

## Flexible Plan with Loan Protection Cover



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## WHY PNB METLIFE LOAN AND LIFE SURAKSHA PLAN?

In today's business environment it has become increasingly difficult to attract and retain customers. Also, given intense competition, differentiating product offering becomes more and more difficult.

**PNB MetLife Loan and Life Suraksha** is just the right choice as it is relatively easy and inexpensive way of providing financial security along with your products. It provides financial stability and maintains the family's standard of living should an unexpected death occur. It not only helps you differentiate your product but also aids you to maintain a long term relationship while providing comforting reassurance to your customers.

The plan is created as a convenient and affordable solution that allows you with the following advantages:

- ◆ Provides a competitive edge to your existing product portfolio to win over customers
- ◆ Increases customer's loyalty due to additional protection
- ◆ Reduces default risk due to a customer's death for financial institutions
- ◆ Allows you to maintain a long term relationship with the customer

## WHO SHOULD BUY PNB METLIFE LOAN AND LIFE SURAKSHA PLAN?

The product is designed to provide protection cover to groups where credit exists.

## PNB METLIFE LOAN AND LIFE SURAKSHA AT A GLANCE

Plan parameters	Minimum	Maximum
#Age at entry of Person Insured	15 years (*)	65 years
Policy Term	2 years for Single Pay 5 years for 5 Pay 10 years for 10 Pay	25 years for Single & 5 Pay 30 years for 10 Pay
Maturity Age of Person Insured	-	70 years
Group Size	50 Lives	No Limit
Sum Assured per member	Rs. 5,000	No limit, subject to underwriting
Premium	Based on chosen Sum Assured	
Premium Paying Options	Single Pay, Limited Pay 5 Years & Limited Pay 10 Years	
Premium Paying Modes	Single, Yearly, Half-Yearly, Quarterly, Monthly(1) & Payroll Saving Program	

(1) Electric Clearing Service (ECS) is mandatory for monthly mode.

(\*) For Education Loans only. For all other loans, 18 years

(#) Age as of last birthday

## YOUR FLEXIBILITIES WITH PNB METLIFE LOAN AND LIFE SURAKSHA PLAN

**A. Coverage Options:** There are two coverage options available. Once chosen, the option cannot be changed thereafter. In both the cases, the death cover would be as defined in the policy schedule.

**i. Reducing Cover Option** – Most suitable for mortgage, educational, personal & auto loans.

- The outstanding loan amount as per the Schedule at the beginning of any month during the policy term would be the benefit payable for death of the member insured.
- If the member has opted for moratorium the death benefit will be the entire loan amount during the moratorium period, and thereafter decreases on the basis of the outstanding loan schedule.
- The amount payable on death at any time would be as per the Schedule irrespective of actual loan outstanding. The Schedule will form the part of insurance certificate issued to each Insured Member of the group

**ii. Level Cover Option** – provides the same cover throughout the term of the policy.

- The coverage amount in this case is the level Sum Assured linked to the credit as chosen by the Member at the inception.

**B. Increase of Sum Assured due to increase in loan**

- The design of this policy gives the flexibility to increase the Sum Assured due to increase in loan from as minimum as Rs.5,000 per member
- Increase in Sum Assured to the member is subject to underwriting conditions and the terms and conditions as stipulated by the Company.
- On increasing the Insurance coverage, fresh Insurance Certificate will be provided for extended portion, subject to payment of premiums prevailing at that point in time

**C. Moratorium**

- This option is available for those members who have opted for moratorium on the repayment of principle amount for a period of not more than 7 years on their loans.
- The moratorium option has to be provided by the loan offering institution only and PNB MetLife will prepare the loan schedule accordingly.
- The moratorium option is available only for Mortgage Loan & Education Loan customers whose term is at least 5 years or more.
- The moratorium option once chosen cannot be altered during the Policy tenure

**D. Joint Life Option**

- Joint Life coverage option is available for Mortgage, other Housing loans & Education loans subject to following conditions.

Mortgage & Other Housing Loans	Education Loans
<ul style="list-style-type: none"> <li>The coverage cannot be extended to more than two lives in the same plan.</li> <li>The coverage can be extended only if the loan is jointly held in the names of both the lives.</li> <li>The lives should be co-borrowers and not just co-applicants, with the minimum share of initial loan amount of each co-borrower being at least 20% of the loan amount at the time of commencement of the cover under this policy ;</li> <li>Both the lives must have independent sources of regular income;</li> <li>The term of loan under consideration should be above 5 years</li> </ul>	<ul style="list-style-type: none"> <li>The coverage cannot be extended to more than two people;</li> <li>The coverage can be extended only if the loan is jointly held in the names of both the lives;</li> <li>The lives are co-borrowers and not just co-applicants, with the minimum share of initial loan amount of each co-borrower being at least 20% of the loan amount at the time of commencement of the cover under this policy ;</li> <li>The coverage is extended to the joint lives where the relationship between the two individuals is that of spouse, child, parent and siblings.</li> </ul>

### C. Premium Paying Options

- We offer Single Pay, 5 years Limited Pay & 10 years Limited Pay Options

## PREMIUM PAYING MODES

**Premium Paying Modes:** The plan offers Yearly, Half-Yearly, Quarterly and Monthly premium paying modes for Single & Limited Premium paying modes. Following factors are to the premium for modal payments other than yearly payment mode.

Mode of Premium	Multiplicative Factor
Half-Yearly	0.5131
Quarterly	0.2610
Monthly	0.0895
Payroll Savings Program	0.0868

Electric Clearing Service (ECS) is mandatory for monthly mode of payment.

## BENEFITS UNDER PNB METLIFE LOAN AND LIFE SURAKSHA PLAN

### Death Benefit

- In the event of death of an insured member, the plan provides for the payment of a lump sum Death Benefit amount as specified in the Certificate of Insurance issued to each member on the admission to this group scheme.
- In case of Joint Lives, Sum Assured is paid on death of first life and policy stands cancelled and no further benefits are payable.

### Survival or Maturity Benefit

There is no survival/ maturity benefit under this plan.

### Surrender/Partial Surrender Benefit

This would be no surrender value on a pure protection plan. However, since the members would be paying premiums through Single and Limited Pay options, the following surrender value would be paid.

$$\text{premiums paid} \times \frac{(\text{Total number of months remaining to maturity})}{(\text{Total number of months in the policy term})} \times \frac{\text{SA in-force at the time of surrender}}{\text{SA at the inception of policy}}$$

For Single Pay, n = 75 if surrendered anytime within third policy year, 90 if surrendered on or after fourth policy year

For 5 Pay, n = 0 if surrendered in the first year from the commencement of the coverage, 30 if surrendered during the second year, 35 if surrendered during the third year, 50 if surrendered between fourth year and seventh year from the commencement of the coverage (both inclusive) and 90 if surrendered after seventh year from the commencement of the coverage

For 10 Pay, n = 0 if surrendered in the first year from the commencement of the coverage, 30 if surrendered during the second year, 35 if surrendered during the third year, 50 if surrendered between fourth year and seventh year from the commencement of the coverage (both inclusive) and 90 if surrendered after seventh year from the commencement of the coverage

In case of surrender of the Group Policy, the Individual Member will have an option to continue the Policy till the coverage is terminated.

## POLICY EXCLUSIONS

**Note:** This document does not purport to contain all conditions governing this plan, which will be governed by the terms expressed in the Master Policy document.

### Suicide Clause:

In case of death due to suicide within 12 months from the date commencement of risk under the policy or from the date of revival, the nominee /beneficiary of the policy shall be entitled to at least 80% of the total premium paid till the date of the death or the surrender value available as on the date of death whichever is higher, provided the policy is in force.

In case if one of the Co-borrower commits suicide, the risk coverage will continue on the life of the surviving Co-borrower.

**Grace period:**

The Premiums are payable on the due date for payment and in any case not later than the grace period of 30 days from the due date for Quarterly/Half Yearly/Yearly frequencies and 15 days from the due date for monthly frequency, respectively. During the grace period, the Certificate of Insurance shall continue to be in force for the insured event.

If Premium is not paid within the grace period, the Certificate of Insurance shall lapse and has no further value except as may be provided under surrender benefit.

**Waiting period:**

The Company imposes a waiting period of 30 days from the effective date of coverage for all Non-Employer-Employee group schemes. During this period the Company shall not pay any benefits on death due to causes other than accident.

**Nomination:**

You may nominate a Nominee or change an existing Nominee before the completion of Policy Term in accordance with the provisions of Section 39 of the Insurance Act, 1938 as amended from time to time.

**Transfer/Assignment /Partial Assignment:**

You may transfer, assign or partially assign this Policy in accordance with and subject to the provisions of Section 38 of the Insurance Act, 1938, as amended from time to time, by giving Us prior written notice

**Revival Provisions (applicable for Limited Pay Options)**

Premium towards risk cover has to be paid as and when due to keep the policy in force. If the premiums are not paid for within the grace period, the insurance cover will lapse. The coverage may be revived within five years from the date of first unpaid premium along with applicable interest. The present charge for revival is 9% interest p.a. Such revival can only be made by paying all due unpaid premiums and providing satisfactory evidence of insurability.

**Free Look Provision**

Members of the group have a period of 15 days from the date of receipt of the Certificate of Insurance to review the terms and conditions of this Insurance Coverage. If the members have any objections to any of the terms and conditions, then he has the option to return the Certificate of Insurance stating the reasons for the objections and the Company shall be entitled to a refund of the premium paid subject to only a deduction of stamp duty charges and expenses towards medical examination, if any. All rights of the member under this Policy shall immediately stand extinguished at the cancellation of the Certificate of Insurance.

**STATUTORY WARNING**

Prohibition of Rebates- Section 41 of the Insurance Act, 1938 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 fine which may extend to ten lakh rupees.

**Non-Disclosure** - Section 45 of the Insurance Act, 1938 states:

1. No policy of life insurance shall be called in question on any ground whatsoever after the expiry of three years from the date of the policy i.e. from the date of issuance of the policy or the date of commencement of risk or the date of revival of the policy or the date of the rider to the policy, whichever is later.
2. A policy of life insurance may be called in question at any time within three years from the date of issuance of the policy or the date of commencement of risk or the date of revival of the policy or the date of the rider to the policy, whichever is later, on the ground of fraud; provided that the insurer shall have to communicate in writing to the insured or the legal representatives or nominees or assignees of the insured, the grounds and materials on which such decision is based. For the purposes of this sub-section, the expression 'fraud' means any of the following acts committed by the insured or by his agent, with the intent to deceive the insurer or to induce the insurer to issue a life insurance policy:
  - a. the suggestion, as a fact of that which is not true and which the insured does not believe to be true;
  - b. The active concealment of a fact by the insured having knowledge or belief of the fact;
  - c. Any other act fitted to deceive; and
  - d. Any such act or omission as the law specifically declares to be fraudulent.

Mere silence as to facts likely to affect the assessment of risk by the insurer is not fraud, unless the circumstances of the case are such that regard being had to them, it is the duty of the insured or his agent, keeping silence to speak, or unless his silence is, in itself, equivalent to speak.

3. Notwithstanding anything contained in sub section 2, no insurer shall repudiate a life insurance policy on the ground of fraud if the insured can prove that the misstatement of or suppression of a material fact was true to the best of his knowledge and belief or that there was no deliberate intention to suppress the fact or that such mis-statement of or suppression of a material fact are within the knowledge of the insurer; provided that in case of fraud, the onus of disproving lies upon the beneficiaries, in case the

policyholder is not alive. A person who solicits and negotiates a contract of insurance shall be deemed for the purpose of the formation of the contract, to be the agent of the insurer.

4. A policy of life insurance may be called in question at any time within three years from the date of issuance of the policy or the date of commencement of risk or the date of revival of the policy or the date of the rider to the policy, whichever is later, on the ground that any statement of or suppression of a fact material to the expectancy of the life of the insured was incorrectly made in the proposal or other document on the basis of which the policy was issued or revived or rider issued; provided that the insurer shall have to communicate in writing to the insured or the legal representatives or nominees or assignees of the insured the grounds and materials on which such decision to repudiate the policy of life insurance is based. In case of repudiation of the policy on the ground of misstatement or suppression of a material fact, and not on ground of fraud, the premiums collected on the policy till date of repudiation shall be paid to the insured or the legal representatives or nominees or assignees of the insured within a period of ninety days from the date of such repudiation. The mis-statement of or suppression of fact shall not be considered material unless it has a direct bearing on the risk undertaken by the insurer, the onus is on the insurer to show that had the insurer been aware of the said fact, no life insurance policy would have been issued to the insured.
5. 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.

Service Tax, as applicable will be charged at the prevailing rate. PNB MetLife reserves the right to levy service tax and also any other taxes as may be applicable from time to time.

## ABOUT PNB METLIFE

PNB MetLife India Insurance Company Limited (PNB MetLife) is one of the leading life insurance companies in India. PNB MetLife has as its shareholders MetLife International Holdings LLC (MIHL), Punjab National Bank Limited (PNB), Jammu & Kashmir Bank Limited (JKB), M. Pallonji and Company Private Limited and other private investors, MIHL and PNB being the majority shareholders. PNB MetLife has been present in India since 2001.

PNB MetLife brings together the financial strength of a leading global life insurance provider, MetLife, Inc., and the credibility and reliability of PNB, one of India's oldest and leading nationalized banks. The vast distribution reach of PNB together with the global insurance expertise and product range of MetLife makes PNB MetLife a strong and trusted insurance provider