



Comprehensive protection for your home loan.

- Life Insurance Cover for your home loan liability • Full cover for your loan when liability increases due to hike in interest rates
- Cover for the entire sanctioned loan amount during construction period • Tax deduction under Sec 80C of Income Tax Act

## Why Homesurance®?

Your new home is the fulfillment of a long-cherished dream. Only you know the careful planning that went into its choice. And only you understand the hard work that went into arranging the financing including the home loan.

Truly, your home is your best gift to your family.

Just imagine what would happen if due to an unfortunate event, you were not around. The entire burden of your home loan will have to be borne by your family.

But you can ensure that they inherit a home and not a home loan.

We understand the importance of protecting your home loan and the powerful Homesurance Protection Plan can help you to insure your home loan at a reasonable cost.

This Plan is brought to you by IDBI Federal Life Insurance Company Ltd, a joint venture between IDBI Bank Ltd, India's premier development and commercial bank, Federal Bank, the tech-savvy private sector bank and Ageas Insurance International, a multinational insurance giant based out of Europe.



**Protection against  
loan liability**

Your home loan can be paid off in the event of unfortunate death

**Construction Period Coverage**

Full sanctioned amount covered during construction period so your family can be assured of getting the home

**Protection against interest rate hikes**

In floating rate loans, covers outstanding loan amount even when it increases due to higher interest rates

**Homesurance®**  
IDBI Federal Homesurance Protection Plan

**Small cost, Big protection**

Just a small cost to protect your entire home loan liability

**Joint Life Cover**

Lives of co-borrowers can be covered jointly, saving on premiums

**Easy Payment**

Your bank may fund premium so that it is included in your monthly EMI

**Tax Benefits**

Premium is deductible under Sec 80C.  
Death Benefit is tax-free under Sec 10(10D)

## What is the Homesurance® Protection Plan?

Homesurance Protection Plan\* is a mortgage reducing term assurance plan, which provides insurance cover equal to the outstanding balance of your home loan. In the unfortunate event of death of the home loan borrower, the insurance cover enables repayment of the home loan liability so that it does not become a burden to the family.

## What are the benefits of Homesurance®?

### Protection against loan liability

A home loan is usually a large liability and if the breadwinner who would repay the loan were not to be there, it can become a serious burden to the family. Homesurance protects against this risk.

### Cover amount reduces over time

Your outstanding home loan amount normally reduces over time as you repay by way of monthly instalments. Hence the cover amount under Homesurance also reduces over time. At the time you take the Plan, you will receive a calculated loan schedule called Homesurance Policy Schedule based on the amount and terms of your loan, which will show you the reducing cover amount over time.

### Benefit Amount is paid on death

In the event of death, we will pay (a) the cover amount as per the Homesurance Policy Schedule as on the date of death, or (b) the actual outstanding balance in the insured loan account as on the date of death, whichever is higher. Death can be due to any cause including illness or accident. Death, whether in India or abroad, is covered under the Plan.



## Full Cover during Construction Period

Many times, your property might be under construction and though the loan is sanctioned it is disbursed in stages depending upon the construction schedule. During the construction period, Homesurance covers the full sanctioned amount of your home loan and not just the outstanding loan which will be lower because of part disbursements.

### Family assured of home even if loan is not fully disbursed

Full cover during the construction period ensures that the family is assured of the home even if the loan is not fully disbursed. If death occurs during the construction period, we pay the full sanctioned loan amount. Part of the payment can be used to pay off the partly disbursed loan amount and the balance can be used to pay the remaining amount due to the builder to complete the construction.

### No extra costs for the construction period cover

If your loan term includes a construction period, Homesurance will automatically provide full cover during the construction period without any additional cost. However, the construction period cover is limited to a maximum of 3 years.

## Protection against interest rate hikes

Your home loan may be at a fixed rate or a floating rate, or partly at a fixed and partly at a floating rate.

### Covers fixed as well as floating rate home loans

Homesurance covers fixed rate as well as floating rate home loans. In floating rate home loans, the bank or housing finance company may increase or decrease the interest rate based on the movement of market interest rates. Even in fixed rate home loans, the interest rate is usually fixed for a specified period after which it may be revised.

## What happens when interest rate increases?

When interest rate increases, your bank or housing finance company may increase your Equated Monthly Installment (EMI) or alternatively increase the loan term. In either case, your outstanding loan amount may increase compared to what was earlier expected.

## You will receive the outstanding loan amount even if it is higher than the policy schedule

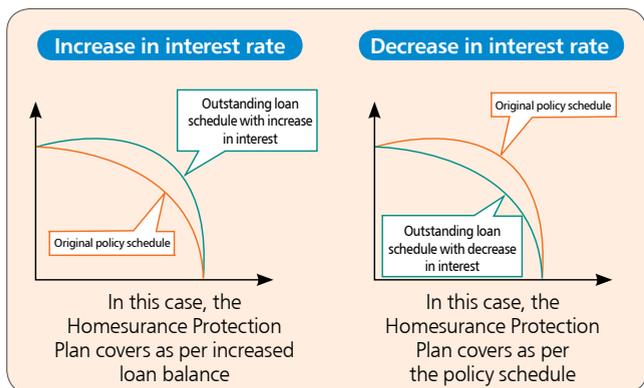
Homesurance pays the higher of your policy schedule or the actual outstanding loan amount. Thus, even if the outstanding loan amount increases due to hike in interest rates and consequent increase in EMI, you will be covered for the liability.

### What happens when interest rate decreases?

When interest rate decreases, your bank or housing finance company may reduce your EMI or alternatively reduce your loan term while keeping the same EMI. In either case, your outstanding loan amount may reduce compared to what was earlier expected.

### You will receive the amount as per the policy schedule even if your outstanding loan amount is lower

If the outstanding loan amount reduces due to reduction in interest rates, we will pay the policy schedule amount if it is higher. The outstanding loan liability can be paid off and the balance amount will go to your nominees.



### Joint Life Cover for co-borrowers

You may have taken a home loan jointly with another person such as your spouse, sibling or other relative.

### Homesurance can cover joint lives

If there are co-borrowers in a home loan, you can insure both lives by opting for joint life cover provided they have insurable interest in each other. Joint life cover also costs less than taking individual covers for both lives.

### Benefit Amount paid upon first death

If any one of the co-borrowers unfortunately dies, Homesurance will pay the full insured amount. Thus the full loan liability can be paid off upon death of any one of the co-borrowers so that there is no burden on the family and the surviving co-borrowers. The policy will terminate upon payment of the death benefit.

### Fixed Period Coverage

If you do not wish to have insurance cover for the entire loan term, you can opt for a limited period cover of 10 years. For the

first 10 years from commencement of the Plan, you will have the Homesurance cover after which it will cease. Fixed period coverage is available only if your home loan term is 15 years or more.

### What are the premium payment options?

Homesurance offers flexible premium payment options for your convenience. You can choose to pay your premium in 3, 5 or 10 annual installments. Option to pay in 5/10 installments is available only if your home loan term is 10/15 years or more.

### Commutation of Premium

You can pay up to 2 premiums in advance by commuting them at a discount. The discount rate will be determined by the Company, from time to time. You can thus reduce your premium by paying in advance.

### Funding by bank or housing finance company

Your home loan bank or housing finance company may fund the premium payable by increasing the loan amount to that extent. In that case, you do not have to pay the premium separately and your EMI will increase slightly to cover the premium. You can also pay the premium amount separately, without taking the extra loan.



## Small cost, big protection

Homesurance can cover your entire home loan for a small cost. The premium you pay depends upon your age, gender, loan amount and loan term. Illustrative premiums for a healthy male aged 30 are given below (assuming loan interest rate of 12%).

	Home Loan Cover Rs 10 lakhs	Home Loan Cover Rs 10 lakhs	Home Loan Cover Rs 10 lakhs
Policy Term	10 years	15 years	20 years
Annual Premium for 3-pay	Rs 5,160	Rs 7,420	Rs 10,060
Annual Premium for 5-pay	Rs 3,170	Rs 4,490	Rs 6,070

The above-mentioned premiums do not include service tax and cess, which are payable in addition. Issuance of the policy is subject to underwriting including medical assessment as required by us. You can choose a policy term greater than your loan term if you wish to cover the risk of your loan term getting extended due to hike in interest rates.

## What are the Tax Benefits?

The premiums you pay are eligible for deduction under Sec 80C of the Income Tax Act. Thus, besides protecting your home loan, Homesurance also enables you to save on income tax. Any benefit amount paid upon death is tax-free under Sec 10(10D) of the Income Tax Act, so that it is fully available to pay off the loan liability, without any impact of tax.

Please note, however, that the above tax benefits are as per present laws and may change from time to time based on the prevailing laws. Please consult your tax advisor for advice on tax benefits.

## Things you must know: Outstanding Balance

Upon death of the insured person, Homesurance pays the higher of (a) the cover amount as per the Homesurance Policy Schedule as on the date of death or (b) the actual outstanding balance in the insured loan account as on the date of death.

Actual outstanding balance in the insured loan account will be adjusted for the following:

- If you have drawn any additional loans other than the original sanctioned loan, they will be excluded. Thus any top-up or other additional loans or drawals are not covered unless you have taken a fresh Homesurance cover for the same.
- If the outstanding balance has increased due to non-payment of EMIs on due dates as stipulated under the original loan

terms or due to reschedulement or such other reason, the outstanding balance will be recalculated to reflect the amount that would be outstanding if the EMIs were paid as originally stipulated.

- If the outstanding balance exceeds the initial sum insured as shown in the Policy Schedule, it will be restricted to the initial sum insured.

If at the time you took your Homesurance Plan, for any reason the cover did not insure your loan fully, then we will pay only the cover amount as per the Homesurance Policy Schedule, and not the actual outstanding balance if it is greater.

To insure your loan fully:

- The Homesurance initial sum insured should be at least equal to the sanctioned loan amount in the case of a new loan and outstanding loan balance in the case of an existing loan,
- The Homesurance loan term insured should be at least equal to the sanctioned loan term in the case of a new loan and remaining loan term in the case of an existing loan, and
- The Homesurance insured rate of loan interest should be at least equal to the actual loan interest rate.

## Frequently Asked Questions

### Q: Can I take Homesurance cover if I transferred my loan from another bank or housing finance company?

Yes, you can take Homesurance cover whether you have taken a fresh loan or whether you have transferred your loan from another home loan bank or housing finance company by way of refinancing. If you have been sanctioned additional top-up loan at the time of transfer, that amount can also be covered.

### Q: If I have taken Homesurance, will my cover continue if I transfer my loan to another home loan bank or home finance company?

Yes, your Homesurance Plan will continue to cover your loan with the new loan provider. However, in this case you will be insured only for the cover amount as per the Homesurance Policy Schedule and not the actual outstanding loan amount. If your policy is assigned to the first loan provider, you must ask them to re-assign the policy to you or to your new loan provider.

### Q: I did not take Homesurance cover at the time the loan was disbursed. Can I take it now?

Yes, you can take Homesurance cover for your loan at any time. Homesurance can cover your present outstanding loan for the remaining period of the loan.

### Q: What happens to my policy benefits when I make part prepayment of my loan?

When you make part prepayment, your outstanding balance could become lower than the Policy Schedule amount. In that event, if death occurs, we pay the Policy Schedule amount. The outstanding loan liability can be paid off and the balance amount will go to your nominees.

### Q: What happens to my policy benefits if I make full prepayment of my loan?

When you make full prepayment, you have two options. If your policy has a Surrender Value, you can surrender and cancel your Homesurance cover and receive the Surrender Value applicable at that time. Or alternatively, you can continue to enjoy the Homesurance cover. In case of death before maturity of the policy, we will pay the amount as per Homesurance Policy Schedule which will go to your nominees. Thus you can enjoy life insurance cover even without having a loan liability.

## Exclusions

### Suicide Exclusion

No benefits will be paid if the insured person, whether sane or insane, commits suicide within 12 months from the date of commencement of the policy.

### Assignment to Bank or Housing Finance Company Homesurance can be assigned

Your home loan bank or housing finance company may require that the Homesurance Plan should be assigned to them. This is usually done to protect the loan in case of death of the home loan borrower. When the policy is assigned, in case of death of the insured person, the insured amount is paid to the home loan provider which discharges our responsibility.

## Eligibility Conditions for Homesurance

Minimum Age at entry (as on last birthday)	18 years
Maximum Age at entry (as on last birthday)	60 years
Maximum Age at maturity	70 years
Minimum Term	5 years
Maximum Term	25 years
Minimum Sum Insured	Rs 1,00,000
Maximum Sum Insured	No limit, subject to underwriting

## Other Terms and Conditions

### Grace Period

We allow a grace period of 30 days from the due date for payment of premiums. If the premium is not received by the end of the grace period, the policy will lapse and no benefits will be payable thereunder.

In the event of death during the grace period, the benefit payable on death under the policy shall be paid as if the policy was in force for full sum insured after the deduction of the premium then due.

### Reinstatement of Lapsed Policies

If your policy has lapsed, you can apply to us within two years from the date of lapse to reinstate the policy. The arrears of premiums together with interest at such rate as the Company may decide, have to be paid. However, reinstatement is not guaranteed and will be subject to underwriting and on terms and conditions to be quoted by us at that time.

### Surrender Value

The policy may acquire Surrender Value if all the due premiums have been paid. Surrender Value will reduce over time. The Surrender Value is not guaranteed.

### Without Participation in Profits

This policy does not participate in the surplus earnings of our policyholders' fund.

### 15-day free look period

You are entitled to a free look period of 15 days from the time that you receive the policy document. If before the end of this time you do not wish to continue the policy, then you may write a letter requesting us to cancel it. We will refund you the premium less proportionate mortality charges for the cover we have provided to you during that time. We will also deduct medical examination costs and stamp duty charges incurred by us for your policy.

## How to contact us

You can reach us directly in the following convenient ways:



### Branches

You can 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)



### Phone

You can call our nationwide toll-free number 1800-102-5005 (for non-MTNL subscribers), 1800-22-1120 (for MTNL subscribers) from 8 am to 8 pm.



### Website

You can visit our website [www.idbifederal.com](http://www.idbifederal.com)



### SMS

You can SMS 'Home' to 5757515<sup>+</sup>. We will call you.



### Write

You can write to IDBI Federal Life Insurance Co Ltd., 1st Floor, Tradeview, Oasis Complex, Kamala City, P. B. Marg, Lower Parel (W), Mumbai 400 013. India



### Email

You can email us at [support@idbifederal.com](mailto:support@idbifederal.com)

## Statutory Information

### Sec 41: 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 punishable with a fine, which may extend to five hundred rupees.

### Sec 45: Non-Disclosure Clause

Sec 45 of Insurance Act states:

"No policy of life insurance effected before the commencement of this Act shall after the expiry of two years from the date of commencement of this Act and no policy of life insurance effected after the coming into force of this Act shall, after the expiry of two years from the date on which it was effected, be called in question by an insurer on the ground that a statement made in the proposal for insurance or in any report of a medical officer, or referee, or friend of the insured, or in any other document leading to the issue of the policy, was inaccurate or false, unless the insurer shows that such statement was on a material matter or suppressed facts which it was material to disclose and that it was fraudulently made by the policyholder and that the policyholder knew at the time of making it that the statement was false or that it suppressed facts which it was material to disclose:

Provided that nothing in this Section shall prevent the insurer from calling for proof of age at any time if he is entitled to do so, and no policy shall be deemed to be called in question merely because the Terms of the policy are adjusted on subsequent proof that the age of the life insured was incorrectly stated in the proposal."

### Policy Document

This brochure gives only the salient features of the Homesurance Protection Plan. 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.

This product is underwritten by IDBI Federal Life Insurance Company Limited (formerly known as IDBI Fortis Life Insurance Company Limited) (Regn. No. 135) having its registered office at: IDBI Federal Life Insurance Company Limited, 1st Floor, Tradeview, Oasis Complex, Kamala City, P. B. Marg, Lower Parel (West), Mumbai 400 013. Tel: 022 2490 8109. Fax: 022 2494 1016. +SMS charges up to Rs 3 apply. Product UIN: 135N005V01. Insurance is the subject matter of solicitation. ® – Homesurance is a registered trademark and all rights are reserved with IDBI Federal Life Insurance Co Ltd.

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