

MetLife India Insurance Company Private Limited

"INSURANCE IS THE SUBJECT MATTER OF SOLICITATION"

Annexure 3(a) – Policy Document

### Met Loan/Assure

The MetLife India Insurance Company Private Limited ("the Company") has entered into this contract of insurance (the "Group Policy") on the basis of the Application of Met LoanAssure (the "Application"), any declaration that may be required from the Members and/or the Group Policy Holder (the "Declaration") and the Single Premium received from the Group Policy Holder, for effecting a Life Insurance contract on the lives of the Members Insured named in the Group Policy Schedule hereto (the "Schedule").

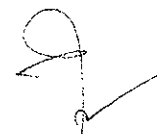
This Group Policy is subject to Terms and Conditions stated herein and the Premium Quote, the Schedule and Addendums.

The Company agrees to pay the benefits stated in this Group Policy, subject to the Terms and Conditions stated herein, while this Group Policy is in force and effect, to the lawfully entitled person.

The effective date and number of this Group Policy are as set out in the Schedule.

Authorized Signatory

**MetLife India Insurance Company Private Limited**



**Terms & Conditions of Met LoanAssure- A Credit Life Insurance Policy**

1.0	Definitions	
1.1	"Credit Life Insurance"	: Credit Life Insurance means insurance on the lives of borrowers pursuant to or in connection with a specific loan or other Credit Transaction.
1.2	"Creditor"	: Creditor means the lender of money for which payment is arranged through a Credit Transaction.
1.3	"Borrower"	: Borrower means a borrower of money for which payment is arranged through a Credit Transaction.
1.4	"Credit Transaction"	: Credit Transaction means any transaction by the terms of which the repayment of money loaned (loan disbursed) or loan commitment (loan sanctioned) made is to be made at a future date or dates.
1.5	"Group Policy Holder"	: The owner of the Group Policy as stated in the Schedule. The Group Policy Holder is responsible for the collection and remittance of premium on behalf of the eligible members and help in the claim management process. The Group Policy Holder shall also be responsible for providing member data or any other information which is required for administration of the policy.
1.6	"Eligible Member"	: Person(s) who meet the eligibility criteria as stated in the Schedule and thus become eligible to be covered.
1.7	"Insured Member"	: An Eligible Member who is covered under the Group Policy.
1.8	"Effective Date of Group Policy"	: Date the Group Policy takes effect.
1.9	"Effective Date of Coverage"	: The date an Eligible Member becomes an Insured Member under this Group Policy.
1.10	"Nominee"	: As stated in the Certificate of Insurance.
1.11	"Installment Credit Agreement"	: A loan agreement made in writing between, and duly executed by or on behalf of a Borrower and the Group Policy Holder (Creditor), which requires payments of the sums due in accordance with the agreement by Equated Monthly Installments or such other frequency of payment as agreed by the Creditor and Borrower.
1.12	"Installment"	: The periodic payment including interest charges on the principal sum.
1.13	"Repayment Period"	: The period during which the Member shall be required under the terms of an Installment credit agreement to make equal monthly payments of the sums due there-under.
1.14	"Loan Maturity Date"	: The date on which the last Installment falls due.
1.15	"Initial Loan Amount"	: The total amount borrowed by a Member/ Members at the Commencement of an Installment credit agreement.
1.16	"Outstanding Loan Amount"	: The amount due from an Insured Member to the Group Policyholder under an Installment credit agreement at any point in time during the term of this Policy
1.17	"Scheduled Outstanding Loan Amount"	: This is the amount of coverage during the term of the loan and is as shown in the Certificate of Insurance. The Scheduled Outstanding Loan Amount is prepared by MetLife India Insurance based on the amount of initial loan, rate of interest charged by the lender and the total tenure of the loan. The



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schedule is prepared on a monthly reducing basis.

The Scheduled Outstanding Loan Amount at no point in time shall include arrear installments or interest and/or financial charges thereon.

- 1.18** "Coverage Amount/Sum Assured" : The amount that Company promises to pay on the occurrence of Insured Event(s) as set out in the Schedule of the Certificate of Insurance issued to Each Individual Member under this Policy.
- 1.19** "Individual Underwriting" : The process of identifying and classifying the potential degree of mortality risk represented by an Insured Member. This process broadly includes completion of health declaration form or any other medical requirements needed for acceptance of risk.
- 1.20** "Single Premium" : A single payment that a member pays or agrees to pay to the Group Policyholder for effecting the coverage, with respect to that member.
- 1.21** "Writing" : A record which is on or transmitted by paper or electronic media which is acceptable to the Company and consistent with applicable law.
- 1.22** "Company" : MetLife India Insurance Company Private Limited
- 1.23** "Certificate of Insurance" : Certificate of Insurance is a separate numbered certificate issued to each of the Insured Members covered under this Policy as proof of cover. This certificate, referred hereinafter as the Certificate of Insurance shall contain the plan details, age and premium including the repayment schedule and the Scheduled Outstanding Loan Amount during the currency of the Installment Credit Agreement between the Group Policy Holder and the Insured Member concerned, for each Insured Member of the group.
- This certificate shall not however contain the terms and conditions of this Policy Document and in case of any conflict between the provisions of the Policy Document and that of the Certificate of Insurance or any administrative forms, declarations or documents, the provisions of this Policy Document shall prevail.
- 1.24** "Insurable Interest" : The amount that can be claimed by a Group Policy Holder with respect to an Insured Member under this Policy is the Insurable Interest of the Group Policy Holder with respect to the Insured Member concerned. The insurable interest is restricted to the actual Outstanding Loan Amount as on the date of death of the insured member. Such claim amount shall also be restricted only to the Installment Credit Agreements that are covered under this Policy and the Group Policy Holder shall not have the automatic right of set-off for any dues pertaining to Installment Credit Agreements (of any Insured Member) not covered under this Policy. The Company liability is only limited to the Scheduled Outstanding Loan Amount, in case the actual Outstanding Loan Amount is greater than Scheduled Outstanding Loan Amount, as on the date of death of the member.
- 1.25** Premium Quote Premium Quote is a document where MetLife India shall submit the rates along with definition of the group that is being covered, age limits applicable for the group and underwriting and /or participation limits that are applicable for the group. On acceptance of the Premium Quote the same shall be signed by the Group Policy Holder and returned to MetLife India along with the Application form for obtaining Credit Life insurance.

**2.0 Insured Event**

Death of Insured Member subject to provisions of Article 11.



### 3.0 Terms of Coverage

- 3.1 The eligibility of a Borrower of the Group Policy Holder for receiving coverage for the Sum Assured shall be determined after completion of the Individual Underwriting process as per the internal guidelines of the Company, the cost of which shall be borne fully by the Company, and coverage shall take effect on the date the Company states in Writing to the Group Policy Holder, provided all other eligibility conditions are met by the Borrower on that date. However, if the Individual Underwriting process cannot be completed due to the aforesaid Borrower's inability to complete the process within the time period specified by the Company, or the Company declines coverage for the Sum Assured based on the results of the Individual Underwriting process, such Borrower shall not be covered under this Group Policy. The minimum size of the group under this policy should be fifty.
- 3.2 Under this policy, all the existing Borrowers of the Group Policy Holder, who are eligible to be covered under this Policy on the date of commencement of this Policy, shall have ninety days time from the date of commencement of this Policy to apply to the Company requesting for coverage under this Policy. If any Borrower(s) of the Group Policy Holder, existing on the date of commencement of this Policy, seeks coverage under this Policy after ninety days from the date of commencement of this Policy, the decision to extend cover to such Borrower(s) shall be based on underwriting rules established by the company from time to time.
- 3.3 The Coverage Amount payable on the death of an Insured Member, subject to the completion of the Company's claim assessment process and admission of the claim as valid, shall be equal to the Scheduled Outstanding Loan Amount on the date of death of the Insured Member. The Amount payable shall be determined as per the Schedule provided in the Certificate of Insurance issued to the concerned Insured Member. The Coverage Amount as mentioned in the Schedule shall not change even if the Insured Member had defaulted in payment of any of the installments due to the Creditor or makes a part prepayment towards the outstanding loan amount.
- 3.4 If an Insured Member makes a part prepayment towards the Outstanding Loan Amount covered under this Group Policy, the Group Policy Holder's Insurable Interest shall stand reduced to the extent of the amount prepaid. However, the Coverage Amount payable on the death of such Insured Member, subject to the completion of the Company's claim assessment process and admission of the Claim as valid, shall continue to be as per the Schedule provided in the Certificate of Insurance to the concerned Insured Member.

In case of death of an Insured Member who had made part prepayment towards the outstanding loan amount, the Company shall, subject to the completion of its claim assessment process and admission of the claim as valid, make the payment to the Group Policy Holder in the manner and fashion as outlined under Article 5.2 below.

On receipt of the Death Benefit, the Group Policy Holder shall give a full and final discharge to the Company with respect to the claim concerned and shall also undertake to remit any amount in excess of its own Insurable Interest, with respect to the deceased member, covered under this Policy, to the nominee/ legal heir of the deceased Insured Member.

- 3.5 Where, under the Installment Credit Agreement, there are more than one Borrowers, hereinafter called Joint Borrowers, the Company may offer to cover the lives of the Joint Borrowers. On such occasions the life of each of Joint Borrowers shall be Individually Underwritten as per the Individual Underwriting guidelines of the Company.

The Facility of offering cover to the Joint Borrowers shall however be dependant on submission of proof by the Group Policy Holder clearly establishing that the aforesaid loan has been sanctioned taking into consideration the income of each of the Joint Borrowers and that the share of initial loan amount of each of the Joint Borrowers is atleast 20% of the aforesaid loan. Further, the cover to the Joint Borrowers shall only be provided if each of the Joint Borrower have their individual source of income and the same is duly certified by the Group Policy Holder.

The age difference between first and second life should be less than or equal to 15 years. The term of loan under consideration should be above 5 years. Only coverage in lieu of housing loan is



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allowed

At any point, claim for only one of the Joint Borrowers shall be accepted.

The amount payable in the event of death of any one of the Joint Borrowers covered under this Policy, subject to the completion of the Company's claim assessment process and admission of the Claim as valid, shall be equal to the Scheduled Outstanding Loan Amount on the date of death of the Insured Member, in accordance as per the proviso mentioned under 3.3 and 3.4

Once the above mentioned amount is paid, the surviving Joint Borrowers shall not be eligible for any cover under this Policy.

**3.6 Underwriting Guidelines for New members or increase in coverages:**

The Underwriting Guidelines for new members joining the scheme and / or for increase in coverage amount for existing members shall be set by us from time to time.

**4.0 Increase in Coverage**

If an existing member requests for an increase in coverage on account of enhancing the existing loan amount and / or taking a fresh loan the commencement of any such coverage shall be subject to the terms and conditions as described under Section 3.0. Any such increase shall be subject to the minimum Sum Assured limit (per member) of this policy, which is currently Rupees Five Thousand. However, on extending the coverage, a fresh certificate for the portion of enhanced coverage shall be issued on acceptance of such coverage subject to payment of premiums prevailing at that point in time.

**5.0 Payment of Benefits**

**5.1 Insurance Benefit** – The Coverage Amount, as defined in the Schedule, is payable by the Company on occurrence of the Insured Event.

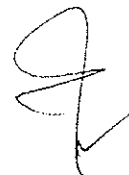
**5.2 Nominee/ies** – Where the actual outstanding loan amount on the date of death is less than the Scheduled Outstanding Loan Amount the difference between the Scheduled Outstanding Loan Amount and the actual Outstanding Loan Amount shall be paid by the Group Policy Holder to the nominee / legal heir of the Insured Member.

**5.3 Notification of a claim** – The Group Policy Holder must notify the Company in Writing within 60 days period after occurrence of the Insured Event. The Nominee of the deceased Insured Member shall also have the facility to notify the claim to the Company alongwith the notification to the Group Policy Holder.

**5.4 Filing of a claim** – The primary documents required for processing the claim include:

- Claimant Statement prescribed by the Company.
- Original Certificate of Insurance issued to the deceased Insured Member
- Certified copy of the official death certificate issued by a competent authority such as Registrar of Births & Deaths, Corporation, Municipality, Panchayat or such other statutory bodies
- Group Policy Holder certifying that the Insured Member was a Member of the group at the time of the Insured Event.
- Last attending physician's certificate, in the format provided by the Company, if the Insured Event is due to natural cause.
- Police inquest report, and post mortem report if the Insured Event is due to an unnatural cause.
- Any additional document(s) as required by the Company

**5.5 Processing of claim** – A claim under Group Policy shall be paid or repudiated giving all the relevant reasons, within 30 days from the date of receipt of all required documents and clarifications for the purpose of settlement of the claim. However, where the circumstances of a



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claim warrant an investigation in the opinion of the Company, it shall initiate and complete such investigation at the earliest, which shall be done in no case later than 6 months from the date of receipt of primary documents

**5.6 Payment of claim –**

The benefit payable under this policy on occurrence of death claim shall be the amount shown in the Scheduled Outstanding Loan Amount.

On receipt of the Benefit Amount, the Group Policy Holder shall give a full and final discharge to the company with respect to the claim concerned and shall also undertake to remit any amount in excess of its own Insurable Interest, with respect to the deceased member, covered under this Policy, to the nominee/legal heir of the deceased Insured Member.

**5.7 Repudiation of claim –** If the Company repudiates a claim in whole or in part, the notification of the claim decision shall state in detail the reasons for repudiation of the claim.

**6.0 Premiums**

**6.1 Premium Rate(s) –** The initial Premium Rate is as stated in the Premium Quote. For any Insured Member the final Sum Assured, Premium Rate and Premium shall be determined after completion of the Individual Underwriting process for the Insured Member/s, and such final Premium Rate shall be applicable on the entire Sum Assured of cover provided to the Insured Member concerned. The premium rate for each individual member depends on the age of the insured member, term of the loan and loan interest rate.

**6.2 Premium rates for New Members/Increase in Sum Assured:**

The coverage with respect to new members and / or increase in Sum Assured for existing members shall be subject to payment of premiums that are prevailing at the time of taking such coverage.

The Company reserves the right to review the Premium Rates provided in the Premium Quote, by providing a notice period of ninety days. For new members and / or increase in Sum Assured, the Premium Rates applicable shall be the rates prevalent at the effective date of coverage of respective Eligible Member.

**7.0 New Members Addition**

- 7.1 New Borrowers will be allowed to enter the Scheme based on intimation given by the Group Policy Holder to the Company in a form and manner as described in Articles 7.2 and 7.3.
- 7.2 The Group Policy Holder shall provide the details regarding the new Borrowers, eligible for coverage under the scheme, in a format and as per a schedule that is mutually agreed upon by the Group Policy Holder and the Company.
- 7.3 The new Borrowers shall be covered under the Scheme as per Articles 3.1, 3.3, 3.4 & 3.5 of this Policy Document.
- 7.4 Either Group Policy Holder or the Company may close the policy for new member additions by giving a minimum of 90 days written notice to the other party.

**8.0 Termination of Coverage**

This coverage shall terminate, upon earliest of the following circumstances:

- 1. Expiration as a result of Article 5.6,
- 2. Cancellation of this Group Policy either due to circumstances such as winding up or any other form of corporate restructuring which results in the group policy holder ceasing to exist after such



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- restructuring by giving a minimum of 30 days written notice to the other party.
3. Upon foreclosure of all the outstanding loans covered under this policy.
  4. Death of the Insured Member.
  5. The Earlier of :
    - the Date the Insured Member attains age 70 years
    - the date the full Outstanding Loan Amount is scheduled to be repaid, i.e. the Date of Cessation of Cover as mentioned in the Certificate of Insurance Issued to the concerned Insured Member.
  6. The date the Insured Member ceases to be an Eligible Member of the Policy Holder group.

Any termination of coverage in accordance with this section shall be without prejudice to any claim originating prior to the effective date of such termination.

**9.0 Exclusion**

- 9.1 If an Insured Member commits suicide, whether sane or not at the time, within one year from the Effective Date of Coverage as stated in the Schedule, then the liability of the Company shall be limited to a refund of the Premium(s) received, without interest, less any expenses (Stamp Duty and cost of medical examination of the insured) incurred by the Company.
- 9.2 There are no restrictions on travel except to areas notified by local governments for "Travel Advisory" risks.
- 9.3 This Policy does not impose any restrictions as to residence or occupation except as otherwise provided by law.

**10.0 Right of Inspection**

Upon request the Group Policy Holder shall furnish detailed information on the individual Borrowers and/or the group of Borrowers covered under this Policy. Further, in case of compulsory participation Policy, the Group Policy Holder shall, on request, provide the information on its existing loan portfolio and state the reason for excluding any class of Borrowers from coverage under this Policy.

**11.0 Loan Foreclosure**

In respect of an early settlement of Outstanding Loan Amount by the Insured Member, other than as a result of occurrence of insured event, any insurance covering the Scheduled Outstanding Loan Amount shall be terminated and a surrender value shall be paid as per the formula given under Section 12.0 below.

**12.0 Surrender Benefits**

The surrender benefits, equal to a pre-determined percentage of the un-expired premium shall be payable under following circumstances:

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- Group policyholder cancels the policy under circumstances such as winding up or any other form of corporate restructuring and results in the group policyholder ceasing to exist after such restructuring
- Member completely pre-paying the loan before Loan Maturity Date.

The amount of surrender value payable would be determined as follows:

$$\text{Refund} = (t / n) * \text{Tabular single premium} * k$$

Where;

t = balance number of years of policy term as at the date of surrender  
(rounded off to the next lower integer)

n = Outstanding loan term at the time of commencement of coverage

Where; k = 60% if (a) n <= 5 years  
Or

(b) t is greater than 1/3 of the original term n

k = 30% otherwise

The contract shall be terminated on the payment of the surrender benefit.

#### 13.0 General Provisions

- 13.1 Governing Laws and Jurisdiction** – The terms and conditions of the Group Policy shall be governed by and subject to the laws of the Republic of India. The parties shall be subject to the jurisdiction of the law courts situated in Bangalore for all matters and disputes arising from or related to or concerning the Application, the Declaration, and the Group Policy.
- 13.2 Incontestability** – In accordance with the provisions of Section 45 of the Insurance Act, 1938, 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 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 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 disclosed.
- 13.3 Disclosure** – This Policy has been issued on Group Policy Holder's representations that Group Policy Holder has made full and accurate disclosures of all material facts and circumstances and that Group Policy Holder has not misrepresented or suppressed any material facts or circumstances. In the event it comes to the Company's knowledge that Group Policy Holder has misrepresented or suppressed any material facts and circumstances the Company shall reserve the right at its sole discretion to take such action, as it deem appropriate including cancellation of the Policy, the benefits attached thereto and forfeiture of Premium(s) received.
- 13.4 Breach of Warranty** – If any falsification, inaccuracy, mis-statement, concealment or suppression of information contained in the Application, the Declaration and/or such other documents on the basis of which this Group Policy is issued, is proved, any claim for the Benefit(s) shall stand repudiated
- 13.5 Assignment** – The benefits under this Group Policy are not assignable, chargeable, or alienated in any manner whatsoever.



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- 13.6 Address for Communications-** All Communications with respect to this Group Policy shall be sent to the following Address:

MetLife India Insurance Company Pvt.Ltd  
Registered Office: 'Brigade Seshamahal'  
5-Vani Vilas Road,  
Basavanagudi, Bangalore – 560 004

**14.0 Grievance Redressal Mechanism**

- 14.1 Designated Authority in the Company -** The Group Policy Holder may approach following grievance redressal authority in the Company, in the event the Group Policy Holder or the Members Insured are aggrieved with any of the decisions taken by the Company. The authority is empowered to promptly review and address the grievances and take appropriate action.

The Officer-in-Charge (Member Services)  
MetLife India Insurance Company Pvt.Ltd  
Registered Office: 'Brigade Seshamahal'  
5-Vani Vilas Road, Basavanagudi,  
Bangalore – 560 004

- 14.2 Insurance Ombudsman -** The Central Government has framed rules known as "Redressal of Public Grievances Rules 1998 and created an authority called "Insurance Ombudsman" to resolve all complaints relating to settlement of claims on the part of insurance companies. Complaints to the "Ombudsman" can lie only when the Company rejects the complaint or no reply received within one month of the complaint or the reply is not satisfactory. A complaint can be made to the ombudsman within one year after the Company rejects the representation.

