

**Help your customers protect their assets.
And their peace of mind.**



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make the right choice with

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
- ▶ A one stop solution to meet credit & insurance needs of your customers
- ▶ Rebate for females & joint borrowers

Ask the Manager
for **Life Insurance** solutions

CANARA HSBC ORIENTAL BANK OF COMMERCE LIFE INSURANCE GROUP SECURE

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 Company Limited** 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.

This 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 organisations - Canara Bank and Oriental Bank of Commerce, two of India's largest nationalised 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 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 instalments (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, 1961¹

WHAT IS THE ELIGIBILITY CRITERIA[^]?

Criteria	Minimum	Maximum	
Entry Age (last birthday)	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	
Cover Ceasing Age	-	69 years	
Cover Term	2 years for Single premium and 5 years for Regular and Limited premium option.	Loan Type	Maximum Cover Term (years)
		Home Loan/LAP	30
		Education/4-Wheeler/ Business Loan	15
		Personal/ Commercial vehicle/2-Wheeler Loan	10
Sum Assured	₹ 10,000	No limit*	
Group Size	50	No limit	

[^]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
Single premium	Not Allowed	Allowed
Regular premium (minimum Policy Term for this option is 5 years)	Allowed	Not Allowed
Limited premium (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.

¹Tax 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 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 benefits (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.

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 us 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 option, 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
Single premium	Not applicable	$60\% \times \text{Single premium} \times [\text{Unexpired term/Cover Term}] \times [\text{Reduced Sum Assured/Initial Sum Assured}]$
Regular premium	No surrender value is payable	Not applicable
Limited premium	Not applicable	$60\% \times \text{premiums paid} \times [\text{Unexpired term/Cover Term}] \times [\text{Reduced Sum Assured/Initial Sum Assured}]$

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
Single premium	15%	25%
Regular & Limited premium	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 the 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 reinstate the cover within 2 years from the date of first unpaid premium. The Company reserves the right to reinstate the cover based on underwriting decision
- Free Look cancellation: In case the Master Policyholder does not agree with the terms and conditions of the contract, the Master Policyholder has the option to request for cancellation of the master policy with a written request to the Company stating the reasons for objection within 15 days from the receipt of master policy. 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 THIS PLAN?

- **Suicide:** If the member commits suicide, whether sane or insane, within one year from the date of commencement of the insurance cover, the Company shall refund 80% of the premiums paid and within one year from the date of reinstatement of cover, the Company shall pay higher of 80% of the premiums paid till the date of death or the surrender value as available on the date of death 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 reinstatement 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
- **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 reinstatement date of the benefit (only if reinstatement 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 organisation
 - 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 reinstatement 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 a part of that pre-existing medical condition.

As per Section 41 of the Insurance Act, 1938 "(1) No person shall allow or offer to allow, either directly or indirectly, as an inducement to any person to take 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:

Provided that acceptance by an insurance agent of commission in connection with a policy of life insurance taken out by himself on his own life shall not be deemed to be acceptance of a rebate of premium within the meaning of this sub-section if at the time of such acceptance the insurance agent satisfies the prescribed conditions establishing that he is a bona fide insurance agent employed by the insurer.

(2) Any person making default in complying with the provisions of this section shall be punishable with fine which may extend to five hundred rupees.

As per Section 45 of the Insurance Act 1938 "No policy of life insurance effected before the commencement of this Act shall after the expiry of two years from the date of commencement of this Act and no policy of life insurance effected after the coming into force of this Act 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 statement made in the proposal or in any report of a medical officer, or referee, or friend of the insured, or in any other document leading to the issue of the policy, was inaccurate or false, unless the insurer shows that such statement was on a 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 of the policy are adjusted on subsequent proof that the age of the life insured was incorrectly stated in the proposal."

Insurance is the subject matter of the solicitation. The insurance products are offered and underwritten by Canara HSBC Oriental Bank of Commerce Life Insurance Company Limited (Regn.No.136)



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