

SHRIRAM CREDIT GUARD

About the product:

Shriram Credit Guard group insurance product is basically to protect the Financial Institutions/Banks etc, against default of repayment of loan, by their customers who have taken Loans and agree to repay the same in Equated monthly Installments over a period of time, ranging from one year to ten years, in case of their untimely death during this repayment period.

The Individual member taking Loan from the Financial Institution/Bank is also protected, by repayment of the outstanding Loan by the Insurer and the underlying asset if any can, be enjoyed by the dependent family members/Nominee instead of losing the asset to the Institution/Bank.

Individuals taking Mortgage Loans for Housing, for purchase of Two Wheelers and Four Wheelers viz, Cars and Trucks and Consumer Loans can be covered in this Scheme.

The Financial Institution/Bank will be the Master Policy Holder, and all the Customers who opt for Cover under this Scheme will be the Members of this Group Policy.

The cover is offered from the 1st of the month following granting of the loan to the members in the group.

It comes with an affordable premium and a Decreasing Risk Cover Schedule that matches the Principal repayment Schedule of each of the Member in the Group. The Single Premium is payable by the Master Policyholder on behalf of its Group members.

How Members are classified into different Groups.

The Loan Customers are broadly classified as Group A, B, C, D, E, F or G based on occupation of the Loanee's in the Group.

Group A – Senior Management who performs no Manual work.

Group B – Middle Management who perform no manual work.

Group C – Junior Management and other Executives who perform no manual work.

Group D – White Collar Office workers who perform non –manual work in offices.

Group E – Skilled Blue Collar workers who involve in manufacturing and mechanical activities.

Group F – Skilled blue Collar workers who involve in Maintenance work and Construction activities.

Group G – Semi-Skilled Blue Collar workers who involve in activities mentioned in "E" & "F" above but without technical knowledge.

The decision of the Appointed Actuary will be final in deciding the Group Classification based on the member profile and other factors.

Key Features of the product:

1. The Risk Cover amount is the outstanding loan amount at the beginning of every month as per the outstanding loan amount Schedule after payment of the Equated monthly Installment provided at the time of taking the loan by the Member.
2. The death benefit will be equal to the loan outstanding at the beginning of the month of death of the Member, as per the loan schedule, which is paid immediately to the loan provider by the Insurer.
3. The premium is paid only once i.e. at the time of sanction of loan to the member, by the loan provider after collecting the same from the Member.
- 4.. There is no survival benefit under this product.
5. The product is offered as a Contributory Scheme and the Scheme is compulsory for all members taking Loans from the Loan provider.
6. Individuals taking Mortgage Loans for Housing, for purchase of Two Wheelers and Four Wheelers viz, Cars and Trucks and Consumer Loans can be covered in this Scheme.
7. In case of Foreclosure of loan or transfer of the loan to other company/ financial institution – life cover will cease and the proportion of the premium - which equals,
90%of {Single Premium*{outstanding term/Total term}} would be refunded back to the member.
8. Declaration of good health required for all members as per the proposal form.
9. Free Cover Limit is the amount of cover up to which insurance cover can be allowed based on satisfactory responses to some simple insurability conditions without requiring medical evidence. The free cover limit is Rs 10,00,000/- for this plan.

II. Eligibility Conditions:

Minimum Age at entry for the member	20 years
Maximum Age at entry for the member	64 Years
Maximum Age at Maturity for the member	65 Years
Minimum Policy Term	1 Years
Maximum Policy Term	10 years
Minimum Sum Assured/Loan Amount	Rs.5, 000/-
Maximum Sum Assured/Loan Amount cover:	Subject to underwriting conditions

Minimum Group Size:	1000 members
Frequency of Payment:	Single Premium
Entry to the scheme	From the 1 st of the month following the date of taking loan.
Exit from the scheme:	Only after the loan period is over or early repayment of the loan, whichever is earlier.

Cooling off Cancellation

If the policy holder is not satisfied with the 'Terms and Conditions' of the policy, the policy can be returned to the company within 15 days of receipt of the policy bond. However, the mortality charges up to the date of cancellation and Stamp duty and medical expenses if any on the policy will be deducted while refunding the premium.

Exclusions:

1.Occupation exclusions:

Persons engaged in hazardous occupations such as steeple chasing, mountaineering, hunting and racing of any kind are excluded.

2.Suicide exclusion:

If death occurs due to suicide, whether sane or insane within one year after the acceptance of the policy, no benefit will be payable.

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 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 rebates 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 bonafide insurance agent employed by the insurer.
2. Any person making default in complying with the provisions of this section shall be punishable with a fine which may extend to Rs.500/-.

About Shriram Life Insurance Company Ltd.:

Shriram Life Insurance Company is the joint venture between the Shriram Group and the Sanlam

Group.

The Shriram Group is one of the largest and well-respected financial services conglomerates in India. The Group's main line of activities in financial services include chit fund, truck financing, consumer durable financing, stock broking, insurance broking and life insurance.

The Sanlam Group was established in 1918 and has a leadership position in financial services in South Africa. Demutualized in 1998, the group is listed on the JSE Securities Exchange in Johannesburg and on the Namibian Stock Exchange. It has a current market capitalization of USD 5.4 billion. The Sanlam Group also operates in the areas of group schemes, retirement funds, short-term insurance, asset management and other financial services.

Contact us at:

Shriram Life Insurance Company Limited

3-6-478, 3rd Floor, Anand Estates,

Liberty Road, Himayat Nagar,

Hyderabad - 500 029

India.

Phone: +91 - 40 - 2343 4466 Fax: +91 - 40 - 2343 4488

Illustration:

Illustration Excluding Service Tax							
Age at Entry	35 yrs						
Loan Amount (Rs)	Rs 3, 00, 000/-						
Repayment Term	5 yrs						
Interest Rate Applicable	20 % p a						
Cover at the Start (Rs)	Rs 3, 00, 000/-						
Equated Monthly Installment (EMI)	Rs 7, 948/-						
Single Premium for the Cover	Group A	Group B	Group C	Group D	Group E	Group F	Group G
Provided for different Groups	1567	1706	1845	2191	2537	2883	3229