

Your dreams are in your hands.
But how do you stop them
from slipping away?

- Make work your life
- Sacrifice all your other wishes
- Insure your dreams

Insure your dreams for a
'Happily Ever After.'

IndiaFirst Group Credit Life Plan



A Joint Venture of



Before you start reading

Important Note

IndiaFirst Group Credit Life Plan is referred to as the Plan throughout the brochure.

How will this brochure help you?

This brochure gives you details of how the Plan works throughout its lifetime. It's an important document to refer to.

To help your understanding

We've done our best to explain everything as simply as possible; however you're likely to come across some terms you're unfamiliar with. Where possible, we've explained these.

We have used plain language that's easy to understand and believe this brochure is a good place to start when considering a risk cover.



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Introduction

You build your dreams, we help protect them...

We wish to fulfill our dreams for ourselves and our family.

When we take loans from banks and financial institutions to fulfill these dreams, we need to protect ourselves from the risks we expose ourselves and our families to.

We at IndiaFirst realise this inherent need to secure our risk of financial liability while fulfilling our dreams. Hence, we bring to you the IndiaFirst Group Credit Life Plan, which provides you with a risk cover that shields your family from the burden of your loan liabilities.

So while you work towards fulfilling your dreams, we will work towards protecting them...

Executive summary

Key features

For you, the master policyholder

- You can enhance your product offering by combining insurance with your credit or loan products
- You can protect your assets against uncertainty. We help you do this by paying the outstanding loan amount in the unfortunate event of the member's demise
- You have the flexibility to choose the coverage and the mode of payment you want to offer your members

For your member/borrower

- Your members can fulfill their dreams while securing the financial future of their family by combining their credit and insurance requirement. All loans such as home loan, car loan, education loan, personal loan etc. may be covered under the plan.
- In the unfortunate event of the member's demise, the member's family will not be burdened with the outstanding loan repayment. We will pay a lump sum amount (as per schedule) immediately to you and any excess amount over the outstanding loan amount to the nominee through you
- Your members have the flexibility to choose between a level term cover and a reducing term cover

- They can avail of high non medical cover limits - no medical hassles
- They can choose the mode of payment and premium frequency
- The plan also covers two borrowers (joint borrowers) under one loan
- Under section 80C, your members can enjoy tax benefits on the premium they invest

Risk factors

- The sum assured is paid to you, the master policyholder. In case of a level term cover, any additional amount left after paying the outstanding loan amount will be paid to the nominee
- There can be a maximum of two joint borrowers under this plan
- Tax laws are subject to change from time to time. Please speak to your tax consultant before deciding to invest in any financial planning tool

Please read the entire brochure to understand how this plan can work for you

1. What is IndiaFirst Group Credit Life Plan?

IndiaFirst Group Credit Life Plan is a pure term plan offered to borrowers (of a common lender) against any loan.

2. Who can be a part of this plan?

This plan has two entities, the 'Master Policyholder' and the 'Member'.

Master Policyholder is the organisation (bank or financial institution) that provides this plan to its customers as a part of their loan. The master policyholder holds the Master Policy.

Member is the customer of the master policyholder and is the Life Assured under this plan. The insurance

cover is on the life of the member. A borrower can be a member if his/her bank or lender offers this plan.

Minimum age at entry	18 years
Maximum age at entry	65 years
Maximum age at maturity	70 years

3. What are the cover options available under this plan?

You can offer either or all of the following cover types to your members -

	Regular premium	Single premium	Limited premium
Level term cover	✓	✓	✓
Reducing term cover (linked to loan repayment schedule)	✗	✓	✓

4. What is the life cover that can be offered to the member against his/her loan?

Minimum cover	Rs. 5,000/-
Maximum cover	Rs. 5,00,00,000/-

5. What is the term of the plan?

	Level sum assured	Reducing sum assured
Regular premium	1 year to 30 years	Term not applicable
Limited premium	Maximum limited premium term allowed is half of the plan term upto 30 years. For example - Plan term: 35 years, Limited premium term: Half of 35 = 17 years	Maximum limited premium term allowed is half of the plan term upto 30 years. For example - Plan term: 35 years, Limited premium term: Half of 35 = 17 years
Single premium	Maximum term of 30 years	Maximum term of 30 years

6. What are the premium paying options available?

Regular premium	Monthly (through ECS or Direct Debit)/six-monthly/yearly
Limited premium	Monthly (through ECS or Direct Debit)/six-monthly/yearly
Single premium	One time premium only

The following premium frequency factors for six-monthly and monthly plans will apply to annual premiums.

Payment frequency	Factors to be applied to annual premium
Six-monthly	0.5119
Monthly	0.0870

7. What is the minimum and maximum group size?

Minimum group size	50 members
Maximum group size	No limit

8. How does this plan work for the member?

	Level term cover	Reducing term cover
Premium payment	Your member can choose between regular premium/limited premium/single premium The premium amount is based on the sum assured, age of the member, term of the loan etc.	Your member can choose between limited premium/single premium The premium amount is based on the sum assured, age of the member, term of the loan, loan interest, etc.
Plan term	Equal to the term of the loan at the inception of the plan	Equal to the term of the loan at the inception of the plan
Sum assured	Equal to the initial loan amount. It is fixed and does not change during the cover term Your member will be provided with the Certificate of Insurance at the beginning of the plan	Based on the loan amount outstanding at any time during the term of the loan, as per the original loan repayment schedule Your member will be provided with the Certificate of Insurance at the beginning of the plan

9. What are the tax benefits under this plan?

Currently you are eligible for the below mentioned tax benefits. These are subject to change from time to time. However, you are advised to consult your tax consultant.

	Premium paid by you, the master policyholder	Premium paid by your member (by separate payment or by enhancing the loan amount)
You	Can claim the deduction under section 37(1) for the entire amount paid as premium	No deduction
Member	No deduction	Can claim the benefits of section 80C. Receipt must be in the name of the individual member or the receipt must state that the premium paid by you is on behalf of the member

Are death benefits tax-free?

Yes, death benefits are also tax-free under section 10 (10D) of the Income Tax Act, 1961.

10. What happens in case of the member's demise?

	Level term cover	Reducing term cover
You	Receives sum assured	Receives outstanding loan amount
Nominee	Receives sum assured minus actual outstanding loan amount	Does not receive anything (Unless the actual outstanding is higher/lower than the outstanding loan amount mentioned in the original schedule.)
Example	<p>Loan amount/sum assured = Rs. 10,00,000 Loan term: 10 years Member's demise: Year 6 of the cover term</p> <p>The insurance company will pay Rs. 10,00,000 to you, the master policyholder</p>	<p>Loan amount/sum assured = Rs. 10,00,000 Loan term: 10 years Member's demise: Year 6 of the cover term</p> <p>At the time of the member's demise, the actual outstanding loan amount is Rs. 4,60,000 (equal to the outstanding loan amount as per the original loan schedule)</p>

Example	<p>However, during the 6th year of the loan term, the actual outstanding loan amount is Rs. 4,60,000</p> <p>The master policyholder will retain this outstanding loan amount and pay Rs. 5,40,000 (Rs. 10,00,000 – Rs. 4,60,000) to the nominee</p>	<p>The insurance company will pay Rs. 4,60,000 to the master policyholder</p> <p>Payout to nominee: Nil</p>
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11. How many borrowers (members) are allowed?

Under this plan, there can be a maximum of 2 borrowers.

12. What are the options available in case of joint borrowers for the same loan?

	Joint basis	Loan share percentage
Extent of cover	The joint borrowers are jointly insured for 100 per cent of the sum assured	Each joint borrower is insured up to his/her share of the sum assured as mentioned in the membership form
One or both the joint borrower's demise	In the unfortunate event of either of the joint borrower's demise, the death benefit is paid to you. The cover for the surviving joint borrower ceases immediately and automatically on the death of the other member. In case of the joint borrower's demise at the same time, only the single death benefit will be payable	In the unfortunate event of either of the joint borrower's demise, the outstanding loan amount is paid to you up to the deceased joint borrower's share. The loan (with the balance amount) and the cover for the surviving joint borrower continues
Example	Mr. A and Mrs. B take a home loan for Rs. 50,00,000 and have opted for a level sum assured. Mr. A and Mrs. B die in a car accident after 3 years. Sum assured payable: Rs. 50,00,000 only	Mr. A and Mrs. B take a home loan for Rs. 50,00,000 in the ratio 3:2. They have opted for a level sum assured. Mr. A dies in a car accident after 3 years. Sum assured payable: Rs. 30,00,000 only. Cover continues for Mrs. B

13. What is the maturity benefit payable to you and your member under this plan?

There is no maturity or survival benefit payable under the IndiaFirst Group Credit Life Plan.

14. What happens in case the member pre-pays and forecloses the loan?

Insurance cover	Ceases
Benefit	The surrender value (if any) is paid out



15. What happens in case the repayment of loan starts a few years after the loan is disbursed?

Risk cover	<p>If the date of the loan disbursement and the start of loan repayment (EMI) are different, your member can avail of 'Moratorium Benefit'</p> <p>The moratorium period allows for the risk cover to start even before the actual loan repayment schedule begins</p> <p>For example: In case of education loan, the repayment installments start only after study period has been completed. However, the member (student) is covered during this period as well</p>
Payment of interest	<p>Your member can choose to pay interest during this period. In this case the sum assured will remain constant till the start of the loan repayment</p> <p>If the interest is not paid, the outstanding loan amount will increase every month to the extent of the unpaid interest till the repayment starts</p>

16. What happens if the loan is disbursed in phases?

In cases where the loan is disbursed in phases, for example: construction linked home loan, the cover will start from the date of the first disbursement and will be equal to the total loan amount.

17. Will the amount of an additional loan be covered under this plan?

The amount of the new loan will not be covered under the existing cover. A fresh cover can be issued for the

new loan amount.

18. What options are available to you or your member if either miss paying the premiums?

We provide you and your member a grace period of 30 days for payment of all premiums in any payment mode. This period starts from the due date of each premium payment. All the plan benefits continue during this grace period.

Under what circumstances does the cover lapse?

If the premiums remain unpaid by the end of the grace period then the cover will lapse.

Can you or your member revive the plan/cover?

You or your member can revive the plan/cover within a period of 1 year from the due date of the first unpaid premium but before the maturity date, subject to satisfactory medical and financial underwriting by -

- Paying the pending premium amount
- Beginning regular payment of all premiums

19. Can you or your member surrender the plan/cover?

Yes, you or your member can surrender the plan/cover.

However, in case you, the master policyholder, surrender the plan, all covers issued to your members will also cease. The surrender value is calculated as -

	Level sum assured	Reducing sum assured
Regular premium	No surrender value is payable	Term not applicable
Limited premium	$40\% \times \text{premiums paid} \quad \times$ $\left[\frac{\text{Unexpired term}^*}{\text{Cover term}} \right] \quad \times$ $\left[\frac{\text{Premiums paid}}{\text{Total premium to be paid}} \right] \quad \times$	$40\% \times \text{premiums paid} \quad \times$ $\left[\frac{\text{Unexpired term}^*}{\text{Cover term}} \right] \quad \times$ $\left[\frac{\text{Reduced sum assured}^{**}}{\text{Initial sum assured}} \right] \quad \times$ $\left[\frac{\text{Premiums paid}}{\text{Total premium to be paid}} \right] \quad \times$
Single premium	$40\% \times \text{premiums paid} \quad \times$ $\left[\frac{\text{Unexpired term}^*}{\text{Cover term}} \right] \quad \times$	$40\% \times \text{premiums paid} \quad \times$ $\left[\frac{\text{Unexpired term}^*}{\text{Cover term}} \right] \quad \times$ $\left[\frac{\text{Reduced sum assured}^{**}}{\text{Initial sum assured}} \right] \quad \times$

*Unexpired term will be calculated as on the date of lapse or in case the cover is continuing till the date of surrender.

** Reduced sum assured is equal to the outstanding loan amount as on the monthly plan anniversary immediately before the date of surrender/lapse and as specified in the certificate of insurance.

20. What happens in case the member commits suicide?

If the member/life assured commits suicide within 12 months from the date of risk commencement or the date of revival of this plan, no sum assured will be payable except for single and limited premium mode wherein surrender value (if any) will be payable. This is irrespective of whether the member, was sane or insane at the time death.

21. You are prohibited from accepting rebate in any form

Prohibition of Rebate: Section 41 of the Insurance Act, 1938 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 punishable with a fine which may extend to five hundred rupees



22. What happens in case of submission of information which is false or incorrect?

Indisputability Clause: Section 45 of the Insurance Act, 1938 states -

No policy of Life Insurance 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 any report of a medical officer or referee or friend of the Insurer or in any other document leading to the issue of the Policy, was inaccurate or false, unless the insurer shows such statement was on material matter or suppressed facts, which it was material to disclose and that it was fraudulently made by the policy holder and that the policy holder 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 and conditions of the policy are adjusted on subsequent proof that the age of the life insured was incorrectly stated in the proposal.

23. About IndiaFirst Life Insurance

IndiaFirst Life Insurance Company Limited is a joint venture of Bank of Baroda, Andhra Bank and Legal & General Group (UK).

Bank of Baroda is one of the largest public sector bank in the country with an enviable network of over 3050 branches that spreads across the geography of India and over 70 branches across 22 countries globally. This behemoth financial institution is over 100 years old and has been built on financial prudence, corporate governance and most

importantly - the trust of valuable customers like you.

Andhra Bank has been serving the Indian customer for over 85 years and currently has a network of over 1557 branches. The bank has developed best in class deposit and lending schemes for its valued customers.

Both the banks are nationalised and provide best in class products and services to every Indian citizen.

Legal & General Group is one of UK's leading financial institutions with a heritage of over 170 years. It provides life assurance, pensions, investments and general insurance plans to over 5.5 million customers across UK. It brings rich fund management and insurance experience to India.

Insurance is the subject matter of the Solicitation.

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