

**ABSTRACT OF THE TERMS & CONDITIONS OF AVAILING LIFE INSURANCE UNDER
GROUP LIFE INSURANCE POLICY**

L1. Benefits

Benefits on Death or diagnosis of Contingency covered

1. Plan options available under the product and their respective benefits are as follows:

Plan Options	Death Benefit	Other Benefits
Life Option	Sum Assured	None
Extra Life Option	Sum Assured	Sum Assured upon Accidental Death
Terminal Life Option	Sum Assured	Acceleration of Death Benefit upon diagnosis with Terminal Illness
Critical Life Option 1	Sum Assured	Acceleration of Death Benefit upon diagnosis with one of the specified Critical Illnesses (with the CI benefit term equal to main benefit term or 5 years whichever is lower)
Critical Life Option 2	Sum Assured	Acceleration of Death Benefit upon diagnosis with one of the specified Critical Illnesses (with the CI benefit term equal to main benefit term or 10 years whichever is lower)
Life Disability Option	Sum Assured	Acceleration of Death Benefit upon Total and Permanent Disability

2. The benefits specified above are payable provided the death or accidental death or terminal illness or total and permanent disability has occurred during the Coverage Term for the insured Scheme Member.
3. The acceleration of death benefit in respect of Critical Life Option 1 or Critical Life Option 2 is payable provided the critical illness has occurred during the CI Benefit Term for the insured Scheme Member.
4. The Sum Assured specified above shall mean:
 - Original Sum Assured for level term assurance coverage
 - Decreasing Sum Assured for the decreasing term assurance coverage
5. For Joint Life cases, the benefits will be payable on a first-claim basis and upon the payment of benefit in respect of the first claimant, the cover for the other life will terminate. For the avoidance of doubt, it is clarified that in respect of Critical Life Option 1 or Critical Life Option 2, if the critical illness claim has been made in respect of one of the lives, the critical illness cover will terminate for both the lives but the death benefit cover will continue.
6. Please refer to the Appendix B for the Definitions and Exclusions of Critical Illnesses, Appendix C for the Definition and Exclusions of Accidental Death, Terminal Illness and Total and Permanent Disability.
7. The Certificate of Insurance issued to a Scheme Member will set out the benefit payable in respect of that Scheme Member during the Coverage Term.
8. Upon the payment of the benefits as mentioned above with respect to the options availed, the cover for that Scheme Member shall cease.
9. The benefit as set out in the Scheme Member's Certificate of Insurance at the inception of membership shall be paid to the Nominee of the deceased Scheme Member. If the benefit is in the form of an acceleration of the death benefit and the Scheme Member is alive, then the benefit shall be payable to the Scheme Member.

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10. In the instances where the insurance cover is sought for an institution's members unconnected with a loan, the benefit as set out in the member's Certificate of Insurance shall be payable.
11. In case of death due to suicide, within 12 months from the date of inception of the cover, the nominee of the Scheme Member shall be entitled to 80% of the premium paid. In case of death due to suicide after 12 months from the date of inception of the cover, the death benefit as specified in Provision L5(1) shall be payable.
12. Payment of Death Benefit to Policyholder:

If the Policyholder is 1) Reserve Bank of India ("RBI") regulated Scheduled Commercial Bank, 2) NBFs having Certificate of Registration from RBI or 3) National Housing Bank regulated Housing Finance Company, the payment of death benefit to the Policyholder may be made by the Insurer subject to the below mentioned conditions and in compliance with guidelines set forth by IRDAI in this regard:

- a) The Policyholder provides documentary evidence to establish that it is registered with RBI/ NHB.
- b) Scheme Members have specifically authorised the Insurer in a format provided by the Insurer to make payment of outstanding loan balance amount to the Policyholder by deducting from the death benefit payable on death of the Scheme Member;
- c) The Policyholder has collected written authorization from the Scheme Member and submitted the same to the Insurer;
- d) Credit Account Statement has been provided by the Policyholder with details of Scheme Member as required by the Insurer and in formats provided by the Insurer;
- e) The death benefit claimed by the Policyholder is only to the extent of the outstanding loan balance; and
- f) Where the death benefit is greater than the outstanding loan balance of the Scheme Member, the excess of the death benefit over such outstanding loan balance is paid to the nominee of the Scheme Member.

Maturity Benefits

1. No benefits are payable on the expiry of the Coverage Term.

Surrender Benefits

1. A Scheme Member may surrender his Certificate of Insurance during the Coverage Term and obtain a surrender value, calculated using the formula specified below:

$$70\% \times \text{Single Premium} \times \frac{\text{Unexpired Coverage Term (in complete months)}}{\text{Original Coverage Term (in months)}} \times \frac{\text{Current Sum Assured}}{\text{Initial Sum Assured}}$$

For the avoidance of doubt, it is clarified that the Current Sum Assured and the Initial Sum Assured shall be the same for level term assurance cases.

2. The premium for the purpose of calculating the surrender value does not include:
 - g) Statutory Tax & Levies such as service tax and education cess; and
 - h) Any underwriting extra premium charged
3. The surrender value payout will be reduced by any applicable Statutory Taxes & Levies.

L2. Premiums

1. Separate premiums are payable in respect of every Scheme Member insured under the Policy.
2. The product is a single premium product.

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3. New members are allowed to join the Scheme at any time, provided the application is accepted by the Insurer. Insurance cover for new members shall not commence before the receipt of premium.
4. In addition to the base premium, service tax and any other applicable statutory taxes, duties and levies (including education cess or any other charge thereon) shall be payable.
5. The Insurer reserves the right to collect any additional taxes or levies (such as Goods and Service Tax) that may be introduced in the future by the government, as and when such taxes become effective.

L3. Closure to New Members

1. The Insurer reserves the right to close the Scheme for the new members at its sole discretion after providing a notice of up to 30 days to the Policyholder.
2. In the instance where the Insurer has exercised such right to close the Scheme for the new members, the Insurer shall continue to provide the insurance cover for the existing Scheme Members for their respective unexpired Coverage Terms.

L4. Variation of Terms and Conditions

1. The Insurer reserves the right to vary the Policy Provisions and the Schedule due to legal or regulatory changes after intimating the Policyholder of its intention to do so in writing.
2. The Insurer reserves its right to audit or cause an audit into the accuracy of the Credit Account Statements of the deceased Scheme Members provided by the Policyholder. Alternatively the Insurer may at its discretion delegate its responsibility and require the Policyholder to audit or cause an audit into the accuracy of the Credit Account Statements and obtain a certification from the Policyholders internal/ statutory auditors that the outstanding loan balance shown the Credit Account Statement is correct.

L5. General

1. Any information needed to administer the Policy must be furnished by the Policyholder.
2. If the information provided by the Policyholder in the application form is incorrect or incomplete, the Insurer reserves the right to vary the benefits which may be payable.
3. The Insurer reserves the right to change any of these Policy provisions if it becomes impossible or impractical to execute the provision.
4. The Insurer can check, at any time, if the benefit payments are being made to the correct person as and when due.
5. The Policyholder can nominate a person/ persons in accordance with Section 39 of the Insurance Act, 1938 as amended from time to time. Simplified version of the provisions of Section 39 is enclosed in Annexure I for reference.
6. Fraud, misrepresentation and forfeiture would be dealt with in accordance with provisions of Section 45 of the Insurance Act 1938 as amended from time to time. Simplified version of the provisions of Section 45 is enclosed in Annexure II for reference.

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L6. Insurance Legislations

1. Section 41 of the Insurance Act, 1938 states:

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.

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.

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.

2. Anti Money Laundering Provisions

The Prevention of Money Laundering Act, 2002, has been made applicable to Insurance Companies. Accordingly HDFC Standard Life Insurance Company Limited shall enforce the rules as and when the same are notified by the Authorities for this plan/such plan(s).

3. Miscellaneous

This Policy is subject to the Insurance Act 1938, as amended by the Insurance Regulatory and Development Authority Act, 1999, such amendments, modifications as may be made from time to time and such other relevant regulations as may be introduced there under from time to time by that Authority.

4. Jurisdiction:

This contract shall be governed by the laws of India. The courts of Mumbai shall have the exclusive jurisdiction to settle any disputes arising under this contract.

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HDFC STANDARD LIFE INSURANCE COMPANY LIMITED

1. Eligibility to join the Scheme for the Scheme Member

Eligibility	Age (last birthday) (in years)
Minimum Age at Entry	14
Maximum Age at entry	70
Minimum Maturity Age	15
Maximum Maturity Age	75

Annexure I

Section 39 - Nomination by policyholder

Nomination of a life insurance Policy is as below in accordance with Section 39 of the Insurance Act, 1938 as amended by Insurance Laws (Amendment) Ordinance dated 26.12.2014. The extant provisions in this regard are as follows:

- (1) The policyholder of a life insurance on his own life may nominate a person or persons to whom money secured by the policy shall be paid in the event of his death.
- (2) Where the nominee is a minor, the policyholder may appoint any person to receive the money secured by the policy in the event of policyholder's death during the minority of the nominee. The manner of appointment to be laid down by the insurer.
- (3) Nomination can be made at any time before the maturity of the policy.
- (4) Nomination may be incorporated in the text of the policy itself or may be endorsed on the policy communicated to the insurer and can be registered by the insurer in the records relating to the policy.
- (5) Nomination can be cancelled or changed at any time before policy matures, by an endorsement or a further endorsement or a will as the case may be.
- (6) A notice in writing of Change or Cancellation of nomination must be delivered to the insurer for the insurer to be liable to such nominee. Otherwise, insurer will not be liable if a bonafide payment is made to the person named in the text of the policy or in the registered records of the insurer.
- (7) Fee to be paid to the insurer for registering change or cancellation of a nomination can be specified by the Authority through Regulations.
- (8) On receipt of notice with fee, the insurer should grant a written acknowledgement to the policyholder of having registered a nomination or cancellation or change thereof.
- (9) A transfer or assignment made in accordance with Section 38 shall automatically cancel the nomination except in case of assignment to the insurer or other transferee or assignee for purpose of loan or against security or its reassignment after repayment. In such case, the nomination will not get cancelled to the extent of insurer's or transferee's or assignee's interest in the policy. The nomination will get revived on repayment of the loan.
- (10) The right of any creditor to be paid out of the proceeds of any policy of life insurance shall not be affected by the nomination.
- (11) In case of nomination by policyholder whose life is insured, if the nominees die before the policyholder, the proceeds are payable to policyholder or his heirs or legal representatives or holder of succession certificate.
- (12) In case nominee(s) survive the person whose life is insured, the amount secured by the policy shall be paid to such survivor(s).
- (13) Where the policyholder whose life is insured nominates his
 - a. parents or

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- b. spouse or
- c. children or
- d. spouse and children
- e. or any of them

the nominees are beneficially entitled to the amount payable by the insurer to the policyholder unless it is proved that policyholder could not have conferred such beneficial title on the nominee having regard to the nature of his title.

- (14) If nominee(s) die after the policyholder but before his share of the amount secured under the policy is paid, the share of the expired nominee(s) shall be payable to the heirs or legal representative of the nominee or holder of succession certificate of such nominee(s).
- (15) The provisions of sub-section 7 and 8 (13 and 14 above) shall apply to all life insurance policies maturing for payment after the commencement of Insurance Laws (Amendment) Ordinance, 2014 (i.e 26.12.2014).
- (16) If policyholder dies after maturity but the proceeds and benefit of the policy has not been paid to him because of his death, his nominee(s) shall be entitled to the proceeds and benefit of the policy.
- (17) The provisions of Section 39 are not applicable to any life insurance policy to which Section 6 of Married Women's Property Act, 1874 applies or has at any time applied except where before or after Insurance Laws (Ordinance) 2014, a nomination is made in favour of spouse or children or spouse and children whether or not on the face of the policy it is mentioned that it is made under Section 39. Where nomination is intended to be made to spouse or children or spouse and children under Section 6 of MWP Act, it should be specifically mentioned on the policy. In such a case only, the provisions of Section 39 will not apply.

Disclaimer: This is only the relevant extract of the Insurance Laws (Amendment) Act, 2015. Policy Holders are advised to refer to Insurance Laws (Amendment) Act, 2015 dated 23.03.2015 for complete and accurate details.

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Annexure II

Section 45 – Policy shall not be called in question on the ground of mis-statement after three years

Provisions regarding policy not being called into question in terms of Section 45 of the Insurance Act, 1938, as amended by Insurance Laws (Amendment) Ordinance dated 26.12.2014 are as follows:

- (1) No Policy of Life Insurance shall be called in question on any ground whatsoever after expiry of 3 yrs from
 - a. the date of issuance of policy or
 - b. the date of commencement of risk or
 - c. the date of revival of policy or
 - d. the date of rider to the policywhichever is later.

- (2) On the ground of fraud, a policy of Life Insurance may be called in question within 3 years from
 - a. the date of issuance of policy or
 - b. the date of commencement of risk or
 - c. the date of revival of policy or
 - d. the date of rider to the policywhichever is later.

For this, the insurer should communicate in writing to the insured or legal representative or nominee or assignees of insured, as applicable, mentioning the ground and materials on which such decision is based.

- (3) Fraud means any of the following acts committed by 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.
- (4) Mere silence is not fraud unless, depending on circumstances of the case, it is the duty of the insured or his agent keeping silence to speak or silence is in itself equivalent to speak.
- (5) No Insurer shall repudiate a life insurance Policy on the ground of Fraud, if the Insured / beneficiary can prove that the misstatement was true to the best of his knowledge and there was no deliberate intention to suppress the fact or that such mis-statement of or suppression of material fact are within the knowledge of the insurer. Onus of disproving is upon the policyholder, if alive, or beneficiaries.
- (6) Life insurance Policy can be called in question within 3 years on the ground that any statement of or suppression of a fact material to expectancy of life of the insured was incorrectly made in the proposal or other document basis which policy was issued or revived or rider issued. For this, the insurer should communicate in writing to the insured or legal representative or nominee or assignees of insured, as applicable, mentioning the ground and materials on which decision to repudiate the policy of life insurance is based.

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- (7) In case repudiation is on ground of mis-statement and not on fraud, the premium collected on policy till the date of repudiation shall be paid to the insured or legal representative or nominee or assignees of insured, within a period of 90 days from the date of repudiation.
- (8) Fact shall not be considered material unless it has a direct bearing on the risk undertaken by the insurer. The onus is on insurer to show that if the insurer had been aware of the said fact, no life insurance policy would have been issued to the insured.
- (9) The insurer can call 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 of age of life insured. So, this Section will not be applicable for questioning age or adjustment based on proof of age submitted subsequently.

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APPLICATION AND CONSENT TO BECOME A MEMBER UNDER GROUP LIFE INSURANCE POLICY FOR PERSONAL LOAN CUSTOMERS.

Contract No:

Date:

Home Credit India Finance Private Limited.
3rd Floor, Tower C, DLF Infinity Towers, DLF Cyber City Phase II, Gurugram, Haryana

I would like to apply for, and accordingly give consent to, voluntarily and unconditionally, membership of group life insurance policy underwritten by **HDFC Standard Life Insurance Company Limited (“Insurer”)** and proposed by Home Credit India Finance Private Limited (“**Master Policyholder**”) for the benefit of its customers/ borrowers who have specifically opted for insurance.

I confirm that I have read and understood the terms and conditions of Group Policy as available on <https://homecredit.co.in/corporate-governance> and I have applied for the life insurance with following details only after receiving all information about the Group Policy, including but not limited to, risk cover, insurance premium and claim settlement process of Insurer:

Group Policy		Risk Coverage	Death Benefit as per Group Policy. No benefit payable on maturity.
Sum Assured	_____ Times of the Loan Amount	Effective Date	_____
Insurance Term	_____ year	Nominee’s Name	_____
Insurance Premium	Rs. _____ per thousand*	Nominee’s Relation with Borrower	_____

* Rounding of premium amount upto two decimals. Goods & Service Tax and other taxes extra as applicable.

I agree that the premium under this Group Policy will be included in the monthly fee charged by Master Policyholder basis my application for the Loan. I hereby authorize Master Policyholder to provide my personal, demographic, business, credit, financial and other information/ data that is reasonably necessary for the Insurer to provide me with insurance coverage.

I do hereby declare that I have received a loan from Master Policyholder. In order to secure the said loan I have enrolled myself under the Group Insurance Scheme through the Master Policy Holder offered by Insurer. In consideration of receiving the said loan I hereby authorize Insurer to make payment to the extent of Outstanding Loan Balance amount to Master Policyholder by deducting from the claim proceeds payable on happening of the contingent event covered by this Group Policy referenced above and the remaining to the Nominee. For this purpose, I confirm that ‘Outstanding Loan Amount’ shall include the balance amount of principal, interest, fee and penalties as mentioned in the statement of loan account submitted by Master Policyholder. I further declare and confirm that I, or my nominee, and/ or legal heir shall not dispute the right of Master Policyholder to receive the Outstanding Loan Amount out of the proceeds of insurance claim any point of time.

I declare that I am in a sound state of health. I hereby declare that, as of the date of this declaration, I do not have any history of, have never suffered from or currently suffering from medical conditions such as, but not limited to, high blood pressure, chest pain, heart attack or any other heart condition; stroke, transient ischemic attack or any other cerebrovascular disease; diabetes or any other endocrinal disease; kidney disease; HIV / AIDS or AIDS related complex; any cancer or tumor; asthma or any other respiratory disease; any mental or nervous disease; hepatitis or any other liver disease; blood disorders; digestive and bowel disorders; paraplegia, physical disability or any other disorder of the bones, spine or muscle; any other disease, disorder or disability, not mentioned above and excluding minor impairment such as common cough or cold. I have never undergone or expect to undergo any surgical procedure for any illness, ailment, disease or disability. In the last 5 years, I have not received any form of medication for more than 7 consecutive days or been absent from work for more than 7 days. For Female Lives: I further declare that presently I am not pregnant or I do not have a history in the past of an abortion, miscarriage or caesarian section due to complications during pregnancy or due to any other cause, I have not given birth to a child with any congenital disorder such as Down Syndrome, congenital heart disease, etc and I have not ever had any disease of breast, uterus, cervix, ovaries or any other part of the reproductive system. I further declare that, as of the date of this declaration, I do not engage or intend to engage in any business, sport or occupation of a hazardous nature. I declare that, I do not have any history of conviction under any criminal proceedings in India or abroad. I understand, agree and confirm that these statements and this declaration are basis of the contract between the insurer and the policyholder. If any untrue statement are contained herein or there has been any non disclosure of any material fact, the policy to be issued by the insurer in the name of the policyholder may be treated as void as far as I am concerned. I confirm that I have read and understood, the rules and any additional rules of the plan, the standard Policy provisions and any additional provisions that govern the policy to be issued by insurer in the name of the policyholder and on my life, and I agree and confirm that the same shall be binding on me. I authorise the policyholder to disclose to the insurer such particulars as they may require including the details given above and any changes to the same pay the premium payable on my behalf /collected from me to the Insurer. I understand that any statutory levy or charges including any indirect tax may be charged to me either now or in future by the insurer and I agree to pay the same. I understand that HDFC SLIC has the right to reject a proposal without giving reasons thereto and client to give an undertaking thereof that he shall not raise any claims thereof. I understand the significance of the contract and the contract will be governed by the provisions of the Insurance Act 1938 as amended from time to time and that the same will not commence until written acceptance of this application by Insurer issue on its normal terms and conditions is received.

I agree that all the claims under the Group Policy shall be addressed/ resolved by Insurer only. I agree that Master Policyholder shall be under no obligation to settle any insurance claim. The certificate of insurance shall be provided by the Insurer separately on approval. I the undersigned hereby declare that the above statements and particulars are true, accurate and complete and I declare and agree that this declaration shall be held to be promissory and shall be the basis of my membership under Group Policy. I also confirm the receipt of copy of these terms and conditions from Master Policyholder

Applicant sign:

Applicant Name: