

ICEA LION Value Added Term Assurance



 **ICEA LION**
INSURANCE • PENSIONS • INVESTMENTS • TRUSTS

We're Better Together

Insurance terms may sound complicated and "Term Assurance" is no different. Simply put, term assurance refers to a type of insurance that covers you for a specified number of years also known as the "term". The primary purpose of a term assurance is to insure your life, so that in the unfortunate event of your demise, your loved ones receive a payout. This payout is known as the Sum Assured and will be paid to your nominated beneficiaries (if your policy is active or in force) immediately following notification of your demise, not at the end of the term of the policy. You are at liberty to decide on the number of years you wish to be covered for and how frequently you wish to make the payments; either monthly, quarterly or annually.

A term assurance is different from an endowment with the difference being that endowments pay you interest (or bonus) either during or at the end of the duration of the policy. As a result, at the end of your policy period, your maturity benefits consist of both the sum assured and the accrued bonuses. Further, the sums assured for term assurances are usually much higher than that of endowments.

What Is ICEA LION's Value Added Term Assurance?

Our Value Added Term assurance, initiated by ICEA LION in the East African insurance market, is unique in that it allows you to save for your desired term and get back your full premium contributions at the end of that period. However, in the unfortunate event of your demise, we will pay your nominated beneficiaries the Sum Assured immediately following notification of your demise. It is very important to note that if you are alive once the policy term ends, you will be reimbursed your full premium contributions, however, you will not receive the Sum Assured.

We also offer Level Term Assurance, with the difference being that the payout for a Level Term Assurance is higher than that of Value Added Term Assurance. Further, Level Term Assurance does not refund your premium contributions at the end of the policy period, even if you are alive at the end of the term.



What Are The Key Benefits Of Our ICEA LION Value Added Term Assurance?

Eligibility for full Sum Assured Payout is immediate:

Once our contractual agreements are finalized (including payment of your first premium installment), in the unfortunate event of your demise, we will pay out the full Sum Assured to your nominated beneficiaries immediately upon notification of your demise. You should however note that we will deduct the amount commensurate with what you would have paid for as a full year's premium - from the final dues - if you had not paid up for the full first year.

Affordability: In the unfortunate event you lose your source of income, you can reduce your premium payments up to Kes 2,000 and you can later revise them upwards when your circumstances improve.

Flexible payment options: You can opt to pay premiums monthly, quarterly or annually which is suitable for self-employed as well as salaried employees.

Contribution Break (Re-Dating): If you are unable to continue paying the premiums for your policy, you can pause payment of your policy and restart when your circumstances improve, at no extra cost. This is known as re-dating. Other organizations may charge a fee on the arrears, however we do not charge at ICEA LION. You can however only re-date once.

Policy Loan: You can take a loan against your premiums from year 3 (36 months of contributions) and the loan amount is dependent on the value of your policy at that time not the Sum Assured.

Tax-Free benefit: When your policy matures, you will get the full Sum Assured paid to you Tax-Free.

15% tax relief: If you are employed and you advise your HR department about your policy, you get a 15% tax relief each month. If you are self-employed you can claim the same from Kenya Revenue Authority (KRA).

Guarantee Income for Your Loved Ones: In the unfortunate event of your demise, your nominated beneficiaries can still have the quality of life you envisioned for them. That said, it is very important that you ensure you have structures in place to ensure that the people who are left in control of your funds use it as you desired. In order to protect your legacy for your intended purposes, it would be advisable to consider Estate Planning and perhaps set up a Trust.



What Happens If I Cannot Pay My Premium?

Life Happens! If for one reason or another you are unable to pay your premiums, you can opt for either of these options:

Take a Contribution Break (Re-Dating): As mentioned above, you have the option to Re-Date your policy and you can resume your payments once your circumstances improve. The policy period will be revised to suit your new circumstances.

Reduce Your Premium: You have the option to reduce the premiums you pay to a minimum of Kes 2,000 per month and keep the policy active. This will result in either a reduced maturity amount (if you stick to the original policy duration) or an extended policy duration.

Accept an Automatic Premium Loan: ICEA LION will deduct the amount of outstanding premium from the maturity value of the policy which will have been given to you in form of a loan as monthly premium. After 3 months of non-payment, we automatically take up this loan on your behalf, referred to as an Automatic Premium Loan (APL), in order to keep your policy active. This can remain in effect for several years, so it is important to engage us your options as this facility erodes the final dues paid to you at the end of contract. This facility only applies if you have been saving for over 3 years (36 months).

Further above, we shared the difference between term assurances and endowments. Below is a graphical comparison of the final dues paid to you if you paid a premium of Kes 10,000 per month for 10 years for Value Added Term, Level Term Assurance, Anticipated Endowment and Endowment with Profits.

Value Added Term Assurance

TERM: 10 Years		PREMIUM FREQUENCY: Monthly	
MATURITY ESTIMATE: 0.00			
BONUS ESTIMATE: 0.00			
BENEFIT	SUM ASSURED	ANNUAL PREMIUM	PERIODICAL PREMIUM
Basic Sum Assured	6,289,457.00	120,000.00	10,000.00
PCF			25.00
TOTAL PREMIUM			10,025.00

Level Term Assurance without Profits

TERM: 10 Years		PREMIUM FREQUENCY: Monthly	
MATURITY ESTIMATE: 0.00			
BONUS ESTIMATE: 0.00			
BENEFIT	SUM ASSURED	ANNUAL PREMIUM	PERIODICAL PREMIUM
Basic Sum Assured	15,642,531.00	120,000.00	10,000.00
PCF			25.00
TOTAL PREMIUM			10,025.00

Endowment with Profits

TERM: 10 Years		PREMIUM FREQUENCY: Monthly	
MATURITY ESTIMATE: 1,725,067.00			
BONUS ESTIMATE: 646,900.00			
BENEFIT	SUM ASSURED	ANNUAL PREMIUM	PERIODICAL PREMIUM
Basic Sum Assured	1,078,167.00	114,286.00	10,000.00
PCF			25.00
TOTAL PREMIUM			10,025.00

Anticipated Endowment

TERM: 10 Years		PREMIUM FREQUENCY: Monthly	
MATURITY ESTIMATE: 1,354,698.00			
BONUS ESTIMATE: 508,012.00			
BENEFIT	SUM ASSURED	ANNUAL PREMIUM	PERIODICAL PREMIUM
Basic Sum Assured	846,686.00	114,286.00	10,000.00
PCF			25.00
TOTAL PREMIUM			10,025.00

At ICEA LION, our mission is to protect and create your wealth. Should you have any inquiries about our ICEA LION Level Term Assurance or would like to set it up, you can call us on **+254 719 071 999** or email us at contactcentre@icealion.com.

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