

Ageas Federal Life Insurance
Group Loan Secure Plan II

A Single premium, Non-Linked, Non-Participating, Group Pure Risk Premium, Life Insurance Plan
plan (UIN: 135N081V01)

ageasFEDERAL
LIFE INSURANCE

Let us secure your group's happiness
by safeguarding their loan liability



Introduction

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, Ageas Federal Life Insurance Group Loan Secure Plan II. This is a single premium, non-linked, non-participating, group pure risk premium life insurance 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.

Ageas Federal Life Insurance Group Loan Secure Plan II (hereinafter referred to as Loan Secure Plan II) 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 II 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, may be applicable 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 II works?

A master policy is issued to the master policyholder who avails the Loan Secure Plan II. A master policyholder may be a bank, a financial institution or a lending institution. The members are the borrowers and each of them 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 benefit is equal to the death sum assured and will remain constant throughout the cover term.

◆ **Reducing death benefit option:** In this case, the death benefit for the member decreases as per the benefit schedule. At inception of the policy, the Death Benefit shall be equal to Death Sum Assured. Death benefit will reduce monthly starting from the beginning of the second policy month. **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 25% per annum.

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

The premium would vary depending on the cover option chosen.

Death Sum Assured is chosen at inception and shall be less than or equal to the sanctioned loan amount (except for interest accrual and bank funding cases).

Cover Term is chosen at inception and shall be less than or equal to the loan tenure at inception of the policy, including Moratorium Period, if any; except in case where the loan tenure or Moratorium Period is not a whole number, they will be rounded up to the next higher whole number and hence the Cover Term becomes greater than loan tenure.

Moratorium period–The insured member can opt to select a moratorium period under the reducing death benefit option from 1 to 7 years as per loan terms and conditions.

➔ 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



Details	Minimum	Maximum
Group size	50 members	No limit
Eligibility criteria for group member:		
Entry age [^]	18 years	65 years
Cover ceasing age [^]	19 years	75 years
Death sum assured	Rs 5,00,000 per member	No limit subject to board approved underwriting policy
Cover Term	1 year	30 years (including moratorium period, if any)
Premium payment term	Single Premium	

[^]All ages are as per age 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 immediately in lumpsum as per the benefit schedule and cover option chosen by the insured member, provided the policy is in force.

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

At the time of claim settlement Ageas 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 Commercial Banks (including Co-operative Banks)
- ◆ NBFCs having 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
- ◆ Mutually Aided Cooperative Societies formed and registered under the applicable State Act concerning such Societies
- ◆ Microfinance companies registered under section 8 of the Companies Act, 2013
- ◆ Any other category as approved by the Authority

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. Survival Benefit



There is no survival benefit payable under this plan.

4. 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. On payment of Death Benefit, the cover will terminate and all rights, benefits and interests under the cover will stand extinguished.

b. Joint life Cover: In case of death of either of the joint insured members, whichever occurs first, the death benefit is

paid. On payment of Death Benefit, the policy will terminate and all rights, benefits and interests under the policy will stand extinguished for both the insured members.

If the claim is repudiated / rejected for any reason whatsoever for any co-insured member, the Death Benefit will not be paid and the cover for the surviving co-insured members will continue for the remaining cover term. All the co-insured should choose the same Death Benefit Option.

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

◆ Under this option, the minimum number of co-borrower allowed is 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. On payment of Death Benefit, all rights, benefits and interests under the policy will stand extinguished for the deceased co-insured member.

If the claim is repudiated / rejected for any reason whatsoever for any co-insured member, the Death Benefit will not be paid and the cover for the surviving co-insured members will continue for the remaining cover term. All the co-insured should choose the same Death Benefit Option.

5. Surrender Value



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. Surrender value for the insured member will be paid and the life cover will cease immediately.

The member cover acquires a Surrender Value immediately on commencement.

For Reducing Death Benefit Option:

$60\% \times \text{Single Premium}^{\$} \times (\text{Unexpired cover Term in months} / \text{Total cover Term in months}) \times (\text{Reduced Death Benefit as on the date of surrender} / \text{Death Sum Assured})$; Rounded down to multiple of hundred.

For Level Death Benefit Option:

$60\% \times \text{Single Premium}^{\$} \times (\text{Unexpired cover Term in months} / \text{Total cover Term in months})$; Rounded down to multiple of hundred.

[§]Single Premium means premium received, excluding any extra premium, any rider premium and taxes.

On payment of Surrender Value, the policy will terminate and all rights, benefits and interests under the policy will stand extinguished.

6. Pre-closure or transfer of loan to another institution



In case an insured member repays the entire outstanding loan amount or transfers the loan 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 cover 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 member COI and avail surrender proceeds



7. Tax Benefits

Tax benefits may be available on premium paid and benefit receivable as per prevailing Income Tax Laws.



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.

Suicide exclusion



Single life cover: The death sum assured will not be payable in case of death due to suicide within 12 months from the

date of commencement of risk under the policy /joining the scheme, as applicable. In such cases the nominee or beneficiary of the insured member shall only be entitled to 80% of the Single Premium, provided the policy is in force.

Joint life cover: The death sum assured will not be payable in case of death of either of the insured member, due to suicide within 12 months from the date of commencement of risk under the policy /joining the scheme, as applicable. In such cases the nominee or beneficiary of the insured member shall only be entitled to 80% of the Single Premium, provided the policy is in force. The risk cover ceases on occurrence of the first death.

Proportionate cover: The death sum assured will not be payable in case of death of either of the co-insured member, due to suicide within 12 months from the date of commencement of risk under the policy /joining the scheme, as applicable. In such cases the nominee or beneficiary of the co-insured member shall only be entitled to 80% of the Single Premium (with respect to that co-insured member), provided the policy is in force. The cover for other co borrowers will continue.

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 stating the reasons for objections. The premium shall be refunded after deducting the proportionate risk 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. 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 to review the terms and conditions of the certificate of insurance. In case the member does not agree with any of the provisions in the certificate of insurance, the same can be returned within this period along with a written communication stating the reasons for objections, either directly or through the master policyholder. The premium shall be refunded after deducting the proportionate risk 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. In case of return of a certificate of insurance, the master policyholder shall thereafter also remove the name(s) of the dissatisfied member(s) from the membership register.

All the benefits under the policy will stand extinguished immediately on the cancellation of the Master Policy 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:

- 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.
- 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.

Fraud, Misstatement and suppression: Fraud, Misstatement and suppression would be dealt with in accordance with provisions of Section 45 of the Insurance Act 1938 as amended from time to time.

Disclaimers:

This brochure gives only the salient features of Ageas Federal Life Insurance Group Loan Secure Plan II (UIN: 135N081V01). 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. Please read the master policy document / certificate of insurance for more details.

Ageas Federal Life Insurance Group Loan Secure Plan II is a Single premium, Non-Linked, Non-Participating, Group Pure Risk Premium Life Insurance Plan (UIN: 135N081V01). There are no riders attached to this plan.

The product is underwritten by Ageas Federal Life Insurance Company Limited (IRDAI Regn. No 135; Corporate Identity Number (CIN) - U66010MH2007PLC167164) having its registered office at: Ageas Federal Life Insurance Company Limited (Formerly known as IDBI Federal Life Insurance Company Limited), 22nd Floor, A Wing, Marathon Futurex, N. M. Joshi Marg, Lower Parel – East, Mumbai – 400013, Maharashtra. Website: www.ageasfederal.com. Toll-Free: 1800 209 0502. Trade Logo displayed above belongs to The Federal Bank Limited and Ageas International Insurance N. V. and used by Ageas Federal Life Insurance Company Limited under license from respective partners. Ageas Federal Life Insurance Company Ltd. Does not assume responsibility on tax implication. Please note that tax laws may change from time to time. Consult your tax advisor for determining the Tax benefits applicable to you. ARN: 15502/GLSP/ENG/Print-PB/Apr22

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Contact Us



Branches

Visit or call any branch of Ageas Federal Life Insurance Co Ltd., Federal Bank or IDBI Bank. For the list of branches, please visit www.ageasfederal.com



Write

Write to customer service desk: Ageas Federal Life Insurance Co Ltd, 22nd floor, A wing, Marathon Futurex, N.M. Joshi Marg, Lower Parel – East, Mumbai – 400013



Phone

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



Email

Email us at: support@ageasfederal.com



Website

Visit our website www.ageasfederal.com