



**SAFEGUARD DREAMS. SECURE HAPPINESS.**  
Insure your liabilities.

**Loansurance<sup>®</sup>**

IDBI Federal Loansurance Group Insurance Plan SP

 **IDBI FEDERAL**  
In association with Ageas  
**IDBI Federal Life Insurance Co Ltd**

---

**IDBI Federal Loansurance<sup>®</sup> Group Insurance Plan SP**  
A single premium group credit protection plan

As a respected financial lender, you have earned the reputation of providing value driven offerings - be it higher education, setting up a new business or expanding an existing one, buying a house or any other personal aspirations. You delight your customers with efficient solutions. A step forward in strengthening this trust worthy relationship is to help them insure their loan liability. This will ensure that their family is not burdened with any outstanding debt in their absence.

Presenting IDBI Federal Loansurance Group Insurance Plan Single Premium (hereafter referred to as Loansurance SP) to enable you to secure your borrowers' loan liability in the event of his unfortunate death. This plan is a single premium plan with a minimum cover term of 2 years. It thereby helps cover a wide range of loans, including small term loans, at a one-time cost. Loansurance SP comes with useful features like joint life cover, moratorium period and proportionate cover, which allows the plan to be customised to individual loan needs.

## Plan at a Glance

---

IDBI Federal Loansurance® Group Insurance Plan SP is a non-linked non participating group insurance plan.

A single premium, pure risk group plan that offers life cover to the members of a credit group on the basis of the credit availed

### ◆ Options available

- Cover Type - level and reducing
- Cover for more than 1 life - Joint cover or Proportionate cover option available
- Full loan cover even during moratorium period



## How does the plan work?

---

A master policy is issued to the master policyholder who avails of Loansurance SP. A master policyholder may be a bank, a financial institution or a lending institution. Each credit group member insured under this plan is covered under a master policy and issued an individual certificate of insurance.

There are 2 kinds of life cover available under this plan:

- ◆ **Level cover:** The death benefit remains constant throughout the cover term of the member and is equal to initial sum assured
- ◆ **Reducing cover:** The death benefit for the member decreases as shown in the benefit schedule.

**Moratorium Period:** Under reducing cover option, the insured member has an option to select a moratorium period from 1 to 7 years.

During moratorium period member can choose to cover:

- ◆ Loan amount
- ◆ loan amount plus interest accruals

Death Benefit will be as per the benefit schedule issued at the outset for each member in certificate of insurance.

The death benefit is paid based on the benefit schedule irrespective of actual period of moratorium, or actual disbursement of loan.



## Eligibility criteria

	Minimum	Maximum
Group size	50 lives	No limit
Eligibility criteria for group member:		
Entry age	Education loan: 15 years	65years
	Other loans: 18 years	
Cover ceasing age	-	75 years
Cover term	2 years	30 years (including moratorium period, if any)
Sum assured	Rs. 10,000	Rs. 1,00,00,00,000
Premium payment term	Single Premium	

Note: All age references are as on last birthday

The plan is available only for lenders (Master policy holder's) regulated by

- Reserve Bank of India (RBI) Regulated Scheduled commercial banks
- Non Banking Financial Companies (NBFCs) having certificate of registration from RBI
- National Housing Bank (NHB) Regulated housing finance companies



# Benefits of the plan

## Death benefit



The death benefit is payable before the expiry of the cover and while the cover is still in force. The death benefit is as per the benefit schedule and depends upon the cover options chosen

In case of death of an insured member, we will call for a credit account statement from the lender (Master policy holder) in case there is any outstanding loan balance, the death benefit will be paid to the lender to the extent of outstanding loan balance. Balance claim amount (if any) is payable to your beneficiary.

1. **Single Life:** Loansurance SP offers an option of covering single life.
2. **Joint Cover:** Loansurance SP offers an option of covering joint lives under the same certificate of insurance. However such joint cover is extended if lives are husband, wife, brother, brother-in-law, daughter, daughter-in-law, father-in-law, grand-son, grand-daughter, mother-in-law, business partner, sister, mother, father, son,

grandfather, grandmother, uncle In case of joint cover, the certificate of insurance carries the name and other details of both insured members.

Each of the joint borrowers is insured for 100% of the death benefit. In case of death of either of the joint insured members, whichever occurs first,

- Death benefit is paid as per the benefit schedule and
- The risk cover for the second life ceases

If the claim is repudiated / rejected for any reason whatsoever, the death benefit will not be paid and the cover will cease as per section 45.

3. **Proportionate cover:** This option is for multiple persons taking a loan together for some specific goal and hereunder, all the persons get covered under the same certificate of insurance. All the co-borrowers must be obligated to pay the loan.. Under this option, the minimum number of co-borrowers allowed is 2 and the maximum is 5. Each co-borrower is insured in proportion to his/her individual share of the loan as designated in the loan certificate issued by the lender.

## Benefits of the plan (contd...)

---

In case of the death of a co-insured member, the death benefit as per his/her share of the cover as shown in the benefit schedule is paid and the surviving co-insured members will continue to be covered for the remaining term

The sum total of the share of all the co-insured members together cannot be more than 100% of the amount shown in the benefit schedule.

Cover for minor life in case of educational loan: Loansurance SP offers cover in case of educational loans taken for minors (age 15 years and above). Here, the risk cover starts immediately from the start date of the risk. The following conditions apply:

- Either natural parent or legal guardian who wants to cover the minor life can pay the premium and the minor will be the insured member
- The policy vests on the minor once he / she attains 18 years of age
- On death of the insured person before attaining 18 years of age, the benefits under the policy are payable as described above

## Maturity Benefit



There is no maturity benefit for either the reducing cover option or level cover option under this plan.

## Surrender



Surrender option are available to the members as well as the scheme.

When the Master Policyholder surrenders the Master Policy, an option to continue in the cover will be given to the Insured Member. If the Insured Member opts to withdraw from the policy, then surrender value for the Insured Member will be paid and the life cover ceases immediately.

### **Member chooses to surrender the policy:**

The member can choose to surrender the policy any time after the policy issuance.

### **Surrender value is calculated as under:**

#### **For level cover:**

$75\% \times \text{Single Premium} \times (\text{Unexpired Term} / \text{Cover Term})$

## Benefits of the plan (contd...)

---

### For Reducing cover:

$75\% \times \text{Single Premium} \times (\text{Unexpired Term} / \text{Cover Term}) \times (\text{Reduced SA} / \text{Starting SA})$

Reduced Sum assured is the sum assured as per the benefit schedule at the time of surrender.

### For option where interest accrues in the Moratorium period:

During Moratorium Period: Starting SA = Initial Sum Assured

After Moratorium Period: Starting SA = Initial Sum Assured + interest accrued during the Moratorium period

### For option where interest does not accrue in the Moratorium period:

Starting SA = Initial Sum Assured

**Master Policy holder chooses to surrender the policy:** When the Master Policyholder surrenders the Master Policy, an option to continue the cover will be given to the Insured Member. If the Insured Member opts to surrender the policy, then surrender value for the Insured Member will be paid and the life cover ceases immediately.

## Pre-closure of Loan or transfer of the loan to another institution



In case a member repays entire outstanding loan amount before the end of the cover term or transfer to another bank or a financial institution or any lending institution before the end of the cover term he/she can choose either of the following:

- Continue with the member policy till the end of the cover term and sum assured will be payable as per benefit schedule in case of death within the cover term
- Surrender the member policy and avail surrender benefit, if applicable

## Tax Benefits



With Loansurance SP, you can avail tax benefits for the premium paid and the death benefit received, under Section 80C and Section 10(10D) of the Income Tax Act, 1961 respectively. Tax benefits are subject to change in tax laws. You are advised to consult your tax advisor for details.



# Terms & Conditions

---

## Nomination



Nomination will be allowed as per provisions of section 39 of Insurance Act, 1938 as amended from time to time.

## Assignment



The benefits in respect of each insured member are strictly personal and cannot be assigned.

## Free look period



**For the master policyholder:** A free-look period of 15 days from the date of receipt of the master policy, is provided to the master policyholder for reviewing the master policy. In case the master policyholder does not agree with any of the provisions in the master policy, the original policy document can be returned within this period, along with a written communication. The

premium shall be refunded after deduction of stamp duty, medical expenses incurred for the insured members and proportionate risk premium for the period of cover. A master policy once returned cannot be revived, reinstated or restored at any point in time and a new proposal will have to be made for a new master policy.

**For the insured member:** A free-look period of 15 days from the date of receipt of the certificate of insurance, is provided to the insured member for review. In case the member does not agree with any of the provisions in the certificate of insurance, an original copy of the same can be returned within this period along with a written communication, either directly or through the master policyholder. The premium shall be refunded after deduction of stamp duty, medical expenses and proportionate risk premium for the period of cover of the member. In case of return of a certificate of insurance, the master policyholder shall thereafter also remove the name(s) of the dis-satisfied member(s) from the membership register.



## Terms & Conditions (contd...)

---

### Alterations



Once the certificate of insurance is issued to an insured member, no change in the policy is allowed during the cover term with respect to an individual policy member.

### Suicide Exclusion



We will pay 80% of the premiums paid, as the death benefit if the insured person, whether sane or insane, commits suicide within 12 months from the date of inception of the policy.

In case of joint life: we will pay 80% of the premiums paid as the death benefit if either of the insured person, whether sane or insane, commits suicide within 12 months from the policy inception date. The risk cover ceases on occurrence of the first death.

In case of co-borrowers: we will pay 80% of the premiums (with respect to that co-borrower), as the death benefit if either of the co-borrowers,

whether sane or insane, commits suicide within 12 months from the policy inception date. The cover will continue for the remaining co-borrowers.

### Discontinuance of master policy



The master policyholder may discontinue the policy for new members by giving us a prior written notice of at least three months or of such period as mutually agreed between the master policyholder and us. No new insured members can be admitted once the policy is discontinued for new members. For existing insured members, the cover shall continue for the balance cover term. Similarly, all other provisions of the master policy shall continue to apply.



# Statutory information

## Prohibition of Rebate



Insurance Act, 1938 prohibits an agent or any other person from passing any portion of his commission to the customer whether as incentive or rebate of premium. Section 41 of the Act states:

(1) No person shall allow or offer to allow, either directly or indirectly, as an inducement to any person to take out or renew or continue an insurance in respect of any kind of risk relating to lives or property in India, any rebate of the whole or part of the commission payable or any rebate of the premium shown on the Policy, nor shall any person taking out or renewing or continuing a Policy accept any rebate, except such rebate as may be allowed in accordance with the published prospectuses or tables of the insurer.

(2) Any person making default in complying with the provisions of this Section shall be liable for a penalty which may extend to ten lakh rupees.

## Policy Document



This brochure gives only the salient features of IDBI Federal Loansurance® Group Insurance Plan SP. It uses easy-to-understand language to explain the features. Your plan is governed only by the full legal terms,

conditions and exclusions contained in the Policy Document.

IDBI Federal Loansurance® Group Insurance Plan SP is a non-linked non participating group insurance plan and no benefits other than those indicated in this brochure are payable.

Trade Logo displayed above belongs to IDBI Bank Limited, The Federal Bank Limited and Ageas International Insurance N. V. and used by IDBI Federal Life Insurance Company Limited under license from respective partners. This product is underwritten by IDBI Federal Life Insurance Company Limited (Regn. No 135; Corporate Identity Number (CIN) - U66010MH2007PLC167164) having its registered office at 22nd Floor, A Wing, Marathon Futurex, N. M. Joshi Marg, Lower Parel (East), Mumbai 400013. Tel: 022 2490 8109. Fax: 022 2494 1016. Web: [www.idbifederal.com](http://www.idbifederal.com)

Insurance is the Subject Matter of the solicitation.

Product UIN: 135N041V01

Ref. No. 12598/LGIPSP/ENG/PB/JUNE/V1

BEWARE OF SPURIOUS PHONE CALLS AND FICTITIOUS/FRAUDULENT OFFERS

IRDA of India clarifies to public that

- IRDA of India or its officials do not involve in activities like sale of any kind of insurance or financial products nor invest premiums.
- IRDA of India does not announce any bonus. Public receiving such phone calls are requested to lodge a police complaint along with details of phone call, number.



## How to contact us

---

You can reach us in the following convenient ways.



### Branches

Visit or call any branch of IDBI Bank, Federal Bank or IDBI Federal Life Insurance Co Ltd. For the list of branches, please visit [www.idbifederal.com](http://www.idbifederal.com)



### SMS

SMS '<LOAN>' to 5757515 and receive a call from us. SMS charges up to `3/-will apply.



### Phone

Call our nationwide toll free number 1800 209 0502 from Monday to Saturday at any time between 8 am to 8 pm.



### Write

Write to:  
IDBI Federal Life Insurance Co Ltd,  
22nd Floor, A Wing, Marathon Futurex,  
N. M. Joshi Marg, Lower Parel (East),  
Mumbai 400013. India.



### Website

Visit our website [www.idbifederal.com](http://www.idbifederal.com)



### Email

Email us at: [support@idbifederal.com](mailto:support@idbifederal.com)

# Loansurance<sup>®</sup>

IDBI Federal Loansurance Group Insurance Plan SP

