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## Product “KIP - Kids Insurance Plan” – Information sheet

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- 1. What is the rate „KIP - Kids Insurance Plan”?**
  - ➔ This product is an endowment and life insurance G3 with regular premium payments and a fixed benefit payment date at the end of the term.
  - ➔ The additional rates are same as in EIP - Economic Insurance Plan”, the product G3 - endowment insurance can also be applied for alone.
  
- 2. What is special about this plan?**
  - ➔ The policy serves to secure the financial future of a child, the payment date is fixed with the expiration of the contract and is to benefit a child after attaining full age after 18<sup>th</sup> birthday.
  
- 3. Who is insured in this contract and who is the policyholder?**
  - ➔ In the contract a parent of the child is insured and acts also as policyholder (=premium payer).
  - ➔ This parenthood or grandparenthood must be clear and proved from the enclosed official documents.
  
- 4. Which amount shall be paid from rate G3?**
  - ➔ On maturity, the insured amount and the accumulated profits shall be paid.
  - ➔ In the event of death as well the sum insured and he accumulated profits, but the sum is not due on the death date but at expiry date of the contract - an earlier withdrawal is NOT possible.
  
- 5. How is the death benefit designed in the additional branches?**
  - ➔ If the rate "UTZ – Accidental Death" is included: It is the same regulation as for the main rate G3, the payment will be made at the end of the term, until then, however, in addition interest on paid account shall be added.
  - ➔ If the rate "RZ1 - risk insurance" is included: there can be immediate payment after death case of person insured up to an amount of USD / EUR 3000.
  
- 6. What are the regulations regarding term of contract?**
  - ➔ The term is based on the age of the child, basically as a target the contract shall expire shortly before or after 18<sup>th</sup> birthday of the child (it is also possible that the contract expires at the latest shortly before or after 25<sup>th</sup> birthday of child).
  - ➔ The minimum term is 10 years, the maximum term 17 years.
  - ➔ The age of the child may therefore be 15 years maximum at start of contract, at expiry the age of child shall be not more than 25 years.
  - ➔ The maximum ending age of person insured is 70 years (analogue to “EIP”)
  
- 7. How is the premium range?**
  - ➔ The annual minimum premium is USD/EUR 300
  - ➔ The annual maximum premium is USD/EUR 3000
  
- 8. How are the additional rates regulated according to premium payment?**

- ➔ Annual premium USD/EUR 300 – 499: rates G3, UI30, UTZ
- ➔ Annual premium USD/EUR 500 – 799: rates G3, UI30, UTZ, RZ 2000
- ➔ Annual premium USD/EUR 800 – 3000: rates G3, UI30, UTZ, RZ 3000

#### 9. How is the right for benefit payment regulated?

- ➔ Benefit payment in case of survival: The payment amount shall be dedicated for the child. In the policy the policyholder is mentioned by default and receives the expiry papers in any case.
- ➔ Benefit payment in case of death: In case of decease of the person insured the benefit payment is IRREVOCABLY dedicated to the child, it shall receive the amount after having had the 18<sup>th</sup> birthday (in exceptional case up to 25<sup>th</sup> birthday of child). If the insured person deceases and the contract shall expire before the 18<sup>th</sup> birthday of child a trust option shall be established automatically in favour of the child until reaching of 18<sup>th</sup> birthday. This Trust Option has not to be applied for separately.

#### 10. How to fill in the new proposal regarding policyholder and person insured?

- ➔ The policyholder shall be filled out to field "*policyholder*"
- ➔ The person insured shall be stated in the field "*person insured*" (=adult person, not child)
- ➔ The child shall only be filled out in the compulsory proposal enclosure "*Additional form – KIP – Kids Insurance Plan*" in the field "*Personal Data of the child*". Please make sure to enclose copy of birth certificate or passport of child
- ➔ The adult (insured person) is insured, not the child.

#### 11. How to fill in the right for benefit payment on the new proposal?

- ➔ As a standard for the case of death of person insured the child is IRREVOCABLY entitled for the benefit payment – cf. special clause LV 80845
- ➔ The field „Benefit payment in case of death“ on the new proposal is to be filled in as follows:  
Put in the name of the person who shall be entitled after decease of the child to receive benefit amount in case of death of person insured.  
If this field is empty or erroneously the child is mentioned: the legal heirs of the child shall be entitled in case of death of person insured.

#### 12. Example calculation for KIP – Kids Insurance Plan

Man/Woman, Age at beginning of contract: 30 years, child is 1 year old at beginning of contract, therefore term 17 years, Annual premium USD/EUR 2000:

years past	G3 insured sum (= guaranteed benefits) USD	G3 paid up values USD	G3 surrender value* USD	surplus ** USD	G3 death benefit due at end of contract incl. surplus** USD	G3 insured sum (= guaranteed benefits) EUR	G3 paid up values EUR	G3 surrender value* EUR	surplus** EUR	G3 death benefit due at end of contract incl. surplus** EUR
1	31.500	-	-	-	35.158	30.389	-	-	-	35.436
2	31.500	2.331	1.314	2	35.158	30.389	2.240	1.378	4	35.436
3	31.500	4.460	3.367	26	35.158	30.389	4.227	3.422	38	35.436
4	31.500	6.565	5.166	73	35.158	30.389	6.199	5.200	105	35.436
5	31.500	8.637	6.908	144	35.158	30.389	8.153	6.917	206	35.436
6	31.500	10.682	8.666	239	35.158	30.389	10.089	8.643	341	35.436
7	31.500	12.701	10.452	362	35.158	30.389	12.010	10.384	513	35.436
8	31.500	14.692	12.266	511	35.158	30.389	13.915	12.143	721	35.436
9	31.500	16.654	14.106	688	35.158	30.389	15.802	13.921	969	35.436
10	31.500	18.591	15.974	895	35.158	30.389	17.671	15.717	1.256	35.436
11	31.500	20.500	17.870	1.132	35.158	30.389	19.528	17.528	1.585	35.436
12	31.500	22.387	19.795	1.402	35.158	30.389	21.367	19.364	1.958	35.436
13	31.500	24.252	21.751	1.704	35.158	30.389	23.193	21.218	2.374	35.436
14	31.500	26.095	23.742	2.040	35.158	30.389	25.010	23.096	2.837	35.436
15	31.500	27.915	25.767	2.413	35.158	30.389	26.812	24.995	3.348	35.436
16	31.500	29.717	27.827	2.822	35.158	30.389	28.605	26.919	3.909	35.436
17	31.500	31.500	31.500	3.658	35.158	30.389	30.389	30.389	5.047	35.436

\* There shall be no surrender value for the policy before the end of the second contract year.

\*\* The surplus accumulated in future is not predictable, therefore figures on profit participation are mere forecasts based on the present situation. Such forecasts are therefore without any obligation. The amount of surplus participation depends on the future development of the capital markets, actuarial risks and administrative costs.

The G3 death benefit is due at the end of contract, not depending on death date and amounts to USD 35.158 / EUR 35.436 incl. profit participation\*\*

In addition the rate RZ is due in case of death amounting USD/EUR 3000 and in case of accidental death the rate UTZ is due at the end of contract amounting additionally USD 31.500 / EUR 30.389 (plus pay account interest).