



LET US SECURE YOUR GROUP'S HAPPINESS BY SAFEGUARDING THEIR LOAN LIABILITY

IDBI Federal Life Insurance

Group Loan Secure Plan

Introduction

IDBI Federal Life Insurance Group Loan Secure Plan

A non-linked, non-participating Group Credit Life Insurance Plan

As an established financial institution, you have helped your customers achieve their dreams with your expertly crafted financial solutions.

Reinforce this image of a benefactor by helping your valuable customers insure their loan liabilities with, IDBI Federal Life Insurance Group Loan Secure Plan. This is a single premium non-linked non-participating group credit life plan. This plan will assure your members that their dreams won't end with them, and that their family would not be burdened with any outstanding debt in their unfortunate absence.

IDBI Federal Life Insurance Group Loan Secure Plan (*hereinafter referred to as Loan Secure Plan*) is an economical way to ensure loan is protected in the event of death of the insured members.

Read along to know the plan in detail.

Plan at a Glance

Loan Secure Plan can be opted by the members of a group to secure the mortgage availed by them from banks, financial institutions and lending institutions.

The key features of the plan are as follows:

- ◆ Covers for home loans, loan against property and plot loans
- ◆ Offers 2 Death benefit options - Level death benefit option and Reducing death benefit option
- ◆ Life cover options available for single life cover, joint life cover or proportionate cover for co-borrowers of a loan
- ◆ Flexibility to cover loan amount or loan amount plus interest accruals during moratorium period*
- ◆ Tax benefits[#] for insured members, on the premiums paid and the benefits received

[#]Please note that tax benefits are subject to change as per tax laws. Consult your tax advisor for determining the Tax benefits applicable to you.

**Moratorium period is available only for reducing death benefit option*

How Loan Secure Plan works?

A master policy is issued to the master policyholder who avails the Loan Secure Plan. A master policyholder may be a bank, a financial institution or a lending institution. The member is issued an individual certificate of insurance.

There are 2 life cover options available under this plan:

- ◆ **Level death benefit option:** In this case, the death sum assured and hence the death benefit remains constant throughout the cover term.
- ◆ **Reducing death benefit option:** In this case, the death benefit for the member decreases as per the benefit schedule. A benefit schedule (i.e. the table reflecting the death benefit during each cover month of the cover term) is generated at the outset and provided in the certificate of insurance. Benefit schedule can be generated for interest rates ranging from 1% to 20% per annum.

The commencement of risk for individual member is subject to underwriting, acceptance and issuance of certificate of insurance.

Moratorium period-The insured member can opt to select a moratorium period under the reducing death benefit option from 1 to 7 years.

Moratorium period can be chosen:

- ◆ **Without interest accrual**

During Moratorium Period without interest accrual, Death Sum Assured shall not reduce and remain level during this period.

- ◆ **With interest accrual**

During Moratorium period with interest accrual, interest accrued during each month shall be added to the Death Sum Assured and hence death benefit shall increase monthly during Moratorium Period, after moratorium period, death benefit will reduce as per the benefit schedule.

The death benefit for each cover month will be shown in the Benefit Schedule.

Eligibility Criteria:



Plan Parameters	Minimum	Maximum
Group size	50 members	No limit
Eligibility criteria for group member:		
Entry age [^]	18 years	65 years
Cover ceasing age [^]	20 years	75 years
Death Sum Assured	₹5,00,000 per member	No limit
Cover Term	2 years	30 years (including moratorium period, if any)
Premium payment term	Single Premium	

[^]All age references are as on last birthday

Benefits of the Plan:



1. Death Benefit:



In case of death of an insured member before the expiry of the cover, death benefit will be paid as per the benefit schedule and cover option chosen by the insured member.

In case of Master Policyholder is regulated by RBI, NBFCs, NMDFC and NHBs

At the time of claim settlement IDBI Federal Life will call for a credit account statement from the master policyholder. If the master policyholder is either of the following:

- ◆ Reserve Bank of India (RBI) Regulated Scheduled banks (including co-operative banks)
- ◆ Non-Banking Financial Companies (NBFCs) holding certificate of registration from RBI
- ◆ National Housing Bank (NHB) Regulated Housing finance companies
- ◆ National Minority Development Finance Corporation (NMDFC) and its State Channelizing Agencies
- ◆ Small Finance Banks regulated by RBI

and in case there is any outstanding loan balance, the death benefit will be paid to the master policyholder to the extent of outstanding loan balance subject to due authorization by the insured member at the time of enrolment. The balance claim amount (if any) is payable to the beneficiary of the Insured member.

The Balance claim amount is equal to death benefit less outstanding loan balance.

In case of Master Policyholder is other than those stated above:

The death benefit is directly paid to the beneficiary of the insured member.

2. Maturity Benefit:



There is no maturity benefit under this plan.

3. Cover applicable for Single life / Joint life / Proportionate cover:



a. Single life cover: In case of death of the individual member during the cover term, the death benefit is paid.

b. Joint life cover: In case of death of either of the joint insured members, whichever occurs first, the death benefit is paid. The risk cover under the plan ceases for both the insured members on occurrence of the first death.

c. Proportionate cover: This option covers the lives of multiple persons.

- ◆ Under this option, the minimum number of co-borrower allowed are 2 and the maximum being 5 members.

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

4. Surrender Benefit:



Surrender options are available to the insured members as well as the master policyholder.

a) Master Policyholder - If the master policyholder surrenders the master policy, the insured members will be given an option to continue the cover. The cover will continue to be serviced by us / intermediary.

If the insured member opts to withdraw from the plan, then surrender value for the insured member will be paid and the life cover will cease immediately.

b) Member - The individual member can opt to surrender his insurance cover any time after the cover issuance, then surrender value for the insured member will be paid and the life cover will cease immediately.

Guaranteed Surrender Value: The member cover acquires a Surrender Value immediately on commencement.

For Reducing Death Benefit Option: $60\% \times \text{Premium (exclusive of Goods \& Services tax and cess as applicable)} \times (\text{Unexpired cover term in months} / \text{Total cover term in months}) \times (\text{Reduced Death Benefit as on the date of surrender} / \text{Death Sum Assured})$; Rounded down to multiple of hundred.

For Level Death Benefit Option: $60\% \times \text{Premium (exclusive of Goods \& Services tax and cess as applicable)} \times (\text{Unexpired cover term in months} / \text{Total cover term in months})$; Rounded down to multiple of hundred.

Special Surrender Value is the same as Guaranteed Surrender Value defined above.

5. Pre-closure or transfer of loan to another institution:



In case an insured member repays the entire outstanding loan amount before the end of the cover term, he / she can choose either of the following:

- ◆ Continue with the membership till the end of the cover term wherein death benefit will be payable as per benefit schedule in case of death within the cover term.
- ◆ Surrender the membership and avail surrender benefit.

In case of transfer of the loan to another bank or a financial institution or any lending institution the Master policyholder / Insured member has to inform us of the same and surrender value will be payable.

6. Tax Benefits:



a) Deduction under section 80C: The premiums that the member pays are eligible for deduction under section 80C of the Income Tax Act, 1961. For the Financial year FY 2017-18 deduction can be claimed under Section 80CCE up to ₹1,50,000 for the total payments, contributions made under Sections 80C, 80CCC and 80CCD.

b) Tax-free benefits under section 10(10D): The death benefit received under the plan is tax-free under section 10(10D) of the Income Tax Act, 1961

Please note that tax laws may change from time to time. Consult tax advisor for determining the Tax benefits applicable to member.

Terms & Conditions:



Nomination:



As per Section 39 of the Insurance Act, 1938, as amended from time to time.

Assignment:



Assignment is not allowed under this policy.

Alterations:



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

Discontinuance of the master policy:



As a master policyholder, you 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 you 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.

Suicide exclusion:



In case of single life cover: The company will pay 80% of the premiums, as the death benefit if the insured person, whether sane or insane, commits suicide within 12 months from the date of inception of the cover.

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

In case of proportionate cover: The company 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 date of inception of the cover. The cover for other co-borrowers will continue.



Free look period:

For Master Policyholder : The Master Policyholder is entitled to a free look period of 15 days from the date of receipt of the policy document to review the terms and conditions of the policy. In case Master Policyholder does not agree with any of the terms and conditions, Master Policyholder will have the option to return the policy to us for cancellation by communicating the same in writing stating the reasons for objections. We will refund you the premium amount after deducting the proportionate premium for the cover provided during that time plus any medical examination cost and stamp duty charges incurred by us in respect of the policy. All the benefits under the policy will stand extinguished immediately on the cancellation of the Policy under the free look.

For Insured Member : The Insured Member is entitled to a free look period of 15 days from the date of receipt of the certificate of insurance to review the terms and conditions. In case Insured Member does not agree with any of the terms and conditions, Insured Member will have the option to return the certificate of insurance to us for cancellation by communicating the same in writing stating the reasons for objections. We will refund you the premium amount after deducting the proportionate premium for the cover provided during that time plus any medical examination cost and stamp duty charges incurred by us in respect of the policy. All the benefits under the cover will stand extinguished immediately on the cancellation of the certificate of insurance under the free look.

Statutory Information:



Prohibition of Rebate:

The 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 prospectus 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 is not a contract of insurance and gives only the salient features of IDBI Federal Life Insurance Group Loan Secure Plan (UIN: 135N051V01). 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 and certificate of insurance.

IDBI Federal Life Insurance Group Loan Secure Plan is a single premium non-linked non-participating group credit term plan (UIN: 135N051V01). Tax benefits are as per the Income Tax Act, 1961 and are subject to changes in the tax laws from time to time. IDBI Federal Life Insurance Company Ltd. does not assume responsibility on tax implication mentioned anywhere in this Brochure. Please consult your own tax consultant to know the tax benefit available to you. The product is underwritten by IDBI Federal Life Insurance Company Limited (IRDAI Regn. No 135; Corporate Identity Number (CIN) - U66010MH2007PLC167164) having its registered office at: IDBI Federal Life Insurance Company Limited, 22nd Floor, A Wing, Marathon Futurex, N. M. Joshi Marg, Lower Parel - East, Mumbai - 400013. Website: www.idbifederal.com. Toll Free: 1800 209 0502. Trade Logo displayed above belongs to IDBI Bank Limited, The Federal Bank Limited and Ageas Insurance International N. V. and used by IDBI Federal Life Insurance Company Limited under license from respective partners. Ref. No. 13597/GLSP/ENG/Print-PB/Jun17

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



Write

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



Phone

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



Website

Visit our website www.idbifederal.com



Email

Email us at: support@idbifederal.com

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