

SCHOOL FEES PLUS POLICY

The Product

School fees plus is an anticipated endowment product which provides benefits on either death or survival of the policyholder. As the name suggests, the main purpose of this product is to ensure that the guardian is able to cater for the educational needs of the beneficiaries whether alive or not within the policy period.

BENEFITS

- Policy term ranges from 9 to 20 years
- Pays partial payments to suit your school fees needs for your child at different levels
- Bonuses are earned every year and will be paid on maturity of the policy.
- Potential for additional personal income tax relief hence additional savings.
- Flexible premium payment methods (e.g. Salary Stop Order, Direct Debit, M-Pesa, etc)
- Policy loans with flexible repayments
- Maturity benefit payable as a lump sum or in installments
- 30-day free-look period

POLICY	PROPORTION OF SUM ASSURED
n-4	25%
n-3	25%
n-2	25%
n-1	25%
Maturity (n)	100%

NB: n is the term of the policy

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After paying premiums for at least 3 years, the insured can choose one of these options:

1. Cash Surrender Value – The company pays a cash amount based on surrender rates, minus any outstanding debts or unpaid premiums.
2. Reduced Paid-Up Cover – The policy remains active but with a lower sum assured, payable upon a claim.
3. Premium Loan – The policy stays active without further payments by converting unpaid premiums into a loan. If the loan exceeds the surrender value, the policy is void.
4. Policy Loan – The insured can take a loan against the policy after it has acquired a surrender value (after 36 months of payments)

Tax Relief The policyholder is entitled to tax relief of 15% premium up to a maximum of Kshs5,000 per month

Illustration Sum Assured-500,000, Estimated Premium-6,105, ANB- 40, Yearly projected bonus-2.5%, Term-15 years

MATURITY BENEFITS	PERCENTAGE	AMOUNT
1 Partial	25%	125,000
2 nd Partial	25%	125,000
3 rd Partial	25%	125,000
4 th Partial	25%	125,000
5 th Partial	100%+ Bonuses	687,500

COMMISSION PAYABLE

PERIOD	COMMISSION SCHEDULE
1ST YEAR	40%
2ND YEAR	20
3RD YEAR	5%