



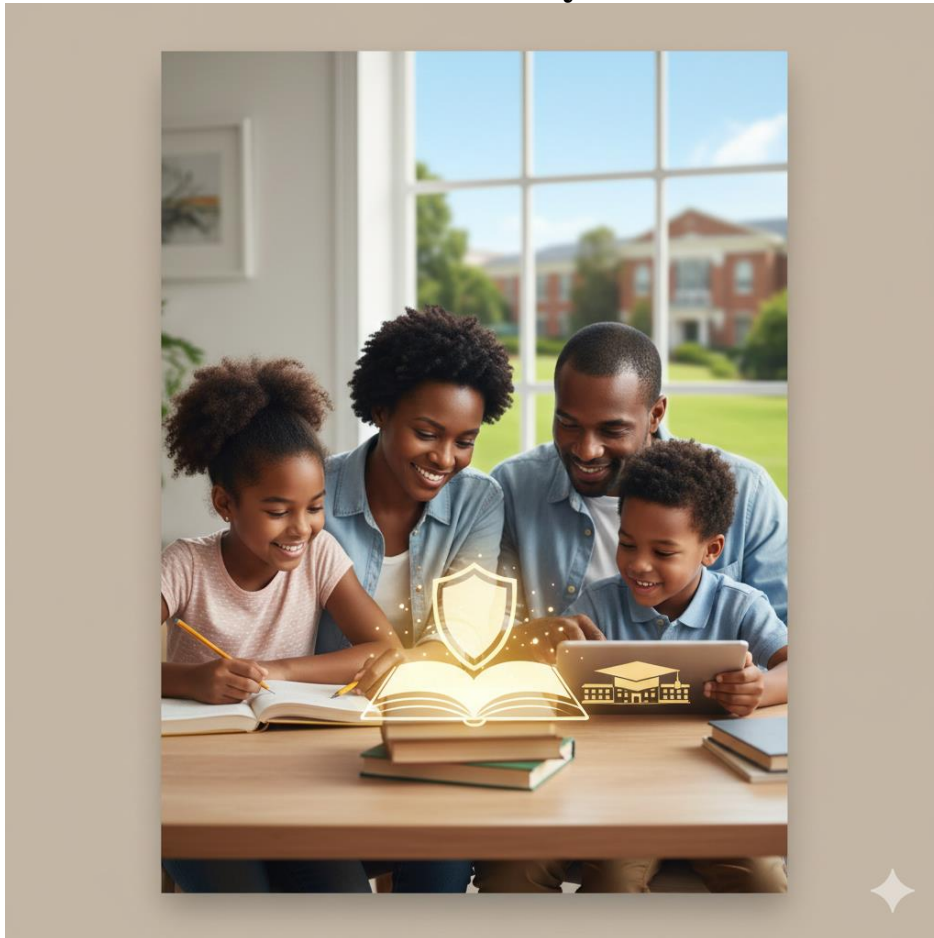
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LIFE CHILDREN EDUCATION INSURANCE

**Guarantee Your Children Complete School, Even If You Don't
Live To Pay**



For Working Parents & Breadwinners

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Licensed by Insurance Regulatory Authority (IRA)

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EXECUTIVE SUMMARY

Every Parent's Promise

"My children will complete school—primary, secondary, university—no matter what." But what if you die or become permanently disabled before they graduate? How will school fees be paid?

The Education Crisis When Parents Die

- 68% of Kenyan children whose parents die unexpectedly drop out of school
- School fees stop being paid within 1-2 terms
- Relatives often can't/won't sustain 4+ years of fees
- Children's futures permanently damaged
- Your life's sacrifice for their education—WASTED

Our Solution: Children Education Insurance

A specialized plan combining **savings + life insurance protection**. You contribute monthly. If you die or become disabled, **premiums are waived** and your child's education is **fully funded** through university. If you live, you've saved systematically with guaranteed bonuses for their education.

Key Benefits

- **Premium Waiver Protection** – if you die/disabled, no more payments but coverage continues
- **Guaranteed Education Fund** – child receives full amount at maturity regardless
- **Systematic Savings** – disciplined approach builds substantial education capital
- **Bonus Returns** – indicative 6-9% annual bonuses increase fund value
- **Tax-Free Pay-out** – education fund received tax-free
- **Insurance Premium Relief** – 15% tax relief on premiums (max Ksh 60,000/year), provided policy has minimum 10-year maturity

Investment:

From Ksh 3,000/month for 10+ years = Ksh 600K-1.2M education fund.

Note: This is indicative rate, actual premiums vary by age, health, provider and other premium factors.

Who This Is for:

Parents with children 0-12 years, expecting parents planning ahead, grandparents securing grandchildren's education

YOUR SITUATION AS A PARENT

Typical Parent Profile:

- Age: 28-45 years
- Children: 1-3 kids, ages 0-12 years
- Income: Ksh 60,000-300,000/month
- Concern: How to fund 10-20 years of education (Ksh 3-8M total per child)
- Risk: What happens to children's schooling if I die?

The True Cost of Education in Kenya (2025)

Per Child - Primary Through University:

Education Level	Duration	Annual Cost (Private)	Total Cost
Primary School	8 years	Ksh 80,000 - Ksh 150,000	Ksh 640K - Ksh 1.2M
Secondary School	4 years	Ksh 150,000 - Ksh 250,000	Ksh 600K - Ksh 1M
University/College	4 years	Ksh 300,000 - Ksh 500,000	Ksh 1.2M - Ksh 2M
TOTAL PER CHILD 16 years	-	-	Ksh 2.5M - Ksh 4.2M

For 3 Children: Ksh 7.5M - Ksh 12.6M total education costs

With 8-12% education inflation, actual costs could reach Ksh 10M-18M

The Parent's Dilemma:

- Save aggressively now from limited income? (hard to sustain)
- Hope income grows to cover future fees? (risky)
- Rely on relatives if you die? (unreliable)
- Take loans when fees are due? (expensive, stressful)

TAX BENEFITS

Insurance Premium Relief (Section 31, Income Tax Act - Updated Dec 2024)

15% relief on education insurance premiums.

Requirements:

- Policy must be for yourself, your spouse, or child
- Policy must have maturity period of at least 10 years (critical requirement for education policies)
- Tax relief rate: 15% of premiums paid
- Maximum relief: Ksh 5,000 per month (Ksh 60,000 per annum)

Practical Example:

Annual education insurance premium: Ksh 60,000

Tax relief (15%): Ksh 9,000

Effective premium after relief: Ksh 51,000

For Higher Premiums:

Annual premium: Ksh 96,000

Tax relief (15% of Ksh 96,000): Ksh 14,400

Maximum claimable: Ksh 14,400 (within Ksh 60,000 annual cap)

Effective premium after relief: Ksh 81,600

Maturity Benefit - Tax Free

The maturity proceeds received for your child's education are **completely tax-free**. Whether it's Ksh 600,000 or Ksh 2 million, your child gets the full amount with no deductions.

HOW EDUCATION INSURANCE SOLVES THIS

The Dual-Purpose Protection

Component 1: Systematic Savings

- You commit to monthly/annual contributions (e.g., Ksh 5,000/month)
- Money accumulates with guaranteed bonuses (6-9% annually)
- After 10-15 years: substantial education fund built (Ksh 900K-1.5M)
- Disciplined approach prevents "borrowing" from education savings

Component 2: Premium Waiver (Life & Disability Insurance)

- If you die: No more premiums required, but child still receives full benefit at maturity
- If permanently disabled: Premiums waived, coverage continues
- Child's education **guaranteed** regardless of what happens to you
- This is the **CRITICAL** protection—why it's not just a savings account

Real-World Example: How It Works

Parent Profile:

- Sarah, age 32, daughter Mercy age 3
- Monthly contribution: Ksh 5,000 for 15 years (until Mercy is 18)
- Total contributions: $\text{Ksh } 5,000 \times 12 \times 15 = \text{Ksh } 900,000$

Scenario A: Sarah Lives (Best Outcome)

- After 15 years: Contributions Ksh 900K + Bonuses ~Ksh 350K = **Ksh 1.25M**
- Mercy starts university at 18: Full fund available
- Covers 4 years university fees (about Ksh 300K/year)
- Tax benefit over 15 years: $\text{Ksh } 9,000/\text{year} \times 15 = \text{Ksh } 135,000$ total relief

Scenario B: Sarah Dies in Year 5 (Tragedy Strikes)

- Sarah has paid: Ksh 5,000 × 12 × 5 = Ksh 300,000
- Sarah dies: Premium waiver activates
- Remaining 10 years premiums (Ksh 600K): WAIVED (family pays nothing)
- At Mercy's age 18: She still receives full Ksh 1.25M fund
- Education secured despite mother's death

This Is The Power of Education Insurance: Your child's education is protected whether you live or die. No other savings vehicle does this.

MY ROLE AS YOUR INDEPENDENT FINANCIAL ADVISOR:

- Help you calculate education costs for your child's specific goals
- Recommend optimal contribution amount and term
- Compare providers for best value
- Handle paperwork and setup
- Monitor fund performance annually
- Assist with claims if premium waiver needed
- Guide maturity pay-out timing for fee schedules
- Assist with tax relief claims on i-Tax

No Advisory Fees:

You pay me nothing for my services - providers pay me a commission. You pay the same whether you go direct or through me, but gain professional guidance on appropriate contribution levels and optimal provider selection.

REAL CLIENT SUCCESS STORIES

Case 1: Peter & Grace – The Plan That Saved Their Daughter's Future

Situation:

- Peter, 35, software engineer, income Ksh 180,000/month
- Grace, 33, teacher, income Ksh 85,000/month
- Daughter Joy, age 4, in private pre-school
- Enrolled in an Education Plan: Ksh 8,000/month for 14 years

Contributions:

- Monthly: Ksh 8,000
- Annual: Ksh 96,000
- Planned total: Ksh 1,344,000 over 14 years
- Projected maturity (with bonuses): Ksh 1.9M at Joy's age 18
- Annual tax relief: Ksh 14,400 (15% of Ksh 96,000)
- Total tax relief over 14 years: Ksh 201,600

The tragedy: Peter died in accident when Joy was 9 (5 years into the plan)

What they had paid: Ksh 8,000 × 12 × 5 = Ksh 480,000 total

What Happened:

- Premium waiver activated immediately
- Grace stopped paying (remaining 9 years premiums = Ksh 864K WAIVED)
- Grace focused on grieving and rebuilding, not worrying about school fees
- Plan continued growing with bonuses

Outcome at Joy's 18th Birthday:

- Maturity value: Ksh 1.9M (full amount, as if Peter never died)
- Joy enrolled in private university: Ksh 450K/year × 4 years = Ksh 1.8M
- Education fully funded—Peter's promise kept

Grace's Testimony:

"Peter always said, 'Joy will finish university, I promise.' When he died, I thought that promise died with him. But the education insurance meant he kept his promise even from heaven. The tax relief we got every year made the premiums more affordable while he was alive. Joy graduated with honors last year. Peter would be so proud."

Case 2: James – Disability Protection That Delivered

Situation:

- James, 40, construction manager
- Twin sons, age 7
- Enrolled in Education Protector Plan: Ksh 6,000/month per child (Ksh 12,000 total)
- Target: Fund secondary and university for both boys
- Annual tax relief: Ksh 21,600 (15% of Ksh 144,000 annual premiums)

The crisis: James suffered workplace accident at age 44, permanently disabled (paralyzed, unable to work)

What he had paid: Ksh 12,000 × 12 × 4 = Ksh 576,000 for both boys

What Happened:

- Disability premium waiver activated (**this is why death-only coverage isn't enough!**)
- James paid nothing more (remaining 7 years = Ksh 1,008,000 WAIVED)
- Boys' education funds continued growing
- James received **disability income from separate policy** (not covered here)

Outcome When Boys Turned 18:

- Each received: Ksh 850,000 (total Ksh 1.7M for both)
- Both attended university
- James watched them graduate despite being unable to work

James's Reflection:

"I'm in a wheelchair, can't work, but my boys never missed a day of school. That education insurance saved their futures. The annual tax relief of Ksh 21,600 helped us afford the premiums while I was working. Always choose plans that cover disability, not just death."

Case 3: The Otieno Family – Planning Ahead Success

Situation:

- Mary Otieno, 29, marketing manager
- Son Ethan, age 2
- Started a bright future plan: Ksh 4,000/month when Ethan was born
- 16-year plan (until Ethan age 18)
- Annual premium: Ksh 48,000
- Annual tax relief: Ksh 7,200 (15% of premiums)

Strategy:

- Started early (Ethan age 2—gave 16 years to grow)
- Consistent contributions, never missed
- Added Ksh 50,000 lump sum when received work bonus (Year 5)
- Tax relief reduced effective cost every year

Outcome: Mary alive and well—best outcome!

At Ethan's 18th Birthday (2041):

- Contributions: $\text{Ksh } 4,000 \times 12 \times 16 = \text{Ksh } 768,000$
- Bonus addition: Ksh 50,000
- Bonuses earned (8% average): ~Ksh 350,000
- Total maturity: Ksh 1.17M (tax-free)
- Total tax relief received: $\text{Ksh } 7,200 \times 16 = \text{Ksh } 115,200$
- Net cost after relief: Ksh 702,800

Used for:

- University fees: $\text{Ksh } 350\text{K}/\text{year} \times 4 \text{ years} = \text{Ksh } 1.4\text{M}$ (inflation-adjusted)
- Ethan's fund covers 80%+ of university costs
- Mary tops up remaining 20% from current income (manageable)

Mary's Wisdom:

"Starting when he was 2 gave time for bonuses to compound. Even though I didn't die (thank God!), this disciplined me to save. That money would've been spent on other things. The tax relief was a bonus—saved me over Ksh 115,000 over 16 years. Now my son's education is secure."

EDUCATION INSURANCE vs OTHER SAVINGS OPTIONS

Comparison

Option	Forced Savings	Life Insurance Protection	Disability Protection	Returns	Tax Relief	Best For
Education Insurance	Yes	Yes (premiums waived)	Yes (most plans)	6-9%	15% relief*	Parents wanting complete protection
Bank Savings Account	No	No	No	3-5%	No	Short-term savings, high liquidity needs
Fixed Deposit	Partial	No	No	8-10%	No	Conservative savers, no protection needs
Unit Trust/Equity Fund	Partial	No	No	8-15% (volatile)	No	Risk-tolerant, long horizon
HELB (Government Loans)	N/A	N/A	N/A	Loan (debt burden)	N/A	Last resort, creates graduate debt

*Tax relief applies only if policy has 10+ year maturity period

Why Education Insurance Wins for Most Parents:

The premium waiver feature is irreplaceable. No other option guarantees your child's education continues if you die or become disabled. Plus, you get tax relief that reduces your effective cost by 15%.

FREQUENTLY ASKED QUESTIONS

Q: What if I can't afford Ksh 5,000/month consistently?

A: Start with what you can (even Ksh 2,500-3,000). Some protection better than none. Increase contributions when income grows.

Q: Can I have multiple policies for different children?

A: Yes. Many parents have one policy per child. Alternatively, single policy with phased withdrawals as each child reaches university.

Q: What if my child doesn't go to university?

A: Funds are still paid out. Can be used for technical college, business capital, or other life needs. Your choice.

Q: What happens if I miss premium payments?

A: Grace period (usually 30 days). After that, policy lapses and you lose benefits. Set up automatic bank deductions to avoid this.

Q: Can I surrender the policy early?

A: Yes, after 3 years. You get surrender value (contributions + some bonuses). But you lose premium waiver protection—not recommended unless emergency.

Q: Are returns guaranteed?

A: Base returns (usually 4-5%) are guaranteed. Bonuses (additional 2-4%) depend on provider performance but historically consistent.

Q: What if I become disabled but didn't choose disability coverage?

A: You must continue paying premiums or policy lapses. This is why death+disability coverage is critical. Check your plan.

Q: How do I claim the tax relief?

A: Claim when filing annual tax returns on iTax:

- Relief: 15% of premiums paid
- Maximum: Ksh 5,000/month (Ksh 60,000/year)
- **Requirement:** Policy must have 10+ year maturity
- Keep premium payment receipts and policy documents

Q: Tax implications?

A: Maturity proceeds are TAX-FREE. Contributions qualify for 15% relief (max Ksh 60,000/year) if policy has 10+ year maturity—unlike pension contributions which are deductions, this is a relief but still valuable.

YOUR NEXT STEP

Your Child's Education Cannot Wait

The Earlier You Start, The Better:

- Starting at child age 2 vs age 10: 40% more accumulated due to compounding
- Lower monthly contributions needed if you start early
- More years of premium waiver protection
- More years of tax relief benefits

The Question Every Parent Must Answer:

If you died tomorrow, would your child complete university? If the answer is no, you need education insurance.

Get Your Child's Education Plan

Contact Me Today

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"Every parent promises their children will finish school. Education insurance ensures you keep that promise—even if you're not there to pay the fees yourself. Plus, you'll save 15% every year through tax relief. Start securing your child's future today." - Simon Muchiri, Comely Global Insurance Agency Ltd

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