

# Help Your Customers Protect Their Assets And Their Peace Of Mind



Canara HSBC Oriental Bank of Commerce Life Insurance

## Group Secure

- ▶ Mitigate the risk of loan recovery in the event of the death/disability of the borrower
- ▶ One stop solution to meet credit & insurance needs of your customers
- ▶ Rebate for females & joint borrowers

**For more information,  
ask your bank branch staff**

**CANARA HSBC ORIENTAL BANK OF COMMERCE LIFE INSURANCE GROUP SECURE –  
Group Non-linked Non-par Pure Risk Premium Credit Life Insurance Plan**

Their own house, their dream car, the best education for their children, the latest utilities to make life comfortable - this is what your customers would dream of for themselves and their families. You proactively plan for your customers, secure them by providing means to meet their desired needs. You provide various solutions through which they walk the path to reach their dreams. But with uncertainties of life, there always exists a fear in your customers' mind of the unfortunate circumstances where their families might be left with a legacy of liabilities, when they are not around.

For the financial protection of your customers, **Canara HSBC Oriental Bank of Commerce Life Insurance Co. Ltd.** proudly presents **Group Secure**, a plan that will allow your customers to fulfill their dreams while their loved ones remain protected from the liability if they are not around.

The plan can be offered to customers of financial institutions/ banks/ co-operative banks/other lending institutions providing various types of loans like home loans, vehicle loans (Car, 2-Wheeler, commercial vehicle), education loans, personal loans, loan against property and business loans.

**ABOUT US**

Canara HSBC Oriental Bank of Commerce Life Insurance Company Limited is a Company formed jointly by three leading financial organizations - Canara Bank and Oriental Bank of Commerce, two of India's largest nationalized banks in terms of aggregate business and HSBC Insurance (Asia Pacific) Holdings Limited.

The shareholding pattern of the Joint Venture is as follows – Canara Bank-51%, HSBC Insurance (Asia Pacific) Holdings Limited-26% and Oriental Bank of Commerce-23%.

Our aim is to provide you with a transparent range of Life Insurance products backed by excellent customer service. We want to make life simple for you.

**WHAT ARE YOUR ADVANTAGES AS THE MASTER POLICYHOLDER, UNDER THIS PLAN?**

- A complementary offering to your loan and other banking products which will be valued by your customers and provide them financial security.
- In case of Death or Total Permanent Disability (TPD, if opted for) of your borrower, we will pay the sum assured in the name of the Master Policyholder/ Insured Member/Nominee/Legal heirs as the case may be.

**WHAT ARE THE ADVANTAGES TO YOUR CUSTOMERS UNDER THIS PLAN?**

- Peace of mind – In the unfortunate event of your borrower's Death/TPD, the insurance cover will protect his/her family.
- Meeting credit and insurance needs with one solution.
- Risk coverage – Option to choose between a) Death cover only or b) Death and TPD cover. Death and TPD cover option will only be offered to Home loan, Loan Against Property (LAP), Education loan and 4 wheeler loans.
- Availability of two coverage options namely, Level Cover (death/ TPD cover remains same throughout the term of the cover) or Reducing Cover (the death/ TPD cover reduces over the term of the cover)
- Joint borrowers (up to three) are also covered
- Rebates are available for females, and joint borrowers, which could further reduce the premium
- Customers can finance the premium through master policyholder by adding the premium amount to their loan and spread the cost through equated monthly installments (EMIs). For example, if loan amount is ₹10,00,000 and insurance premium is ₹15,000; then the customer can take loan for ₹10,15,000 (loan amount + insurance premium) from the lender and EMI will be fixed for ₹10,15,000 instead of ₹10,00,000.
- Insured member may be entitled for tax benefits under Section 80C and Section 10(10D), as per the Income tax Act, 1961<sup>1</sup>.
- Tax Benefits under the policy will be as per the prevailing Income Tax laws and are subject to amendments from time to time. For tax related queries, contact your independent tax advisor.

**WHAT ARE THE ELIGIBILITY CRITERIA<sup>^</sup>?**

Criteria	Minimum	Maximum	
<b>Entry Age (last birthday)</b>	18 years for all kinds of loans other than Education Loan; 12 years for Education Loan; 18 years for Total and Permanent Disability (TPD) benefit	64 years	
<b>Cover Ceasing Age</b>	-	69 years	
<b>Cover Term</b>	2 years for Single premium and 5 years for Regular and Limited premium option.	<b>Loan Type</b>	<b>Maximum Cover Term (years)</b>
		Home /LAP	30
		Education/4 Wheeler/ Business loan	15
		Personal/ Commercial vehicle/2 Wheeler	10
<b>Sum Assured</b>	₹10,000	No limit*	
<b>Group Size</b>	50	No limit	

<sup>^</sup> The eligibility criteria may vary based on scheme rules within the above limits.

\* There is no upper limit on the basic Sum Assured in case of Death cover only option. However in case of Death and TPD option, the Sum Assured will be limited to a maximum of ₹10,000,000 per member.

## WHAT ARE THE PREMIUM PAYMENT OPTIONS AVAILABLE IN THIS PLAN?

	Level cover	Reducing cover
<b>Single Premium</b>	Not Allowed	Allowed
<b>Regular Premium</b> (minimum policy term for this option is 5 years)	Allowed	Not Allowed
<b>Limited Premium</b> (pay for 5 years)	Not Allowed	Allowed

Further, regular premium and limited premium options will only be allowed to provide cover against Home loan and Loan against Property.

## WHAT ARE THE VARIOUS TYPES OF BENEFITS UNDER THIS PLAN?

### 1) Death benefit

In case of unfortunate demise of the member during the term of the plan, the sum assured would be payable.

### 2) TPD Benefit:

In case the member suffers from Total and Permanent Disability during the term of the plan, the sum assured would be payable.

The cover for the member will terminate on occurrence of Death or TPD, whichever is earlier.

TPD shall mean the occurrence of any of the following conditions as a result of accidental bodily injury, sickness or disease:

- Total and irrecoverable loss of sight of both eyes. The blindness must be confirmed by an Ophthalmologist;

OR

- Loss of use or loss by severance of two or more limbs at or above wrists or ankles;

OR

- The total and irrecoverable loss of sight of one eye and loss of use or loss by severance of one limb at or above wrist or ankle.

The above disability must have lasted, without interruption, for at least six consecutive months from the date of diagnosis and must, in the opinion of a qualified medical practitioner appointed by the Company, be deemed permanent.

If as a result of accidental bodily injury, sickness or disease, there is a total and permanent disability resulting in total and irrecoverable loss of use of two or more limbs as mentioned in the benefit (including coma) for at least six consecutive months, the benefit becomes payable.

Accident means an event resulting solely from sudden, unexpected, violent external force, independently of any other cause.

Accidental Injury means bodily injury of the insured caused solely, directly and independently of any other intervening causes from an accident (i.e. a traumatic event of violent, unexpected, external and visible nature).

The loss of use of a limb is considered as a loss of use when such loss of use involves total and permanent loss of function of the limb affected as determined by a registered medical practitioner nominated by the Company.

## WHAT IS THE SUM ASSURED UNDER THIS PLAN?

### For Level cover:

The sum assured is constant throughout the cover term and is equal to the Initial Sum Assured. The **"Initial Sum Assured"** will be the amount of cover opted for by the member (as stated in the membership form).

### For Reducing cover:

Sum assured reduces based on the term of cover, interest rate and the Initial Sum Assured. The reduction in sum assured pattern during the term of coverage is fixed for the member at the time of issuance of Certificate of Insurance (COI).

The Company's liability under the policy shall be limited to the extent of death/TPD benefit (Sum Assured at the time of death/TPD as per the defined schedule specified at the outset in the certificate of insurance) and the Company shall not be liable for any shortfall of such benefit over the loan outstanding.

Where the Master Policyholder is one of the following entities: (i) RBI regulated Scheduled Banks (including Co-operative Banks); (ii) NBFCs having Certificate of Registration from RBI; (iii) National Housing Board (NHB) regulated Housing Finance Companies (iv) National Minority Development Finance Corporation (NMDFC) and its State channelizing agencies (v) Small Finance Banks regulated by RBI, in accordance with IRDAI guidelines as amended from time to time, the Company shall pay the Sum Assured to the extent of outstanding loan amount, in the name of Master Policyholder if the Company has received Authorization from Insured Member in this regard. The Company shall pay the balance amount, if any, to the Nominee/Legal heirs of the Insured Member. Where no such Authorization is received by the Company, the Company shall pay the sum assured to the Nominee/Legal heir directly. Where the Master Policyholder is not one of the entities specified above, the Company shall pay the sum assured to the Nominee/Legal heirs directly.

## ARE JOINT BORROWERS ALLOWED?

- Yes, a maximum of 3 joint borrowers are allowed
- There are 2 options for joint borrowers:

### i. Option 1: Joint Basis:

Each of the joint borrowers will be insured for 100% of the sum assured. In case claim is paid for deceased joint borrower, cover ceases for the surviving joint borrower(s).

## ii. Option 2: Loan Share Basis:

Each of the joint borrowers is insured up to his/her share of loan as mentioned in the membership form. If the claim is paid on death/occurrence of TPD of a joint borrower, then the Insurance Cover shall cease only for that Insured Member. However, the Insurance Cover shall continue for the surviving Joint Borrower(s) to the extent of their share(s) at the same premium agreed at the time of issuance of the Certificate of Insurance.

### CAN MASTER POLICYHOLDER SURRENDER THE MASTER POLICY?

The Master Policyholder can terminate the Master Policy at any time. In such case, the existing members will be given option to surrender his/her membership as per terms and conditions mentioned below. The remaining members who do not opt for surrender of cover will be serviced by the Company on the basis of existing data of members till the exit of last member.

### WHAT DOES THE MEMBER RECEIVE IN CASE OF FORECLOSURE OF LOAN?

A surrender value is payable provided the member repays the outstanding loan amount in full and submits a surrender request with the company. However, in single premium option, the surrender benefit will be available from the end of first year and in case of limited premium options, the surrender benefit will be available only after three years have elapsed provided premium have been paid for a minimum of three years. The surrender benefit is given in the table below:

	Level sum assured	Reducing sum assured
<b>Single Premium</b>	Not applicable	60% x Single premium x [Unexpired term/Cover term] x [Reduced sum assured/Initial sum assured]
<b>Regular premium</b>	No surrender value is payable	Not applicable
<b>Limited Premium</b>	Not applicable	60% x premiums paid x [Unexpired term/Cover term] x [Reduced sum assured/Initial sum assured]

### ARE THERE ANY REBATES AVAILABLE?

Following rebates are available to further reduce the premium:

- For Female lives - 3 years age set back is given to the premium rates.
- Joint borrower rebate for Joint basis option:

Rebate (%age of premium) on youngest life assured		
Premium payment option	Two lives	Three lives
<b>Single premium</b>	15%	25%
<b>Regular &amp; Limited premium</b>	5%	10%

However, in case of female lives, an additional 3 years age set back is given to the premium rates.

### WHAT ARE THE OTHER FEATURES OF THIS PLAN?

- Both new and existing loans can be covered subject to underwriting.
- Moratorium period: For loans with a moratorium period, the cover term will also include the moratorium period and during the moratorium period the cover may be level or increasing as per the terms and conditions agreed with the Master Policyholder. Maximum moratorium period allowed in this plan is 5 years. Please note that premium for cover will be payable from the inception only irrespective of whether loan EMI has started or not.
- The borrower can choose any cover term up to the original loan term. Further, he/she can also choose any sum assured up to 120% of the loan amount. Please contact the Company for more details.
- Cover continuance option: The member will have the option to continue the insurance cover after foreclosure of the loan for the remaining tenure as per original terms and conditions.
- Premium payment modes for regular / limited premium (through ECS mode) – Yearly/Half-yearly / Quarterly / Monthly. For modes other than the yearly mode, instalment premiums shall be calculated as given below:  
Half-yearly premium = Annual premium \*0.51  
Quarterly premium = Annual premium \*0.26  
Monthly premium = Annual premium \*0.09
- Grace period for Yearly/Half-yearly/Quarterly mode: 30 days; for Monthly mode: 15 days.
- Revival period: For Regular/Limited premium, if premiums are not paid within the grace period, the cover for the member will lapse. No coverage will be provided after the grace period in case the cover lapses. However, members have the option to revive the cover within 5 years from the date of first unpaid premium. The company reserves the right to revive the cover based on underwriting decision.
- The cover can be revived when the member provides a written application for revival to the Company, together with revival fee (including applicable interest), evidence of insurability and health of the Life Assured, to the satisfaction of the Company. The basis for determining the interest rate is the average of the daily rates of 10-Year G-Sec rate over the last five calendar years ending 31st December every year rounded to the nearest 50 bps plus a margin of 100 bps. Any change in the basis of this interest rate will be subject to the prior approval of the Authority. The Company undertakes the review of the Interest rates for revivals on 31st December every year with any changes resulting from the review being effective from the 1st of April of the following year. The applicable interest rate for the financial year 2019-20 is 9% per annum.

- **Free Look cancellation:** In case, the master policyholder/ insured member does not agree with the terms and conditions of the contract, the master policyholder/ insured member has the option to request for cancellation of the Master Policy/ certificate of insurance with a written request to the Company stating the reasons for objection within 15 days from the receipt of master policy/ certificate of insurance. The premium to be refunded in case of free look cancellation shall be computed as follows:

Premium – (Pro-rata risk premium + Stamp duty + Medical expenses, if any)

Please note this plan will not be sold through Distance Marketing.

#### WHAT ARE THE EXCLUSIONS UNDER THE PLAN?

- **Suicide:** If the member commits suicide within 12 months from the date of commencement of the risk cover or from the date of revival of cover, as applicable, the Company shall pay at least 80% of the premiums paid till the date of death or the respective surrender value as available on the date of death whichever is higher, provided the coverage is in force and all coverage for that member will automatically cease
- **45 days waiting period:** During the first 45 days from the date of commencement of member's cover only (and not on revival of cover for that member), the Company shall not be liable to pay any claim except a death/TPD claim arising on account of an accident and the Company shall refund the premium using the surrender value formula and all coverage for that member will automatically cease.
- Assignment (by master policyholder/ member) is not allowed under this plan.
- **Exclusions for TPD** - TPD arising directly or indirectly from any of the following are specifically excluded:
  - Any pre-existing medical condition\* not disclosed.
  - Any sickness related medical condition which first manifests itself within 90 days of the commencement date or revival date of the benefit (only if revival happens post 90 days of lapse).
  - Disability directly or indirectly, wholly or partly due to an Acquired Immuno-Deficiency Syndrome (AIDS) or infection by any Human Immunodeficiency Virus (HIV). For the purpose of this plan:
    - The definition of AIDS shall be that used by the World Health Organisation in 1987, or any subsequent revision by the World Health Organisation of that definition; and
    - Infection shall be deemed to have occurred where blood tests or other relevant tests indicate, in the opinion of the Company either the presence of any Human Immuno-Deficiency Virus or antibodies to such a virus.
  - The life assured taking part in any hazardous sport or pastimes (including hunting, mountaineering, racing, steeple chasing, bungee jumping, etc).
  - The life assured flying in any kind of aircraft, other than as a bonafide passenger (whether fare-paying or not) on an aircraft of a licensed airline.
  - Self-inflicted injury, attempted suicide-whether sane or insane.
  - The life assured being under the influence or abuse of drugs, alcohol, narcotics or psychotropic substance not prescribed by a registered medical practitioner.
  - Service in any military, airforce, naval, paramilitary or similar organization.
  - War, civil commotion, invasion, terrorism, hostilities (whether war be declared or not).
  - The life assured taking part in any strike, industrial dispute, riot, etc.
  - The life assured taking part in any criminal or illegal activity.
  - Nuclear reaction, radiation or nuclear or chemical contamination.

\*"Pre-existing medical condition" means a condition (illness or bodily injury) for which, prior to the issuance of the cover or prior to the date of revival of this cover:

- The life assured had signs or symptoms which would have caused any ordinary prudent person to seek treatment, diagnosis or care; or
- Medical advice or treatment was recommended by or received from a physician; or
- The life assured had undergone medical tests or investigations.

Any congenital disorder, or related illness or complication arising out of or in connection with a pre-existing medical condition, shall be considered part of that pre-existing medical condition.

#### Section 41 of the Insurance Act, 1938 as amended from time to time:

- (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.

**Section 45 of the Insurance Act, 1938 as amended from time to time** will be applicable. For full text of the provisions of this Section, please contact the Insurance Company or refer to the policy contract of this product on our website [www.canarahsbclife.com](http://www.canarahsbclife.com).



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Canara HSBC Oriental Bank of Commerce  
Life Insurance Company Limited (IRDAI Regn.No.136)

Registered Office:

Unit No. 208, 2nd Floor, Kanchenjunga Building, 18 Barakhamba Road,  
New Delhi - 110001, India

Corporate Office:

139 P, Sector 44, Gurgaon - 122003

Corporate Identity No.: U66010DL2007PLC248825

Website: [www.canarahsbclife.com](http://www.canarahsbclife.com)

Call: 1800-103-0003/1800-180-0003(BSNL/MTNL), Missed Call: 0124-6156600

SMS: 9779030003

Email: [customerservice@canarahsbclife.in](mailto:customerservice@canarahsbclife.in)

**BEWARE OF SPURIOUS / FRAUD PHONE CALLS • 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.**

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