exchange for payment. It is a form of risk management primarily used to hedge against the risk of a contingent, uncertain loss. An insurer, or insurance carrier, is a company selling the insurance; the insured, or policyholder, is the person or entity buying the insurance policy. The amount of money to be charged for a certain amount of insurance coverage is called the premium. Risk management, the practice of appraising and controlling risk, has evolved as a discrete field of study and practice.

The transaction involves the insured assuming a guaranteed and known relatively small loss in the form of payment to the insurer in exchange for the insurer's promise to compensate (indemnify) the insured in the case of a financial (personal) loss. The insured receives a contract, called the insurance policy, which details the conditions and circumstances under which the insured will be financially compensated. Insurance is a form of risk management in which the insured transfers the cost of potential loss to another entity in exchange for monetary compensation known as the premium.

Definition of Insurance:

Insurance is a contract whereby, in return for the payment of premium by the insured, the insurers pay the financial losses suffered by the insured as a result of the occurrence of unforeseen events. With the help of insurance, large number of people exposed to a similar risk makes contributions to a common fund out of which the losses suffered by the unfortunate few, due to accidental events, are made good.

General Definition: In the words of John Magee, “Insurance is a plan by which large number of people associate themselves and transfer to the shoulders of all, risks that attach to individuals.”

Fundamental Definition: In the words of D.S. Hansel, “Insurance may be defined as a social device providing financial compensation for the effects of misfortune, the payment being made from the accumulated contributions of all parties participating in the scheme.”

Contractual Definition: In the words of Justice Tindal, “Insurance is a contract in which a sum of money is paid to the assured as consideration of insurer’s incurring the risk of paying a large sum upon a given contingency.”

The term ‘insurance’ has been defined by different experts on the subject. The views expressed by them through various definitions can be classified into the following three categories for the convenience of the study

There can be two approaches for defining insurance. One is functional approach other is contractual approach.

Functional Definition:

According to Encyclopedia Britannica," Insurance may be defined as a social device where by a large group of individuals through a system of equitable contribution, may reduce or eliminate measurable risk of economic loss common to all members of the group.

Contractual Definition

According to Justice Tindall, "Insurance is a contract in which a sum of money is paid to the assured in consideration of insurer's incurring the risk of paying a large sum upon a given contingencies."

The risk becomes insurable if the following requirements are compiled with:

The insured must suffer financial loss if the risk operates.

- The loss must be measurable in money.
- The object of the insurance contract must be legal.
- The insured should have sufficient knowledge about the Risk he accepts.

Role of the Insurance Regulatory and Development Authority (IRDA)

The Insurance Regulatory and Development Authority (IRDA) were constituted to regulate and develop insurance business in India. As a key part of its role, it is responsible to protect the rights of policyholders. In order to create awareness about IRDA, its role duties and responsibilities are stated here under:

- IRDA provides a certificate of registration to a life insurance company.
- IRDA is responsible for the renewal, modification, withdrawal, suspension or cancellation of this certificate of registration.
- IRDA frames regulations on protection of policyholders' interests.
- It offers policyholders the right to voice their complaints against insurers or insurance companies.
- The IRDA has set up the grievance redressal cell to take up the complaints of the policyholder.
- It specifies the requisite qualifications, code of conduct and practical training for intermediaries or insurance intermediaries and agents.
- It specifies the code of conduct for surveyors and loss assessors;
- It promotes efficiency in the conduct of insurance businesses;
- It promotes and regulates activities of professional organizations connected with life insurance;
- It levies fees and other charges to carry out the purposes of the IRDA Act;
- It can call for information from, undertake the inspection of, conduct enquiries and investigations including the auditing of insurers, intermediaries, insurance intermediaries and other organizations connected with the business of life insurance;
- Company is formed and registered under the Companies Act, 1956;

•The aggregate holdings of equity shares by a foreign company, either by itself or through its subsidiary companies or its nominees, do not exceed 26%, paid up equity capital of such Indian insurance company;

•The company's sole purpose is to carry on life insurance business or general insurance business or reinsurance business.
•The minimum paid up equity capital for life or general insurance business is Rs.100crores.
•The minimum paid up equity capital for carrying on reinsurance business has been prescribed as Rs.200 crores.

- It specifies the form and manner in which books of account should be maintained and statements of accounts should be rendered by insurers and other insurance intermediaries;
- It regulates the investment of funds by insurance companies;
- It regulates the maintenance of margins of solvency;
- It adjudicates disputes between insurers and intermediaries or insurance intermediaries;
- It specifies the percentage of premium income of the insurer to finance schemes for the promotion and regulation of certain specified professional organizations;
- It specifies the percentage of life insurance business to be undertaken by an insurer in the rural or social sector; and
- It exercises any other powers as may be prescribed

History of Kotak Life Insurance

Essentially life insurance provides financial protection to the family and dependents in the event of any unforeseen event or untimely death. To cover under a life insurance policy, an insurance company will charge a certain sum of money (called the premium) periodically. The premium paid helps cover the risk that the life insurance company takes by insuring life and in turn entitles your family to receive a fixed lump sum.

Some important reasons why Life insurance is crucial are given hereunder:

Debt Repayments:

Repayment of Loans undertaken for purchase of house, car or for any other personal financial requirement are a financial obligation even in case of your unfortunate absence. Life insurance will help you pay off these obligations thereby leaving behind an asset as a legacy instead of a liability.

Income Replacement:

The absence of the sole income earner will suddenly place the dependents under extreme financial duress. Life Insurance provides the cash resources to the dependents to take care of the day to day living expenses & also ensure that the children get the best education possible in the absence of the bread winner.

Maintenance of Standard of Living:

The death of one of the earners in the family can jeopardize the long term financial & personal plans of the family. A life insurance policy will help to maintain the standard of living of the family & ensure continuity in the long term plans of the family.

Medical Emergencies:

Diagnosis of critical illness usually leads to sudden requirement of large amount of monies for initiating good quality medical treatments. Such medical emergencies may throw the family financials in disarray leading to either spending of savings or opting for costly personal loans. Critical illness rider of a life insurance plan ensures that suitable amounts of money is made available on diagnosis of specified critical illnesses & thereby enable the best medical treatment.

Estate planning:

Life Insurance are also apt investment tools for leaving an estate & therefore a legacy for your children/ grandchildren.

Long Term Savings Creation:

Regular savings are necessary to meet financial milestones like children's higher education, marriage, prepayment of outstanding mortgages etc. Life insurance provides a good avenue for creating a corpus of savings to achieve long term goals.

Retirement Planning:

Planning for golden years will be the key to enjoying a comfortable, independent & a care-free retired life. Life insurance products can help you plan an adequate annuity to lead a comfortable retired life.

Meaning of Kotak Life Insurance:

The Kotak Mahindra Group is one of India's trusted names in financial services established in 1985 and currently caters to the entire spectrum of financial products. Kotak Mahindra Bank is one of its flagship businesses with an established presence as a private bank in the country. Its other established lines of businesses include asset management, broking, investment banking and realty funds.

The wide financial services experience makes it an ideal lead partner in the life insurance business. Old Mutual, based in London, UK has a 165 year old history and has operations in 34 different countries around the world. Its major operations are in US and the UK. It has a portfolio of insurance, asset management, banking and long term savings products.

Definition of Kotak Life Insurance:

"Kotak group and Mahindra group had their partnership in 1985 between Uday Kotak A Mr. Mahindra .Kotak Mahindra group believes in offering its customer a lifetime of value. A commitment that has made is a leading financial service group employing around 17,100 people in its various businesses and has a distribution network of 1,250 branches, franchisees, representatives offices and satellite offices across 344 cities and towns in India and offices in New York, London Dubai, Singapore etc.

The group services around 3.6 million customer accounts.″

Mission& Vision Statement of Kotak Life Insurance

MISSION STATEMENT:

1. Explore and enhance the quality of life of people through financial security by providing products and services of aspired attributes with competitive returns, and by rendering resources for economic development.
2. To contribute to the socio economic objectives of the nation by being a vibrant and viable organization catering to the growing insurance needs of the community.

3. Towards this end we will strive for effective management of business operations.

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5. Towards this end we will strive for effective management of business operations.

VISSION STAENTEMENT:

"To be a dynamic non-life insurer with high standards of customer service, strong business ethics and sound financial practices, and to eventually emerge as a corporate entity with the highest brand equity in the insurance industry".

"A trans-nationally competitive financial conglomerate of significance to societies and Pride of India."
Apart from common beliefs, values and objectives we believe in the vision of a better tomorrow. It is this deep veneer of faith that has brought us together and fortified our bond.

ORGANIZATION STRUCTURE OF Kotak Life Insurance Company

Chairman

Managing Director

PUBLIC RELATION DEPARTMENT

Executives Directors

Chiefs

Zonal Managers

COMMUNICATION DEPARTMENT

PUBLICITY DEPARTMENT

Regional Managers

Divisional Managers

CRISIS MANAGEMENT DEARTMENT

Seniors Divisional Managers

Marketing Managers

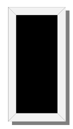
Sales Managers

Senior Branch Managers (Head of the Branch)

Assistant Branch Managers Sells

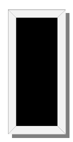
Development Officers

Managing director:



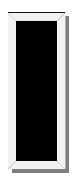
Mr. Gaurang Shah

CFO



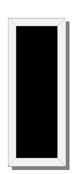
G. Murlidhar

Vice President Training and management development



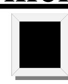
Mr. Arun Patil

Vice President HR



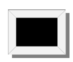
Miss. Sujata Dutta

Vice President Distribution development and planning



Mr. Kamlesh Vora

Appointed actuary



John Bryce

OBJECTIVE OF LIFE INSURANCE COMPANY

- Spread life insurance widely and in particular to the rural areas and to the socially and economically backward classes with a view to reaching all insurable persons in the country and providing them adequate financial cover against death at a reasonable cost.
- Maximize mobilization of people's savings by making insurance linked savings adequately attractive.
- Bear in mind, in the investments of funds, the primary obligation to its policy holders, whose money it holds in trust. Without losing sight of the interest of the community as a whole; the finds to be deployed to the best advantage of the investors as well as the community as a whole, keeping in view national priorities and obligations of attractive return.

- Conduct business with utmost economy and with the full realization that the moneys belong to the policy holders.
- Act as trustees of the insured public in their individual and collective capacities.
- Meet the various life insurance needs of the community that would arise in the changing social and economic environment.
- Involve all people working in the corporation to the best of their capabilities in furthering the interests of the insured public by providing efficient service with courtesy.
- Promote amongst all agents and employees of the corporation a sense of participation, pride and job satisfaction through discharge of their duties with dedication towards achievement of corporate objectives.
- Maximize mobilization of people's savings by making insurance-linked savings adequately attractive.
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- Maximize mobilization of people's savings by making insurance-linked savings adequate

Function of Kotak Life Insurance

1) Primary Functions:

The primary functions of insurance include the following.

i) Provide Protection:

The primary function of insurance is to provide protection against future risk, accidents and uncertainty. Insurance cannot check the happening of the risk, but can certainly provide for the losses of risk. Professor Hopkins observe "Insurance is a protection against economic loss, by sharing the risk with others."

ii) Collective bearing of risk:

Insurance is a device to share the financial loss of few among many others. Dins dale opines, insurance is a mean by which few losses are shared among longer people. Similarly, William Be ridge observes, "The collective bearing of risks is insurance." All the insured contribute the premiums towards a fund and out of which the persons exposed to a particular risk is paid.

iii) Assessment of risk:

Insurance determines the probable volume of risk by evaluating various factors that give rise to risk. Risk is the basis for determining the premium rate also.

iv) Provide certainty:

Insurance is a device which helps to change from uncertainty to uncertainty. This may the reason that John Magee writes that the function of insurance is to provide certainty. Similarly, Riesel and-Miller observe, "Insurance is device whereby the uncertain risks may be made more certain".

Secondary functions:

i) Prevention of losses:

Insurance cautions individuals and businessmen to adopt suitable device to prevent unfortunate consequences of risk by observing safety instructions; installation of automatic sparkler or alarm systems, etc.

Prevention of losses cause lesser payment to the assured by the insurer and this will encourage for more savings by way of premium. Reduced rate of premiums stimulate for more business and better protection to the insured.

ii) Small capital to cover larger risks:

Dins dale observes, insurance relieves the businessmen from security investments, by paying small amount of premium against larger risks and uncertainty.

iii) Contributes towards the development of larger industries:

Insurance provides development opportunity to those larger industries having more risks in their setting up. Even the financial institutions may be prepared to give credit to sick industrial units which have insured their assets including plant and machinery.

2) Other functions:

- Means of savings and investment: insurance serves as savings and investment, insurance is a compulsory way of savings and it restricts the unnecessary expenses by the insured's For the purpose of availing income-tax exemptions also, people invest in insurance.
- Source of earning foreign exchange: Insurance is an international business. The country can earn foreign exchange by way of issue of marine insurance policies.
- Promotes exports insurance makes the foreign trade risk free with the help of different types of policies under marine insurance cover.

Terms & Condition of Kotak Life Insurance

1. Top-Up Premiums:

The aggregate of all Top-Up premiums during the policy term should not exceed the sum of all the premiums (Regular, limited) paid till that point of time.

Top-Up premiums will be invested in separate Top-Up Accounts, each with a lock-in of 5 years from the date of Top-Up. Each Top-Up will have a Top-Up Sum Assured of 125% or 110% of Top-Up amount depending on the age of the Life Insured at the time of payment of the Top-Up premium. Minimum Top-Up premium is ` 10,000. No Top-Ups will be allowed during the last five years of the policy term.

2. Death Benefit:

In case of death during the Grace Period and Notice Period, unpaid premium shall be deducted from the Basic Sum Assured

3. Partial Withdrawal:

Partial Withdrawals will be allowed after completion of five policy years and provided five full years premiums are paid. The minimum amount of Partial Withdrawal is Rs.10, 000. The minimum balance of one annual premium should be maintained in the main account after withdrawals.

Partial Withdrawals that result in Fund Value being less than one annual premium will not be allowed. If the Fund Value (after Partial Withdrawal) falls below one annual premium, either because of a charge or due to a fall in NAV, the policy will continue till Fund Value remains positive.

The partial withdrawal from Main Account will be allowed only if there is insufficient amount in the Top-Up Accounts or the relevant Top-Up Accounts are still in their lock-in period of 5 year. Partial withdrawal will be allowed only if the Life insured is a major. Partial Withdrawals will have the following effect on the Basic Sum Assured:

(1) Up to the age of 60 years, Basic Sum Assured payable on death is reduced to the extent of Partial Withdrawals made from the relevant account during the two years period preceding the date of death (the applicable Partial Withdrawals).

(2) After the age of 60 years, Basic Sum Assured payable on death is reduced to the extent of all partial withdrawals made from the relevant account from age 58 years onwards (the applicable Partial Withdrawals) However, minimum death benefit will be 105% of the total Regular Limited paid. The partial withdrawals leading to termination of the policy shall not be allowed.

4. Settlement Option:

This plan provides the Policyholder 3 options of taking the maturity proceeds by way of preselected periodic installments (yearly, half-yearly and quarterly only) and this should be intimated to the company within 3 months prior to the date of maturity.

The three options are: Entire maturity proceeds as an immediate payout in one go OR - Part of the maturity proceeds as a lump sum and part as installments OR - Whole amount as installments At the end of Settlement Period, the balance in the Main Account and Top-Up Account(s), if any will be paid out as one lump sum and the policy will cease thereafter. The installments can be taken over a maximum period of 5 years.

On selecting the Settlement Option, 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.

5. Plan benefits:

on Discontinuance of the Policy If premiums are not paid within the Grace Period, in case of Regular and Limited premium payment options Kotak Life Insurance will send a notice within the next 15 days, asking the Policyholder to exercise any of the options (as given below) within a notice period of 30 days from the receipt of the aforementioned notice. Policyholder has the following options to exercise from:

i. Revive the policy within a period of two years OR

ii. Complete withdrawal from the policy without any risk cover OR

iii. Convert the policy into paid-up with Reduced Paid-Up Sum Assured (available under Discontinuance after lock-in period) The Fund Value will remain invested in the existing funds as before, until the policyholder exercises the options or till the expiry of the Notice Period whichever is earlier. During the Grace Period and the subsequent Notice Period, the policy is deemed to be in force with risk cover as per terms & conditions of the policy and all charges are deducted.

Switching during the Notice Period will not be allowed. Plan benefits on discontinuance during lock-in period of 5 years: Fund Value of the policy after deduction of discontinuance charges will be credited to the Discontinued Policy Fund.

This amount will accumulate at a minimum interest rate specified by Insurance Regulatory and Development Authority (IRDA). Current rate is 4% p.a. till the end of lock-in period of five years from policy inception. The proceeds of the discontinued policy will be refunded only after completion of the lock-in period of five years or revival period whichever is later, except in case of death where it will be paid out immediately. Plan benefits on discontinuance after the lock-in period of 5 years:

6. Fund NAV's:

NAV of a fund is calculated and published in financial newspapers on each business day. Net Asset Value (NAV) of a Unit Linked Fund shall be calculated as follows: (Market Value of investment held by the fund + Value of Current Assets – Value of Current Liabilities & Provisions, if any) ÷ Number of Units existing on Valuation Date (before creation / redemption of Units) – The current cut-off time is 3:00 p.m. which may vary from time to time as per IRDA guidelines – Transaction requests (including renewal premiums switches, etc.) by way of local cheques, demand draft, received before the cut-off time will be allocated the same day's closing NAV and the ones received after the cut-off time will be allocated the next day's closing NAV – Where premiums are paid by outstation cheques or demand drafts, the closing NAV of the day on which cheque / demand draft is credited shall be applicable

7. Nomination & Assignment Nomination:

will be allowed under the plan as per Section 39 of the Insurance Act, 1938. Fresh nomination (if applicable) shall be made by an endorsement on the policy and by communicating the same

8. Non-Negative claw-back additions:

In the process to comply with the reduction in yield, the Company may arrive at specific non-negative claw-back additions, if any, to be added to the unit Fund Value, as applicable, at various durations of time after the first five years of the contract.

Assignment is allowed in this plan as per Section 38 of the Insurance Act, 1938. It may be made by an endorsement upon the policy itself or by a separate instrument signed in either case by the assignor specifically stating the fact of Assignment and duly attested. Such Assignment shall be operative as against the Company effective from the date that the Company receives a written notice of the Assignment and on confirmation of record of such Assignment. Partial assignment of policy is not allowed.

9. Maximum Charge:

Level Kotak Life Insurance reserves its right to impose charges not beyond the level mentioned below (Subject to IRDA approval):

• The miscellaneous and switching charges may be increased to a maximum of 2,000.

• Mortality charges are guaranteed for the term of the policy. Plan benefit in case of death of the Life Insured within the lock-in period: Proceeds of the Discontinued Policy Fund (which is subject to a minimum interest rate specified by Insurance Regulatory and Development Authority (IRDA)),till the date of intimation of death, will be paid immediately.

10. Grace and Notice Period:

There is a Grace Period of 30 days for the annual mode from the due date for payment of premium. If the premium is not paid until the end of the Grace Period, within the next 15 days Kotak Life Insurance will send a notice to the policyholder to either revive the policy within 2 years or terminate the policy without any risk cover or convert the policy into paid-up with Reduced Paid-Up Sum Assured (available under Discontinuance after lock-in period).

The Notice Period ends 30 days after receipt of the notice by the policyholder. In case of death during the Grace Period and Notice Period, unpaid premium shall be deducted from the Basic Sum Assured. 8. Non-Negative claw-back additions:

In the process to comply with the reduction in yield, the Company may arrive at specific non-negative claw-back additions, if any, to be added to the unit Fund Value, as applicable, at various durations of time after the first five years of the contract.

11. Policy Revival:

This is applicable only for Regular and Limited premium payment option. Policyholder has the option to choose for revival options until the expiry of the Notice Period.

13. Free Look Period:

The policyholder is offered 15 days free look period for a policy sold through all channels (except for Distance Marketing Channel which will have 30 Days) from the date of receipt of the policy wherein the policyholder may choose to return the policy within 15 days / 30 days of receipt if s/he is not agreeable with any of the terms and conditions of the plan.

Should s/he choose to return the policy, s/he shall be entitled to an amount which shall at least be equal to non-allocated premium plus charges levied by cancellation of units plus fund value at the date of cancellation less expenses in accordance with the IRDA.

Distance Marketing includes every activity of solicitation (including lead generation) and sale of insurance products through the following modes: (i) Voice mode, which includes telephone calling (ii) Short Messaging service (SMS) (iii) Electronic mode which includes email, internet and interactive television (DTH) (iv) Physical mode which includes direct postal mail and newspaper & magazine inserts and (v) Solicitation through any means of communication other than in person.

14. General Exclusion:

In the event of the Life Insured committing suicide within one year of the date of issue of the policy, only the Fund Value in the Main Account and Top-Up Account as on the date of death are payable ? In the event of the Life Insured committing suicide within one year of the date of revival of the policy, when the revival is done within 6 months from the date of discontinuance, Suicide Exclusion shall not be applicable and the Death Benefit under the product shall be payable.

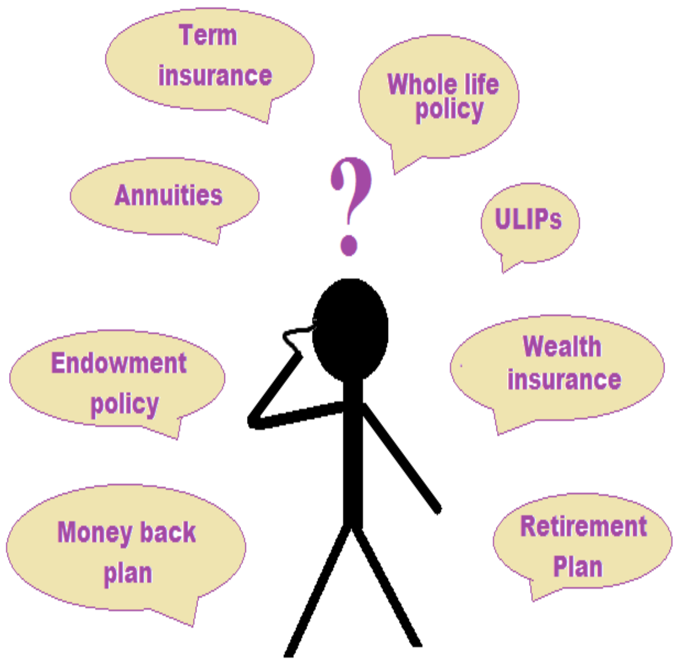
In case of suicide within 1 year of the date of revival, when the revival is done after 6 months from the date of discontinuance, only the fund value in the Main Account and TopUp Accounts as on the date of death are payable. ? In the event of the Life Insured committing suicide within one year of the date of payment of a Top-Up Premium, only the fund value in the Top-Up Account as on the date of death is payable in respect of that Top-Up premium. For all other Top-Up premiums (outside the suicide exclusion period), the applicable Top-Up Sum Assured would be payable. Any charges recovered subsequent to the date of death shall be payable.

15. Service Tax and Education:

Cess Service Tax and Education Cess shall be levied as per the prevailing tax laws and/or any other 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.

Types of Life Insurance Policies

Life insurance policies are designed to protect you from the financial consequences of a disaster & also act as the tools for long term financial security.



Given below are the basic types of life insurance policies. All other life insurance policies are built around these basic insurance policies by combination of various other features.

Term Insurance Policy:

A term insurance policy is a pure risk cover policy that protects the person insured for a specific period of time. In such type of a life insurance policy, a fixed sum of money called the Sum Assured is paid to the beneficiaries (family) if the policyholder expires within the policy term. For instance, if a person buys a Rs 2 lakhs policy for 15 years, his family is entitled to the sum of Rs 2 Lakhs if he dies within that 15-year period.

If the policy holder survives the 15-year period, the premiums paid are not returned back. The advantage, apart from the financial security for an individual's family is that the premiums paid are exempt from tax.

These insurance policies are designed to provide 100 per cent risk cover and hence they do not have any additional charges other than the basic ones. This makes premiums paid under such life insurance policies the lowest in the life insurance category

Whole Life Policy:

A whole life policy covers a policyholder against death, throughout his life term. The advantage that an individual gets when he / she opts for a whole life policy is that the validity of this life insurance policy is not defined and hence the individual enjoys the life cover throughout his or her life.

Under this life insurance policy, the policyholder pays regular premiums until his death, upon which the corpus is paid to the family. The policy does not expire till the time any unfortunate event occurs with the individual.

Increasingly, whole life policies are being combined with other insurance products to address a variety of needs such as retirement planning, etc.

Endowment Policy:

Combining risk cover with financial savings, endowment policies are among the popular life insurance policies. Policy holders benefit in two ways from a pure endowment insurance policy. In case of death during the tenure, the beneficiary gets the sum assured. If the individual survives the policy tenure, he gets back the premiums paid with other investment returns and benefits like bonuses.

In addition to the basic policy, insurers offer various benefits such as double endowment and marriage/ education endowment plans. In recent times, the concept of providing the customers with better returns has been gaining importance. Hence, insurance companies have been coming out with new and better ULIP versions of endowment policies. Under such life insurance policies the customers are also provided with an option of investing their premiums into the markets, depending on their risk appetite, using various fund options provided by the insurer, these life insurance policies help the customer profit from rising markets.

The premiums paid and the returns accumulated through pure endowment policies and their ULIP variants are tax exempt

Money Back Policy:

This life insurance policy is favored by many people because it gives periodic payments during the term of policy.

In other words, a portion of the sum assured is paid out at regular intervals.

If the policy holder survives the term, he gets the balance sum assured.

In case of death during the policy term, the beneficiary gets the full sum assured.

New ULIP versions of money back policies are also being offered by various life insurers.

The premiums paid and the returns accumulated though a money back policy or its ULIP variants are tax exempt.

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- The premiums paid and the returns accumulated though a money back policy or its ULIP variants are tax exempt.

ULIPS

ULIP came into play in the 1960s and is popular in many countries in the world. The reason that is attributed to the wide spread popularity of ULIP is because of the transparency and the flexibility which it offers. As times progressed the plans were also successfully mapped along with life insurance need to retirement planning. In today's times, ULIP provides solutions for insurance planning, financial needs, and many types of financial planning including children's marriage planning.

Kotak direct

KOTAK DIRECT (A Subsidiary of KOTAK SECURITIES) deals with ULIPs (Unit Linked Insurance Plans). It was started in 2007 with the Head office in Mumbai. The various branches of Kotak Direct are located throughout the country & new branches are opening up as well.

ULIPs are market-linked life insurance products that provide a combination of life cover and wealth creation options. A part of the amount that people invest in a ULIP goes toward providing life cover, while the rest is invested in the equity & debt instruments for maximizing returns. They provide the flexibility of choosing from a variety of fund options depending on the customers risk appetite. One can opt from aggressive funds (invested largely in the equity market with the objective of high capital appreciation) to conservative funds (invested in debt markets, cash, bank deposits and other instruments, with the aim of preserving capital while providing steady returns).

ULIPs can be useful for achieving various long term financial goals such as planning for retirement, child's education, marriage etc. ULIPs or Unit Linked Insurance Plans for Kotak Life Insurance gives an individual the security of life insurance along with wealth creation opportunities. One can benefit from flexibility, liquidity, strategic savings, tax benefits and fund options that are inherent in a ULIP.

Kotak Wealth Insurance:

It is one of the investment plans which ensure that your investments grow with time. It also provides a triple protection so that your family's aspirations are met even in the absence of policy holder.

Kotak Wealth Insurance is a unit-linked insurance plan , that provides investment growth to take care of goals and comprehensive protection to help insured's family and meet unplanned events head on.

Advantages:

- Comprehensive triple benefit to secure future
- Wide array of fund options to suit investment needs
- Liquidity to take care of contingencies
- Convenience of shorter payment term
- Optional rider benefits to boost protection

Key Features:

- Maturity Benefit

  Policyholder is entitled to the Fund Value on maturity. He may withdraw any amount on maturity and the balance, if any, can be taken in periodic installments' for up to 5 years after maturity

- Death Benefit

The Death Benefit in this plan will not be less than 105% of the total premiums paid (adjusted for Partial Withdrawals and outstanding loan amount along with interest).

Lump Sum Benefit is equal to the future premiums (i.e. basic premium x number of outstanding installments). This benefit is payable only during the premium payment term.

- **Rider Benefits for boosted protection:**

To ensure comprehensive protection for family, we may opt for any of the following rider benefits:

- Kotak Accidental Disability Guardian Benefit (ADGB)
- Kotak Accidental Death Benefit (ADB)
- Kotak Critical Illness benefit (CIB)

These benefits will be charged by way of additional unit deductions from the fund.

- **Loans and Partial Withdrawals for easy liquidity:**

To ensure that the long-term investments are flexible enough to account for the current needs, Kotak Wealth Insurance which is an investment plan, offers the option of Loan and Partial Withdrawals.

we can avail of a loan up to 40% of the Fund Value in Main and Top-Up Account to meet any contingency, after two years premium have been paid. Partial Withdrawals are allowed after five policy years.

- **Switch between funds for better flexibility:**

Switching is allowed during the term of the policy between the available fund options to match your investment objectives and maximize your returns. First four switches in a year are free.

- **Convenience of shorter payment term:**

We can choose to pay off your premiums in 5 years and enjoy policy benefits over a policy term of 10 years.

- **Tax Benefits:**

We can avail tax benefits as per Section 80C and Section 10 (10D) of Income Tax Act, 1961. Premiums paid for Kotak Critical Illness Benefit (CIB) qualify for a deduction under Section 80D.

Kotak Secure Investment plan

Kotak Secure Invest Insurance is a unit linked life insurance plan and is one of the best investment plans from safety perspective. It enjoys the upside of the market while safeguarding the downside by way of Capital Guarantee. Therefore, on maturity, if the market value of your units is higher, you reap the benefits with the peace of mind whilst in a bear market your investment is protected by Capital Guarantee. In addition, the returns are totally tax-free.

Advantages:

- Market participation backed by Capital Guarantee
- Inbuilt investment advice of Guarantee Fund
- Long term benefits of insurance with short term payment
- Tax Benefits

Key Features:

- **Capital Guarantee:**

The unique feature of this investment plan ensures that while, gain from the upside of rising markets, market under performance will not unnerve. As capital is guaranteed at maturity

Capital Guarantee is available if the policy is in force and no partial withdrawals are made. Guarantee Charge of 0.75% p.a. will be applicable on Fund Value.

- **Inbuilt Investment Advice:**

Company offering a unique Guarantee Fund that aims at stable capital appreciation while limiting the downside risk in falling markets through active management of funds by experts. We also have the option of Money Market Fund, which invests in Money Market Instruments.

In cases where Capital Guarantee falls away you have the option to switch your investments to the Frontline Equity Fund and no Guarantee Charge will be applicable.

- **Flexibility of Short Term Payment:**

Here we also have the option of a shorter term for premium payment where we can choose to pay off our premiums in 5 years (for 10 year policy term) or 10 years (for 15/20/25/30 year policy terms).

- **Boosted Protection through Riders:**

This investment plan offers the following riders:

- Kotak Term / Preferred Term Benefit (KTB/KPTB)
- Kotak Accidental Death Benefit (ADB)
- Kotak Permanent Disability Benefit (PDB)
- Kotak Critical Illness Benefit (CIB)
- Kotak Life Guardian Benefit (LGB)
- Kotak Accidental Disability Guardian Benefit (ADGB)

- **Tax Benefits:**

  Policy can avail tax benefits under Section 80C and Section 10 (10D) of Income Tax Act, 1961. Premiums paid for Kotak Critical Illness Benefit (CIB) may qualify for a deduction under Section 80D of the Income Tax Act, 1961.

Kotak Secure Investment

Kotak Invest Maxima plan:

Kotak Invest Maxima is an investment-oriented unit linked life insurance plan. This plan offers to maximize investment with maximum premium allocation. This plan also an option of Systematic Switching Strategy that allows to enter equity market in systematic manner over a period of time along with a range of 5 power-packed fund options.

- **How Does the Plan Work:**

Hear policyholder may decide their premium amount and premium payment term based on how much and for how long he/she wish to invest (Regular Pay, Limited Pay of 5 yrs or Single Pay)

They choose the Basic Sum Assured, depending on their existing insurance cover. They can further opt for rider benefits to enhance the protective cover of their plan

They can choose the investment strategy from Self Managed or Systematic Switching Strategy or both as per their investment goals.

Premiums paid by policyholders, net of applicable charges, will be invested as per their choice.

- **Advantages:**

  - No Premium Allocation Charge

- Survival Units: Paid up to 2% of Fund Value starting from 10th year & every 5th year thereafter
- Option to choose from two portfolio strategies: Systematic Switching Strategy, Self Managed
- Flexible premium payment options: Regular, Limited & Single Premium
- Additional protection available through optional riders

- **Key Features:**

- **Maximize your wealth with zero premium allocation charge:**

Kotak Invest Maxima has no premium allocation charge that ensures that most of your money is invested in the funds chosen by you and enjoy superior returns over the policy term.

- **Choice of portfolio strategies:**

Kotak Invest Maxima offers to choose from two portfolio strategies to optimize investments

(1) Self Managed Portfolio Strategy:

Self Managed Portfolio Strategy offers the flexibility to choose from a range of 5 power-packed fund options that enable to maximize potential earnings. Investments in Money Market Instruments will not exceed 40%, except for Money Market Fund and Discontinued Policy Fund.

(2) Systematic Switching Strategy:

Systematic Switching Strategy (SSS) 1t allows to participate in the volatile equity markets in a systematic & structured manner. It allows investing in Money Market Fund and transferring a pre-defined amount every month into any one of the following funds:

- Classic Opportunities Fund
- Frontline Equity Fund

policyholder have the option to choose Systematic Exit Strategy (SES) 2, wherein during the last policy year, he/she will have the choice to switch out of the selected fund, i.e. he/she can move the amount accumulated in either Classic Opportunities Fund or Frontline Equity Fund to the Money Market Fund systematically over a 12-month period, in a similar manner as SSS

Kotak Invest Maxima allows opting for additional rider benefits with regular and limited premium payment options.

The riders offered in this plan are

- Kotak Accidental Death Benefit (ADB)
- Lump sum Benefit paid on accidental death
- Kotak Permanent Disability Benefit (PDB) - Installments paid on being totally and permanently disabled as a result of an accident

Tax Benefits:

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

Kotak Endowment Plan:

If Policyholder looking for regular investment over a long term and would want to receive a lump sum on maturity.
If they are unsure of their future stream of income or would like to pay up all premiums over a short period of time and enjoy benefits of the policy for the entire policy term.

- **Advantages :**

➢ Dual benefit of insurance and accumulating investments
➢ Earn bonuses on the endowment plan
➢ Limited premium

- **Key Features:**

➢ **Maturity Benefit:**

The higher of the Basic Sum Assured or the Accumulation Account will be paid on maturity.

- **Death Benefit**:

In the event of death, the beneficiary would be entitled to the Basic Sum Assured less all the premiums due but not paid (if any) or the Accumulation Account, whichever is higher.

- **Bonus:**

The premiums paid by policyholder, net of charges are deposited in the Accumulation Account and the bonus declared by the company is credited to this account at the end of each financial year.

During the term of the endowment insurance plan, returns are earned on a compounding basis, accumulating to create a substantial corpus for.

- **Limited Premium Payment Option:**

policyholder choose a term ranging from 10 to 30 years but pay off all premiums over a limited term of 3,5,7,10 or 15 years with life cover continuing till maturity. Accumulation Account would benefit from the bonuses declared every year, not just during the premium paying period but for the entire policy term.

- **Automatic Cover Maintenance:**

In case policyholders miss some premium payment, the Automatic Cover Maintenance facility ensures the policy remains in force. This facility is available after the first three policy years

- **Rider Benefits:**

- We can choose from any of the following riders:
- Term / Preferred Term Benefit
- Accidental Death Benefit
- Permanent Disability Benefit
- Critical Illness Benefit
- Life Guardian Benefit

Kotak Surakshit Jeevan:

Kotak Surakshit Jeevan (KSJ) an enhanced protection and long-term savings plan , ensures that family remains financially independent even if he/she is not around. It is an insurance plan that helps to keep pace with changing needs at every step of life, or savings for the future.

- **Advantages:**
  - Double protection after 5 years
  - Provision for disciplined savings
  - Convenient premium payment options
  - Easy application
  - Simple documentation

No medical tests
Hassle-free sign-up

- **Key Features**

➢ **Double cover to match requirement**:

To ensure that life is adequately covered at every step, 'Enhanced Protection' benefit automatically boosts life cover (Basic Sum Assured) after Year 5 by 100%. The increased cover continues throughout the remaining term of the insurance policy.

➢ **Disciplined savings for the long run:**

Maturity Benefit, this savings plan enables to set aside modest amounts in a well-planned manner.

➢ **Bonuses to boost savings:**

Simple reversionary bonus declared at the end of each year and payable on maturity or in the event of death
Interim bonus, in case of claim during the course of the year
Terminal bonus, on completion of 10 policy years and paid on maturity or in the event of death
Special terminal bonus payable at the end of the policy term on maturity of the policy

- **Flexibility to meet diverse requirements:**

The flexibility to utilize accumulated kitty on maturity in any of the following three different ways:

To meet contingency fund requirements: Entire proceeds as a single lump sum

For kids' dreams:

To meet the continuous fund requirements of child's education and career you can opt for half-yearly installments over a five-year period. The guaranteed amount of each half-yearly installment would be Rs.108 per thousand maturity benefit

For a comfortable retirement:

Cash component of 1/3rd of maturity proceeds can be availed and the balance can be can be utilized to purchase an annuity from Kotak Life Insurance or any other insurer

- **Rider Options:**

It has flexibility to enhance cover option with the two riders available with this savings plan:

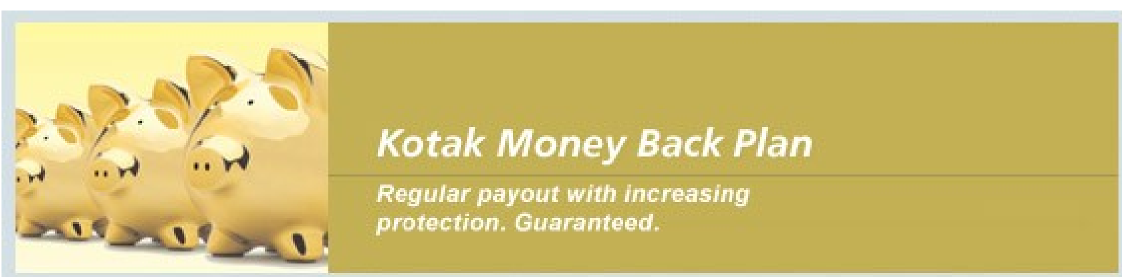
Kotak Life Guardian Benefit

Kotak Permanent Disability Benefit

- **Tax Benefits:**

Tax Benefits can be availed under section 80C and 10(10D) of Income Tax Act, 1961. Tax benefits are subject to change in tax laws.

The Kotak Money Back Plan:



The Kotak Money Back Plan offers the key benefit of cash lump sums at periodic intervals of five years, ensuring to meet any of your financial obligations which arise from time to time. Such investment plans not only provide life cover but also entitle to a guaranteed addition and bonus on maturity. This money back plan not only enjoys regular cash flows during the policy term, but it also gets a substantial life cover, which increases every year.

To receive cash lump sums at regular intervals to plan for expenses like children's education, purchase of an asset or to meet any other unforeseen contingency.

Advantages:

- Cash lump sums at intervals of 5 years
- Guaranteed additions on maturity
- Death benefit increasing at 7% of sum assured at the end of each year
- Earn bonuses on the plan

Annuities and Pension of Kotak life Insurance

In these types of life insurance policies, the insurer agrees to pay the insured a stipulated sum of money periodically. The purpose of an annuity is to protect against financial risks as well as provide money in the form of pension at regular intervals.

An Annuity scheme is an investment wherein you have to make regular contributions over a period of time either in a single lump sum or through installments made over a certain number of years which yields a regular income until death starting from your desired retirement age. In some annuity schemes upon the death of the annuitant, or at the expiry of the period, the invested annuity fund is refunded usually along with a small bonus to the survivors. In nutshell the Annuities offer a guaranteed income for a certain period or for life and are bought to generate income during your retired life and are also called Pension Plans.

Retirement Plans:

Retirement Plans from Kotak Life Insurance helps provide an individual with the financial security to lead a comfortable lifestyle in his post retirement years. Make use of the retirement calculator to assess your retirement options wisely.

Children Plans:

Children Plans from Kotak Life Insurance help an individual secure his / her child's financial future so that in future the child is able to fulfill every dream and aspiration without any hindrance.

Group Life Insurance Plans:

Group Life Insurance Plans from Kotak Life Insurance can help address the needs of both employees and employers, to secure their financial future. Achieve his / her long-term goals through smart financial planning.

Currently available products to purchase

Kotak Group Shield Plan:

It is a complete solution that helps protect customer's assets and savings in the unfortunate event of death, illness or disability.

Kotak Group Assure Plan:

It provides a cover that is equal to the outstanding balance of the loan amount.

Kotak Term Group Plan:

It provides life cover for employees, by paying a lump sum benefit to the receiver on the death of an employee.

Kotak Credit-Term Group Plan:

It is the right solution for needs, protecting both your institution's and customer's interest.

Kotak Complete Cover Group Plan:

It provides institutions the required value-ads to differentiate products and make them more competitive.

Kotak Term Group Plan:

In this age of competition where technology and systems are available to every organization, it's the people that differentiate the good from the great. Your organization has people - Your customers as well as Your employees - that are of immense value to you. One of their prime concerns is the security and safety of their families. Being an organization of repute you would like to share this responsibility by providing them with a solution that meets their need.

Kotak Term Group Plan provides life cover to the member, by paying a lump sum benefit to the beneficiary in case of an unfortunate event. There is also an option available for the member to opt for additional voluntary life cover for self and spouse. There is also a range of riders available to cover other risks like disability, dismemberment, illness, family benefit and functional impairment. It is an ideal solution that provides security to the families of your members in case of an adversity.

Kotak Complete Cover Group Plan:

Kotak Complete Cover Group Plan provides life cover to a group of borrowers of the credit /lending institution (banks, retail finance providers etc.). It is a non-participating single-premium plan and can be customized to cover all types of loans and repayment terms.

The plan can be mandatory (all members join) or voluntary (subject to certain conditions). In the unfortunate event of death of the borrower during the term of the policy, the outstanding loan amount (as per the cover schedule) will get extinguished relieving the borrower's family of the loan liability and will also eliminate the risk of loss due to death of the borrower to the Credit Institution

Kotak Group Shield:

A comprehensive group insurance plan for financial institutions to safeguard their financial assets from default payments, the Kotak Group Shield Plan covers your customers' loans and savings. Its wide-ranging life insurance cover also protects the well-being of your customers and their family members in the event of death, illness or disability

Individual borrowers and co-borrowers of your institution can be covered under this plan:

Plan Options	• Easy Group Shield • Group Shield	• Group Shield plus Disability Benefit • Group Shield plus Critical Illness Benefit
Group Size	Min: 50 Members	
Entry Age ^ (last birthday)	Min : 15 years Single Premium :Max: 73 years Regular Premium: Max: 70 years	Min : 18 years Single Premium : Max: 63 years Regular Premium: Max: 60 years
Cover Cease Age (last birthday)	Max : 75 years	Max : 65 years
Cover Term	**For Single Premium :** Min : 2 years ; Max : 30 years (subject to maximum maturity age being	**For Single Premium:** Min : 2 years ; Max : 30 years (subject to maximum maturity age being

	less than or equal to 75) **For Regular Premium:** Min : 5 years ; Max : 30 years (subject to maximum maturity age being less than or equal to 75)	less than or equal to 65) **For Regular Premium:** Min : 5 years ; Max : 30 years (subject to maximum maturity age being less than or equal to 65)
Premium Payment Term	Single Premium Or Regular: Full policy Term	
Sum Assured	**For Easy Group Shield:** Min : ₹5,000 Max : No limit **For Group Shield:** Min : ₹25,000 Max : No limit	**For Group Shield plus Disability Benefit** Min : ₹25,000 Max : No limit **For Group Shield plus Critical Illness Benefit:** Min : ₹100,000 Max : No limit

Protection Plans:

An Introduction to Protection Plans

Securing your family's well-being is one of the most important goals of life. Insurance Protection plans help you secure your loved one's future against life's uncertainties. Your untimely death can cause a major setback to your family - both emotionally as well as financially, especially if you are the sole breadwinner. With a term life insurance policy, you can ensure your family's financial independence, in case anything untoward happens to you. Besides, term plans are cost-effective too, as they focus on providing only life cover .

A term life insurance policy, thus, sets you free from the worries of what will happen to your loved ones in your absence, letting your family and you enjoy life with peace of mind. With protection plans you can give your family

Additional protection:

Enhance your protection with these riders:

Rider Plan	Benefit Payable
Accidental Death Benefit (ADE UIN - 107B005V03)	Additional lump sum benefit over and above the basic sum assured will be paid upon accidental death.
Accidental Disability Benefit (ADB) UIN 107B008V03	Lump sum benefit paid upon disability claim, on top of basic sum assured.
Accidental Dismemberment Benefit (ADM) UIN- 107B006V03	Lump sum benefit paid upon complete or partial loss of a limb, or loss of eyesight or hearing due to accidental causes.
Accidental Death, Disability and Dismemberment Benefit (ADDD) UIN 107B007V03	Lump sum benefit paid upon the three eventualities.
Critical Illness Benefit (CI) UIN 107B009V03	Critical Illness Benefit - payable if the member suffers from one of the 12 critical illnesses covered and the death benefit for the member will reduce to the extent of the payout.
Kotak Critical Illness Plus Benefit (CIP UIN 107B015V02	Critical Illness Benefit - payable upon a critical illness claim. While the benefit ceases after payment, the Death Benefit is still payable.
Family Benefit	Life cover provided for the member's spouse

(FB UIN 107B010V03)	and three children aged between 1 and 18 years.
Terminal Illness Benefit (TI UIN 107B014V03)	Benefit payable upon claim of a terminal illness. Death Benefit will be reduced depending on payout.
Daily Task Benefit (DT UIN 107B016V02)	Benefit payable upon claim of member's inability to perform daily activities; after payment the member's benefit will cease. Death Benefit will be reduced depending on payout.

Conclusion

Kotak Mahindra Old Mutual Life Insurance is a joint venture between Kotak Mahindra Bank Ltd., its affiliates and Old Mutual plc. The company is one of the fastest growing insurance companies in India and has shown remarkable growth since its inception in 2001.

KLI, as it is popularly known, offers life insurance to retail customers and also to group business.

Kotak Mahindra group is one of India's leading financial services conglomerates. The Group offers a wide range of financial services that encompass every sphere of life.

From commercial banking, to stock broking, mutual funds, life insurance and investment banking, the Group caters to the diverse financial needs of individuals and the corporate sector.

Kotak Life Insurance is a fast growing life insurance company in India. The company has more than 200 branches in India and along with the distribution reach of its group companies, is well positioned to reach out to the length and breadth of the country.

It has a large spectrum of life insurance products catering to protection, savings and retirement solutions.

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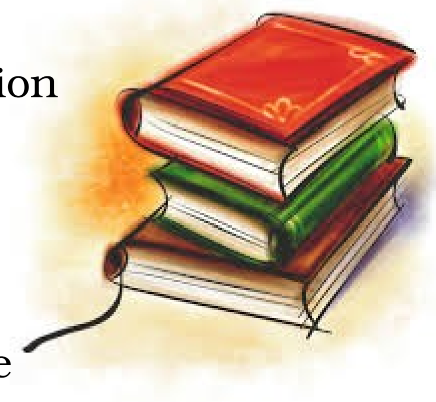

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