



SHRIRAM LIFE SUJANA

UIN-128N086V01

A non-linked non-participating group credit life micro term insurance plan

Shriram Life Sujana is a non linked and non participating group credit life micro insurance product. The product aims to provide financial security to the families of members of groups having lender borrower relationship, in case of death.

Eligibility	
Age at entry	18 years to 73 years age last birthday
Age at maturity	18 years to 75 years
Policy term	6 months to 5 years for single and 5 years for regular and Limited premium policies
Premium paying term	Single Limited- 2 years Regular- 5 years
Cover option	Single & Limited: Level, Reducing Annually and Reducing Monthly Regular: Level
Minimum sum assured	Rs. 1000 per member
Maximum sum assured	Rs. 2,00,000 per member
Minimum Group size	5.
Minimum Premium	Minimum premium is as per the minimum sum assured
Maximum Premium	Single Premium: Maximum premium is as per the maximum sum assured Regular and Limited Premium Pay: Rs. 750 per annum per member

Any lending organization like Micro finance Institution (MFI), self help group (SHG), co-operative banks, Non Government Organisations (NGO) can be a master policyholder.

On receipt of an application with the details of members of group to be covered along with the full premium and the same is accepted by the Company, the master policy is issued by the Company to the master policy holder.

The cover shall reflect the pattern of the loan schedule.

The product is offered under single, limited and regular premium pay types.

The insurance cover shall not exceed the loan amount granted/ loan outstanding at the time of proposal.

The policy term shall be equal to the loan tenure/outstanding loan tenure as applicable.

The product offers cover on the following bases.

Single life: The cover is offered on single life basis.

Joint Life: The cover is offered on joint life basis. Each of the joint lives is covered for same amount of cover equal to the loan amount. In case of death of either of the joint insured members, whichever occurs first, the death benefit will be paid and the cover will cease on the second life also.

The second life shall be a person having insurable interest. The second life can be spouse.

Multiple Borrowers: The cover is offered on proportionate basis to the extent of the respective share of the loan taken by the co borrowers. In case of death of a borrower, the benefit will be paid as per their respective benefit schedule and the cover will continue for the remaining insured borrowers for the remaining cover term.

The product can be offered to the members of:

- Non -Government Organizations' (NGOs)
- Self-Help Groups (SHG)
- Micro Finance Institution (MFI)
- RBI regulated NBFC-MFIs
- District Cooperative Banks licensed by Reserve bank of India
- Regional Rural Banks
- Urban cooperative banks
- RBI regulated scheduled banks- PSU and private banks, small finance banks
- Housing finance companies regulated by NHB
- State cooperative banks
- Primary agricultural cooperative societies
- Other cooperative societies registered under cooperative societies Acts
- Any other credit societies offering loans to unorganized groups
- Any other Lender borrower groups offering loans to unorganized groups

The plan offers cover in three options

1. Level cover: The cover remains flat throughout the policy term.. Level Cover option shall be allowed for interest only loans as per the loan schedule.
2. Annually Reducing cover: The insurance cover remains level during the year and reduces annually as per the loan repayment/benefit schedule.
3. Monthly Reducing cover: The insurance cover reduces each month as per the loan repayment/benefit schedule.

The repayment/ benefit schedule will be based on the interest rate of the loan provided to the member. The repayment/benefit schedule is same as loan schedule.

Benefits payable to the insured members under the various covered contingencies of the plan

Events	How and when the benefits are payable	Size of such benefits/policy monies
Death		
1. <u>Level cover</u> :	Immediately	Insurance cover chosen at inception
2. <u>Annually reducing cover</u>	Immediately	Insurance cover as applicable in the year of death
3. <u>Monthly reducing cover</u>	Immediately	Insurance cover as applicable in the month of death In case of joint lives, the insurance cover as applicable in respect of the first death shall be paid and cover shall cease for both the lives. In respect of multiple borrowers, the insurance cover as applicable in respect of the deceased member shall be paid and the cover shall continue for the surviving member till the end of the cover term.

Maturity	No maturity benefit is payable	Nil
Surrender	Immediately	For regular premium policies: Nil For single premium policies: Surrender value = 75% *Single Premium*(1-t/T)*(Current cover amount/ Initial cover amount) For Limited Premium policies: Surrender value = 70%*Total Premiums paid*(N _{paid} /N _{payable} - t/T)*(Current cover amount/ Initial cover amount) Where t=No. of months elapsed T=Cover term in months N _{paid} = No. of months for which premium are paid N _{payable} = No. of months for which premium are payable
Lapse	No benefit is paid under a lapsed policy	Nil

Death benefit

On death of the group member during the term of the policy, insurance cover amount as per the loan repayment schedule/ benefit schedule will be paid to the nominee(s) or beneficiary (ies).

In case of joint lives, the Insurance cover shall be paid on a first claim basis and upon payment of benefit on the first claim, the coverage for the surviving insured member also ceases and the cover is terminated.

In case of multiple borrowers, the insurance cover as per loan repayment schedule/benefit schedule will be paid and the cover will continue for the remaining borrowers till the end of the cover term.

Survival Benefit: No survival benefit is payable under the product

Maturity Benefit: There is no maturity benefit payable under this product.

Surrender Benefit:

The surrender value under the policy is sum of the surrender value payable for all the members of the group.

The surrender value for each member shall be payable as under:

Single Premium Policies:

The policy acquires surrender value immediately on payment of single premium.

$$\text{Surrender value} = 75\% * \text{Single Premium} * (1 - t/T) * (\text{Current cover amount} / \text{Initial cover amount})$$

Limited Premium policies:

For limited premium policies, the policy acquires surrender value on payment of premiums for at least one full policy year

$$\text{Surrender value} = 70\% * \text{Total Premiums paid} * (N_{\text{paid}} / N_{\text{payable}} - t/T) * (\text{Current cover amount} / \text{Initial cover amount})$$

Where

t=No. of months elapsed

T=Cover term in months

Npaid= No. of months for which premium are paid

Npayable= No. of months for which premium are payable

Regular premium policies:

The policy does not acquire any surrender value under regular premium policies

#Provided the policy is in-force and all due premiums have been paid (to be added if Benefits are mentioned)

Paid up Benefit:

- Single Premium Policies:
Single premium policies become fully paid up on payment of single premium

- Limited Premium policies:
Where the premiums are paid for at least one full policy year and subsequent premiums are not paid, such policies will acquire paid up value. Such paid up value will be as mentioned below and will be payable on death of the insured member.

Paid up value= No. of premiums paid/No. of premiums payable multiplied by cover amount as applicable subject to minimum of total premiums paid

- Regular Premium policies:
There is no paid up benefit for Regular premium policies

Lapse:

Single premium policies:

Not applicable for single premium policies

Limited Premium policies:

If the premium remains unpaid at the expiry of the Grace Period during the first one year, the policy will lapse, the cover will cease and no benefits will be paid.

Regular premium policies:

If the premium is not paid before expiry of the grace period, the policy will lapse the cover will cease and no benefits will be paid.

Premiums:

The premium shall depend on the member's age, type of cover, cover term and the premium paying term and the group to which the member belongs to.

In case of joint life cover, the premium shall be calculated separately for both the lives by offering a discount of 5% of premium to the younger life.

In case of multiple borrowers cover, the premiums shall be calculated separately by offering a discount of 2% of premium to the younger life.

Premium Payment Mode:

The premium payable will depend on the age of the member, group to which the member belongs to, sum assured.

The premiums can be paid in yearly, half yearly, quarterly and monthly modes. The conversion factors for half yearly, monthly and quarterly mode to be applied on annual premium are as follows:

Mode	Factor
Half Yearly	0.5076
Quarterly	0.2557
Monthly	0.0857

Grace Period for payment of premiums

Not applicable for single premium policies

For regular premium and Limited premium policies:

A grace period of 30 days is allowed for payment of due premium for non-monthly modes and 15 days for monthly mode. If the death of the member occurs within the grace period but before the payment of premium then due, the life cover will be available and the death benefit shall be paid after deducting the said unpaid premium (i.e. premium unpaid from the date of first unpaid premium till the date of death)

Once the premium is deducted by the master policy holder from the members of the group and for some reason the same does not reach the Insurer within the grace period, the risk cover is available to the members.

Payment of claim

The individual member of the group scheme/policy shall specifically authorize Shriram Life insurance company to make the payment of outstanding loan balance amount to Master policyholder by deducting from the claim proceeds payable on the happening of the contingent event covered by the policy. Balance claim amount, if any, will be settled directly in favor of

nominee/ beneficiary of the deceased member of the scheme/ policy as the case may be. This option is applicable only for entities specified in (a).

- (a). In case of lender borrower schemes administered by any one of the entities i) RBI regulated scheduled banks (including Cooperative banks) ii) NBFC's having certificate of Registration from RBI iii) NHB regulated Housing Finance Companies, iv) National Minority Development Finance Corporation (NMDFC) and its State Channelizing Agencies v) Small Finance Banks regulated by RBI as Master policyholder the outstanding loan balance amount can be paid to the master policy holder by deducting from the claim amount and the balance, if any, will be paid to the nominee/ legal heir.
- (b). In case of lender-borrower scheme not administered by any one of the above regulated entities as Master Policyholder the entire claim amount will be settled in favour of insured member/nominee/ beneficiary of the deceased member of the group insurance scheme/policy as the case may be.
- (c). On happening of the insured event, for settlement of the outstanding loan balance amount to the master policy holder (where applicable), master policy holder must submit the Credit Account Statement in respect of the insured member to whom/ whose nominee or beneficiary the claim monies of the group insurance scheme are payable. The Credit Account Statement should consist the following details.
 - a. Name of the Master policyholder
 - b. Master policy Number
 - c. Name of the Insured Member
 - d. Date of Commencement of Risk
 - e. Sum Assured for which the Member of the Group Insurance scheme was insured

- f. Original Amount of Loan
- g. Particulars of the recoveries made by the Master Policyholder towards the loan
- h. Outstanding loan Balance as on the date of happening on the contingent event covered
- i. Balance claim amount (difference of 'e' and 'h' referred above)

Master Policyholder has to declare that the information / details furnished in the Credit Account Statement are complete and accurate.

Revival of the policy

Not applicable for single premium policies.

For regular and limited premium policies:

If the renewal premium is not paid before the end of grace period, the policy will lapse. The lapsed policy can be revived within a revival period of two years on payment of the premiums due from the date of first unpaid premium to the date of revival with interest @ 8% p.a.as per the Board approved underwriting policy of the Company.

Alterations

Mode alteration only is allowed subject to terms and conditions of the policy.

Suicide

For single premium policies

If the member commits suicide for any reason, while sane or insane, within one year from the date of joining the scheme higher of 80% of the single premium paid in respect of the member or surrender value will be paid to the nominee(s) or beneficiary (ies).

In case of joint lives, the cover does not continue on surviving life. The insurance cover will be terminated by paying higher of 80% of single premium paid in respect of the surviving life or surrender value.

In case of co-borrowers, the cover continues on surviving life.

For Limited premium policies

If the member commits suicide for any reason, while sane or insane, within one year from the date of joining the scheme 80% of the premiums paid in respect of the member will be paid to the nominee(s) or beneficiary (ies).

If the member commits suicide for any reason, while sane or insane, within one year from the date of revival, higher of 80% of the premiums paid in respect of the member or surrender value will be paid to the nominee(s) or beneficiary (ies).

In case of joint lives, the cover does not continue on surviving life. The policy will be terminated by paying 80% of premium paid in respect of the surviving life.

In case of co-borrowers, the cover continues on surviving life.

For regular premium policies

If the member commits suicide for any reason, while sane or insane, within one year from the date of joining the scheme 80% of the premiums paid in respect of the member will be paid to the nominee(s) or beneficiary (ies).

If the member commits suicide for any reason, while sane or insane, within one year from the date of revival, 80% of the premiums paid in respect of the member will be paid to the nominee(s) or beneficiary (ies).

In case of joint lives, the cover does not continue on surviving life. The policy will be terminated by paying 80% of regular premium paid in respect of the surviving life.

In case of co-borrowers, the cover continues on surviving life.

Free Look Period

The policy holder has a period of 15 days from the date of receipt of the policy document to review the terms and conditions of the policy and where the policy holder disagrees to any of those terms or conditions, he has the option to return

the policy stating the reasons for his objection, when he shall be entitled to a refund of the premium paid, subject only to a deduction of a proportionate risk premium for the period on cover and the expenses incurred by the Company on medical examination, if any, and stamp duty charges.

The insured member has a period of 15 days from the date of receipt of the certificate of insurance to review the terms and conditions and where the insured member disagrees to any of those terms or conditions, he has the option to return the certificate of insurance stating the reasons for his objection, when he shall be entitled to a refund of the premium paid, subject only to a deduction of a proportionate risk premium for the period on cover and the expenses incurred by the Company on medical examination, if any, and stamp duty charges.

A request received by the Company for free look cancellation of the policy shall be processed and premium shall be refunded within 15 days of receipt of the request.

For any delay, the Company shall pay penal interest at a rate, which is 2% above bank rate from the date of request or last necessary document if any whichever is later, from the insured/claimant as stated above

The policy shall not be offered on distance marketing mode.

Fraud or misrepresentation

In case of fraud or misrepresentation by the Group Policyholder in respect of any information or declaration, the policy monies payable if any, shall be subject to the fraud or misrepresentation being established by Shriram Life Insurance Company Ltd in accordance with the section 45 of the Insurance Act 1938 as amended from time to time.

Section 41 of the insurance Act, 1938 as amended from time to time:

- (1) No person shall allow or offer to allow, either directly or indirectly, as an inducement to any person to take out, renew, or continue an insurance contract 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 prospectus or tables of the insurer.
- (2) Any person making default in complying with the provisions of this section shall be liable for penalty which may extend to ten lakh rupees.

About the Company

With a pan India presence with over 400 branches, Shriram Life is your trusted partner for prosperity. At Shriram Life we strive to provide our customers with elegant solutions tailored to individual needs.

For Further details, Please contact our nearest office:

Shriram Life Insurance Co. Ltd.

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Branches: You can visit your nearest branch offices for details. List of our branches is available on our website www.shriramlife.com



Phone: Call our country wide toll free number: 1800 3000 6116



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Website: Visit us at www.shriramlife.com



SMS: You can SMS 'SHRIRAMLIFE' to 56263. Our customer care executive will call you and give the complete details.



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