

Ageas Federal Life Insurance
Group Credit Shield Plan II

A Single premium, Non-Linked, Non-Participating, Group Pure Risk Premium, Life Insurance Plan
(UIN: 135N087V02)

ageasFEDERAL
LIFE INSURANCE



**Shield your liabilities,
Secure your tomorrow.**

Introduction

Loans you lend provide financial support and can transform people's lives helping them achieve their aspirations. While the loans can turn dreams into reality, at the same time as a lender it is important to ensure the security of your loan and protect it against non-payment in case of the borrower's demise. Similarly for your borrowers it is prudent to insure the loan liability and protect their loved ones from having to shoulder the burden of repaying the debt in case of an unfortunate incident.

Introducing **Ageas Federal Life Insurance Group Credit Shield Plan II**, that insures your loan thereby protecting your business. Additionally, the plan takes the burden of loan payment off the borrower's family while safeguarding their financial future through a life cover. The plan covers a wide range of loans (personal loan, vehicle loan, education loan, business loan or any other loan) and offers attractive features such as joint life cover, proportionate cover and moratorium period cover.

Ageas Federal Life Insurance Group Credit Shield Plan II will hereafter be referred to as Credit Shield throughout the brochure for better readability.

Key Features



A Convenience of one-time payment.



The plan covers a wide range of loans - personal loans, education loans, vehicle loans, gold loans, agri-business loans, working capital loans, loan against securities and more.



The plan offers 3 life cover options to choose from- Single Life Cover, Joint Life Cover, Proportionate Life Cover.



The plan provides 2 death benefit options- Level Death Benefit option and Reducing Death Benefit option



Insurance cover during the moratorium period.



Insured member may avail tax benefits under relevant sections as per prevailing tax laws.

How does the plan work?

Credit Shield is a single premium, group credit life insurance plan that can be opted for by members of a credit providing group on basis of the credit availed. The plan covers a wide range of credit products:

- ◆ Personal loans
- ◆ Holiday Loans
- ◆ Gold loans
- ◆ Credit Card loans
- ◆ New Car and Bike loans
- ◆ Education loans
- ◆ Working Capital loans, Commercial Equipment Loans, SME loans, Business and Commercial loans
- ◆ Agri Business loans, KCC Loans
- ◆ Consumer Goods (white goods) Loans
- ◆ Tractor Loans, Commercial vehicle Loans and all other vehicle loans
- ◆ Loan against Securities
- ◆ Other Loans (Eg: Micro loans etc.)

This being a group plan, a master policy is issued to the master policyholder which might be any entity. Each member of the group, insured under the master policy is issued an individual certificate of insurance.

Eligibility Criteria



	Minimum	Maximum
Group size	25 lives	No limit
Entry age of a member (as on last birthday)	15 years (Only for Education loan) 18 years (All other loans)	65 years
Cover ceasing age of the member (as on last birthday)	-	75 years
Cover Term	1 month	240 months (including moratorium period, if any)
Premium payment term	Single premium	
Moratorium period (in whole months)	1 year (12 months)	7 years (84 months)
Death Sum Assured at inception per member	Rs.5,000	Rs.30,00,00,000



Death Benefit

In case of death of an insured member before the expiry of the cover and while the cover is still in force, a Death Benefit will be paid immediately. The amount of death benefit payable depends on the Death Benefit option and Cover Option chosen by the insured member as described below.

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

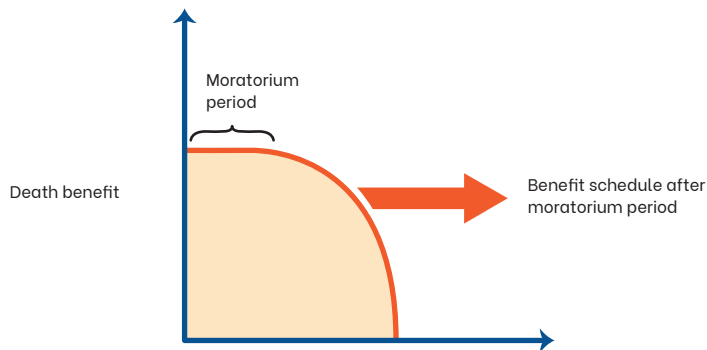
Death Benefit Options

- ◆ **Level Death Benefit:** The Death Benefit is equal to Death Sum Assured and remains constant throughout the cover term for the insured member.
- ◆ **Reducing Death Benefit:** 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. In case of death during the cover term, Death Benefit as per **the Benefit Schedule issued at the outset for each member in Certificate of Insurance** shall be paid.

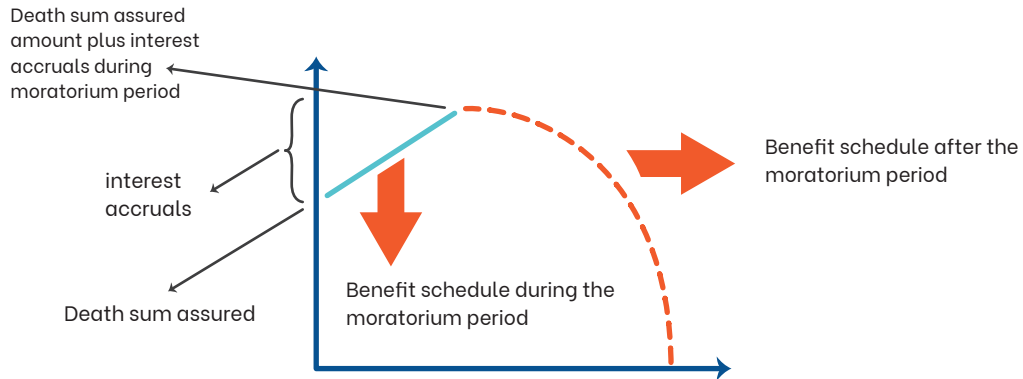
Moratorium Period Cover: The insured member can choose any moratorium period (in whole months) with or without interest accrual, ranging from 1 years to 7 years, as per loan terms and conditions.

During moratorium period member can choose to cover:

- ◆ **Loan amount without interest accrual:** The Death Benefit stays level during the moratorium period. After the moratorium period, the Death Benefit starts decreasing during the outstanding cover term as per the Benefit Schedule.



Loan amount with interest accrual: Interest accrued during each month of the Moratorium period shall be added to the Death Sum Assured. Hence, Death Benefit increases monthly during Moratorium Period. After Moratorium period, the Death Benefit starts decreasing during the outstanding cover term as per the Benefit Schedule.



Cover Term shall be less than or equal to loan tenure at inception of the policy, including moratorium period, if any.

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

Cover Options available under this plan:

- ◆ **Single Life cover:** In case of death of the insured member during the cover term, the Death Benefit is paid as per the Benefit Schedule. On payment of Death Benefit, the cover terminates and all rights, benefits and interests under the cover stand extinguished.
- ◆ **Joint Life cover:** Maximum 2 lives can be covered under Joint Life Cover Option. Joint life cover will be issued only when the proposed lives are co-applicants in the covered loan and there exists an insurable interest.

100% of the Death Benefit is paid in case of death of either of the joint insured members, whichever occurs first. The risk cover ceases on occurrence of the first death. In case, the claim is repudiated / rejected for any reason whatsoever on death of first life assured, the Death Benefit is not paid. However, the cover for the surviving member continues for the remaining term.

In case of simultaneous death of both the insured lives, 100% Death Benefit is paid.

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

- ◆ **Proportionate cover:** This option is designed for multiple persons taking a loan together for some specific goal and who are jointly responsible for repayment of the loan.

These joint borrowers are referred to as 'co-insured members'. The minimum number of co-insured members allowed is 2 and the maximum number of co-insured members is 5. The Death Benefit is paid in case of death of each of the co-insured members as per their individual share of insurance cover reflecting in the Loan Certificate issued by the lender. In case of the first death occurrence of a co-insured member, the Death Benefit of his/her share of the benefit amount is paid. Similarly, in the event of death of any other surviving co-insured member during the cover term, the Death Benefit paid is the deceased member's share of the Death Benefit amount. In case of simultaneous death, Death Benefit shall be paid in respect of all deceased co-insured members as per their individual shares. After the Death Claim settlement for any co-insured member, all rights, benefits, and interests under the policy will stand extinguished for the deceased co-insured member. The surviving co-insured members continue to be covered for their individual share of insurance cover for the balance cover term. 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 members should choose the same Death Benefit Option.

At the time of claim settlement, the Master Policyholder is required to submit a credit account statement in case it falls in any of the below listed categories:

- ◆ 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

In such case, the Death Benefit is paid to the Master Policyholder to the extent of the 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.

The master policy holder will provide to us the required details in the credit account statement

The credit account statement should have a Declaration/undertaking of the Master policy holder that the information/details furnished in the credit account statement are verified for accuracy.

We will audit or cause an audit into the accuracy of the credit account statement of the insured members in respect of which claims were settled at the completion of every financial year.

Alternatively, we may require you to audit or cause an audit into the accuracy of the credit account statements of the insured members in respect of which claims were settled at the completion of every financial year and we shall obtain a certification from your respective Internal/Statutory Auditors that the outstanding loan balance being shown in the 'Credit Account Statement/Claim Discharge Form' is correct and reflecting the balance as per the conditions governing the Credit Account/Loan Account.

In case the Master Policyholder is a non-regulated institution, the Death Benefit is directly paid to the beneficiary of the deceased insured member.

Cover for minor life (less than 18 years of age) in case of educational loan: :

The risk cover starts immediately from the policy commencement date with the following conditions:

- ◆ The parent, grandparent or legal guardian who wants to cover the minor life is the policyholder. The minor is the insured member;
- ◆ The policy vests on the minor once he / she attains 18 years of age;
- ◆ In the event of death of the insured person before attaining 18 years of age, the benefits under the policy are payable to the policyholder subject to the terms and conditions of the Death Benefit section.
- ◆ In the event of death of the policyholder when the insured is still a minor, the legal guardian of the minor will be the policyholder until the minor becomes a

major. In such case the legal guardian shall then have the following options

- ◆ continue to hold the policy, or
- ◆ surrender the policy

Premium Payment Option: Under this plan, only single premium payment option is available.



Maturity Benefit

There is no maturity benefit under this plan.

Flexibility to surrender the policy in an emergency:

Surrender option is available for the Master Policyholder as well as for insured members of the scheme. The life cover for every individual insured member acquires Surrender Value immediately on policy commencement. The insured member can surrender the policy anytime during the entire cover term.

The Surrender Value is calculated as:

For level cover: Surrender value = $60\% \times \text{Single Premium}^* \times (\text{Unexpired Cover Term in months} / \text{Total Cover Term in months})$; rounded down to multiple of hundred.

For reducing cover: Surrender value = $60\% \times \text{Single Premium}^* \times (\text{Unexpired Cover Term in months} / \text{Total Cover Term in months}) \times (\text{Death Benefit as on date of surrender according to Benefit Schedule} / \text{Death Sum Assured})$; rounded down to multiple of hundred.

*Single Premium means premium received, excluding any extra premium, any rider premium and taxes (as applicable).

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

Master policy holder may surrender the policy at any time by giving written notice at least three months or of such period as mutually agreed between the master policyholder and us. In this event the insurer shall not accept any new members.

If the Master Policyholder surrenders the policy, an option to continue the cover is given to the insured members of the scheme:

- ◆ If the insured member opts to continue in the policy, the life cover continues as per the benefit schedule till the end of the cover term.
- ◆ If an insured member opts to surrender the cover, the surrender value for the particular insured member will be paid and the life cover ceases immediately.

Pre - closure or transfer of loan to another institution:

In case the member repays entire outstanding loan amount before the end of the cover term or in case of transfer of the loan to any entity 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 and death benefit shall be payable as per benefit schedule in case of death within the cover term
- ◆ Surrender the member COI and avail surrender benefit



Tax Benefits

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

General Terms and Conditions



Nomination

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



Assignment

Assignment shall be as per Section 38 of the Insurance Act, 1938, as amended from time to time.



Free look period

For the master policyholder:

The master policyholder is entitled to a free look period of 15 days from the date of receipt of this document and 30 days in case of electronic policies and policies obtained through distance mode* to review the terms and conditions of the policy. In case master policyholder does not agree with any of the terms and conditions, he/she has the option to return the policy to us for cancellation by communicating the same in writing stating the

reasons for objections. We will refund the premium amount 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. All the benefits under the policy will stand extinguished immediately on the cancellation of the Policy under the free look.

For the 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 and 30 days in case of electronic policies and policies obtained through distance mode* to review the terms and conditions of the certificate of insurance. In case the insured member does not agree with any of the terms and conditions in the certificate of insurance, he/she has 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 the premium amount 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 same. All the benefits under the policy will stand extinguished immediately on the cancellation of the Policy under the free look.

*Distance mode includes every activity of solicitation (including lead generation) and sale of insurance products through the following modes:

- Voice mode, which includes telephone calling
- Short Messaging service (SMS)
- Electronic mode which includes e-mail and interactive television (DTH)
- Physical mode which includes direct postal mail and newspaper & magazine inserts.



Suicide Exclusion

Provided the cover is in force, the company will pay as defined below depending on the cover option:

In case of 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. The risk cover ceases on occurrence of the death of the insured member.

In case of 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.

In case of 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 the other co-insured members will continue.



Loans

No loan is available under this policy.



Statutory Information

Prohibition of Rebate Insurance Act

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 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.

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 the Ageas Federal Life Insurance Group Credit Shield Plan II. It uses easy-to-understand language to explain the features. Your plan is governed only by the full legal terms, conditions and exclusions as 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 Credit Shield Plan II (UIN: 135N087V02) is a Single premium, Non-Linked, Non-Participating, Group Pure Risk Premium, Life Insurance Plan and no benefits other than those indicated in this brochure are payable. This product does not participate in the profits of the Company. Substandard lives will be charged extra premium. There are no riders attached to this plan.

This product is underwritten by Ageas 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, Maharashtra. Website: www.ageasfederal.com. Toll-Free: 1800 209 0502.

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IRDAI is not involved in activities like selling insurance policies, announcing bonus or investment of premiums. Public receiving such phone calls are requested to lodge a police complaint.

Contact Us



Branches

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



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.ageasfederal.com



Write

Write to customer service desk:

Ageas Federal Life Insurance Company Limited, 22nd Floor, A Wing, Marathon Futurex, N. M. Joshi Marg, Lower Parel – East, Mumbai – 400013, Maharashtra.



Email

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