



POLICY DOCUMENT

Group Credit Life Insurance

Max New York Life Insurance Company Limited

Regd. Office : Max House, 1 Dr. Jha Marg, Okhla, New Delhi - 110 020

Max New York Life Insurance Company Limited (the "Company") has entered into this contract of life insurance (the "Policy") with the policy holder ("Policy Holder"). The Policy has been effected based on the proposal, declarations and premium deposit made by the Policy Holder. This Policy is subject to the terms and conditions stated herein and the Schedule.

The Company agrees to insure eligible members against death and pay the benefits under this Policy.

Signed by and on behalf of

Max New York Life Insurance Company Limited

Analjit Singh

Chairman

Date Of Policy : <dd-mmm-yyyy>

A handwritten signature in black ink, appearing to be 'AS' or similar initials, located at the bottom right of the page.



POLICY DOCUMENT
Group Credit Life Insurance

POLICY SCHEDULE

Policy Holder:

Non-Medical Limit:

Maximum Amount of Sum Insured per life:

Sample reducing sum schedule at current rate: Attached hereto

Premium Table: Attached hereto

Minimum Entry Age:

Maximum Entry Age:

Maximum Age at which coverage expires:

Currency Basis : Indian Rupees

Issuing Office:



POLICY DOCUMENT

Group Credit Life Insurance

1. DEFINITIONS

In this policy where consistent with the contents the singular shall include the plural and the plural the singular; words importing the masculine gender shall include the feminine gender; and each of the following words and expressions shall have the following meaning:

- 1.1 **"Policy"** shall mean this agreement, schedules to the policy, any supplementary contract or endorsements herein or any amendments hereto signed by the Company, which shall together constitute the entire contract between the parties.
- 1.2 **"Policy Holder"** shall mean the institution/entity to which the Policy is issued as named in the Policy Schedule.
- 1.3 **"Borrower"** shall mean a natural person who has been extended a loan facility by the Policy Holder.
- 1.4 **"Eligible Member"** shall mean the Borrower who has met the eligibility requirements under this Policy and is entitled to participate in the insurance coverage under this Policy. In case of joint borrowers, Eligible Member would mean the person whose name appears first on the loan agreement and/or the person who is the primary earning member as indicated in the loan application form and who meets the eligibility requirements under this Policy and is entitled to participate in the insurance coverage under this Policy.
- 1.5 **"Insured Member"** shall mean the Eligible Member who has been covered in accordance with the provisions of the Policy and who has been issued a certificate of insurance by the Company.
- 1.6 **"Effective Date of Coverage"** shall mean the later of (i) the date on which an Eligible Member is issued a certificate of insurance in his favour, and (ii) the actual date of receipt of the loan by the Borrower from the Policy Holder.
- 1.7 **"Sum Insured"** of an Insured Member shall be the amount equal to the principal amount of loan as reduced periodically as per repayment schedule under original loan agreement, whether loan installment is actually repaid by the Insured Member or not, unless otherwise intimated to and agreed by the Company in writing. The principal amount on each due date of repayment of the loan installment shall be calculated after deducting the amount payable on the said due date. The Sum Insured shall not include any interest, penalty or charges on the loan amount which the Insured Member is or may become liable to pay to the Policy Holder. The Sum Insured in all cases is subject to the maximum amount of sum insured per life indicated in the Policy Schedule.

2. MEMBERSHIP ELIGIBILITY, PARTICIPATION AND TERMINATION

2.1 ELIGIBILITY

A Borrower shall be eligible to apply for insurance under this Policy if:-

- (i) he is a natural person;



POLICY DOCUMENT

Group Credit Life Insurance

- (ii) he has attained the Minimum Entry Age but is not over the Maximum Entry Age at last birthday, as specified in the Policy Schedule; and
- (iii) the proposed term of coverage at his Effective Date of Coverage is not less than 1 year or more than the tenure of the loan agreement of the Borrower.

2.2 PARTICIPATION

- 2.2.1 An Eligible Member may apply to participate in this insurance coverage by completing the application for membership and submitting satisfactory evidence of insurability to the Company.
- 2.2.2 Medical examination, as determined by the Company, shall be required for all Eligible Members whose total proposed Sum Insured, combined with amounts insured or proposed to be insured under other policies issued by the Company, exceeds the Non-Medical Limit as determined by the Company and specified in the Policy Schedule.
- 2.2.3 The Company reserves the right to refuse coverage without assigning any reason therefore in respect of Eligible Members that represent a substandard risk as determined by the Company based on medical evidence and other information received in the participation process.

2.3 TERMINATION OF INSURANCE

The cover of the Insured Member shall automatically cease on the earliest of the following dates:-

- (i) The date on which the loan is stipulated to be repaid in full by the Insured Member to the Policy Holder as per the loan agreement.
- (ii) The date on which the loan of the Insured Member is prepaid in full, refinanced, or discharged.

In such event the Company may pay to the Policy Holder a cash surrender value on such basis as determined by the Company from time to time.
- (iii) The date on which an Insured Member attains the maximum age on which the coverage expires as indicated in the Policy Schedule.
- (iv) The date on which the Policy Holder recalls or forecloses the loan.
- (v) The date the Insured Member dies.
- (vii) The date on which the Policy Holder becomes insolvent, undergoes voluntary winding up or is wound up under the orders of the court.

3. BENEFIT PROVISIONS

3.1 SUM INSURED

Each Insured Member shall be covered for the Sum Insured.

3.2 DEATH BENEFIT

3.2.1 Upon satisfactory proof of the death of Insured Member, its cause, receipt of original certificate of insurance and other documents required under this Policy, the Company shall pay to the Policy Holder, in one lump sum, subject to the provisions of the Policy, the Sum Insured. If subsequent to the date of death, a part of the principal amount of loan outstanding as of the date of his death is repaid by anyone other than the Company, the Policy Holder shall return that part of the Sum Insured so repaid to the Insured Member's nominee or, if none, his estate. If at the time of the death of an Insured Member, his Sum Insured exceeds the principal amount of his loan then outstanding, the surplus shall be paid by the Policy Holder to the nominee or, if none, the estate of the Insured Member.

3.2.2 No benefit is payable under this Policy when the date of death precedes the Effective Date of Coverage.

4. EXCLUSIONS

4.1 NON-ACCIDENTAL DEATH WITHIN 90 DAYS

If the Insured Member dies within 90 days from the Effective Date of his Coverage then the Company will only pay the premium received, without interest, less any expenses at the rate of 8.5% of the premium received, which may be revised by the Company from time to time, but in no case the expenses shall exceed 10% of the premium received.

Provided, the above exclusion shall not apply in case of:-

- (i) Housing Loans,
- (ii) Death by Accident,

in which case the Sum Insured will be payable.

For the purpose of this clause:-

- (i) **"Death by Accident"** means death caused by violent, accidental, external and visible means as revealed by an autopsy provided such death was caused directly by such accident, and independently of any physical or mental illness.
- (ii) **"Housing Loan"** means a loan advanced by the Policy Holder to a Borrower for the purpose of purchase, construction, improvement, or repairs of a house or flat.



POLICY DOCUMENT
Group Credit Life Insurance

4.2 SUICIDE WITHIN ONE YEAR

Notwithstanding anything stated in the Policy, if the Insured Member dies by suicide, whether sane or insane, within one year from the Effective Date of his Coverage, the Coverage shall come to an end simultaneously. In such an event, the Company will only pay the premium received in respect of Insured Member, without interest, less expenses at the rate of 8.5% of the premium received, which may be revised by the Company from time to time, but in no case the expenses shall exceed 10% of the premium received.

5. PAYMENT OF BENEFITS

- 5.1 The Sum Insured payable on the death of an Insured Member will be applied by the Policy Holder to reduce or completely discharge, as the case may be, the principal amount of loan outstanding of the Insured Member under this Policy. Any surplus amount remaining after such adjustment shall be paid by the Policy Holder to the nominee or, if none, the estate of the Insured Member.
- 5.2 Payments made by the Company to the Policy Holder will completely discharge the Company's liability under this Policy with respect to the Insured Member.

6. PREMIUM PROVISIONS

- 6.1 A single premium is payable in respect of each Insured Member on or before the Effective Date of Coverage, either to the Company at the General Office or at its Head Office, based on the premium rates as determined by the Company and specified in the Policy Schedule.
- 6.2 The Company reserves the right to impose extra premium in respect of Eligible Members that represent a substandard risk, as determined by the Company, based on medical evidence and/or other information received in the participation process.

7. GENERAL PROVISIONS

7.1 THE CONTRACT

- 7.1.1 The Insured Members are required to disclose to the Company in any application, or any medical examination and any written statements, answers furnished as evidence of insurability, every fact i.e. material to the insurance and which is known to the insured member. A failure to disclose, or a misrepresentation of such fact, will render the contract voidable by the Company.
- 7.1.2 The rights of the Policy Holder or of any Insured Member under the Policy shall not be affected by any provisions other than those contained in this Policy.



POLICY DOCUMENT
Group Credit Life Insurance

7.1.3 No person except the Managing Director or any other person duly authorised by the Company is authorized to waive, alter, modify or change any of the conditions or the provisions of this Policy, or to extend credit or time for payment of any premium or any monies due to the Company, or to bind it by making any statement or receiving at any time any notice or information not contained in the application for this Policy.

7.2 CERTIFICATE OF INSURANCE

The Company shall issue in the name of each Insured Member, an individual certificate of insurance certifying that the person named therein has become an Insured Member under the Policy.

In the event of any inconsistency or contradiction between the Policy and the certificate of insurance, the terms and conditions contained in the Policy will prevail.

7.3 DATA REQUIRED

7.3.1 The Policy Holder shall keep a record with respect to each Insured Member under this Policy showing the Insured Member's name, gender, age or date of birth, his Effective Date of Coverage, the amount of his insurance on the said Effective Date, the duration and dates of his loan installment repayment, the date upon which the insurance shall expire and other pertinent information as may be necessary to carry out terms and operation of this Policy.

7.3.2 Clerical error in keeping the records shall not invalidate insurance otherwise validly in force nor continue insurance otherwise validly terminated, but upon the discovery of such error, an equitable adjustment shall be made to rectify the error.

7.3.3 The Policy Holder shall furnish to the Company all information and proof which the Company may require with regard to any matters pertaining to the Policy. All documents furnished to the Policy Holder by any Insured Member in connection with the insurance, and other records as may have a bearing on the insurance under this Policy, shall be open for inspection by the Company at all reasonable times.

7.4 MISSTATEMENT

7.4.1 Misstatement of Age or Gender

All Premiums are calculated based on the Age and Gender of the Insured Member declared in the application. Without prejudice to the full disclosure and incontestability provisions, the Company may in its sole discretion:

- i) in case the age at the Effective Date of Coverage is lower or higher than the age declared or gender is mis-stated, adjust the premium and/or benefits payable had the true age or gender been stated at the Effective Date of Coverage and the certificate of insurance would have been issued based on our underwriting rules at that time, and

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POLICY DOCUMENT

Group Credit Life Insurance

- ii) in case the Insured Member's true age at the Effective Date of Coverage is higher than the maximum issue age limit under the Policy, cancel the coverage and forfeit premium(s) received after deducting any medical fees and expenses incurred.

7.4.2 Where an Insured Member obtains a cover under this Policy by misstatement of any material fact, his insurance shall be voidable at the option of the Company and there shall be a return of premium paid, after deducting any medical fees and expenses incurred in respect of such Insured Member, provided always that where there is fraud on the part of the Policy Holder or such Insured Member, any premium paid is not refundable.

7.5 PREMIUM RATES

7.5.1 The Company reserves the right to revise the rate of premium from time to time. The Company shall give a written notice of not less than thirty (30) days to the Policy Holder for changes in premium rates.

7.5.2 The new rates will be applicable to Eligible Members who participate after the effective date of revision.

7.6 APPLICABLE LAW

This Policy, and all rights, obligations and liabilities arising hereunder, shall be enforced in accordance with the law of India.

7.7 LEGAL PROCEEDINGS

No action in law or in equity shall be brought to recover on the Policy prior to the expiration of sixty (60) days after proof of claim has been filed in accordance with the requirements of the Policy.

7.8 CLAIM

It shall be a condition precedent to the liability of the Company to make payment of any benefit hereunder that satisfactory proof of death of the Insured Member, its cause, Claimant's Statement, Original Certificate of Insurance, Death Certificate, Attending Physician's statement, Hospital Treatment Certificate, Burial/Cremation Statement, Employer's Certificate, F.I.R / Postmortem report (wherever applicable), documents establishing right of the Claimant and such other documents required by the Company at that time must be furnished to the Company within ninety (90) days from the date of death of the Insured Member or within such other time as may be allowed by the Company.



POLICY DOCUMENT

Group Credit Life Insurance

8. POLICY TERMINATION

- 8.1 This Policy may be terminated by either the Policy Holder or by the Company by providing ninety (90) days' prior written notice of termination to the other party before the date on which such termination shall become effective.
- 8.2 In the event of such termination each Insured Member's coverage shall continue until the date of the expiration of the period of coverage for which premium payment has been received.
- 8.3 Upon termination, no new enrollments will be accepted by the Company, but all obligations of the Policy Holder under the Policy shall continue until the termination of all loans covered by the Policy.

9. POLICY NON-PARTICIPATING

This Policy shall not participate in any surplus distribution by the Company

10. POLICY REVIEW PERIOD

The Policy Holder may opt to return the Original Policy to the Company with a written request for cancellation of the Policy within fifteen (15) days from the date of receipt of the Policy. In such an event the Premiums paid less proportionate risk premium for the period of cover, any medical fees and expense incurred on stamp charges by the Company will be refunded without interest. If the Policy is sent by post it shall be deemed to have been received by the Policy Holder within three days of posting.

11. DISPUTE REDRESSAL CELL

All consumer grievances may be addressed to Customer Helpdesk, Max New York Life Insurance Company Limited, 11th Floor, DLF Square, Jacaranda Marg, DLF City, Phase II, Gurgaon - 122002, Haryana or the servicing General Office or the Insurance Ombudsman, whose address can be obtained from the Company's Head Office.

12. NOTICES

All communications relating to this policy may be addressed to: Max New York Life Insurance Company Limited, 11th floor, DLF Square, Jacaranda Marg, DLF City, Phase II, Gurgaon -- 122 002, Haryana.

Max New York Life Insurance Co. Ltd.

Regd. Office: Max House, 1 Dr. Jha Marg, Okhla, New Delhi - 110 020

(Hereinafter referred to as the Company)

Group Credit Life Insurance Policy No.

Certificate of Insurance No: _____

It is hereby certified that Mr. _____ has become an Insured Member who is covered in accordance with the terms and conditions of the Group Credit Life Insurance Policy No. _____ issued to _____ (the "Policy Holder").

Coverage and Benefits are linked to the following references:

Loan Reference Number: _____

Application Reference Number : _____

Effective Date of Coverage for this insurance is _____.

The coverage under this insurance expires on _____.

Termination of Coverage is described in this Certificate of Insurance in addition to other conditions, rights and obligations.

Nominee :

Please carefully read this Certificate of Insurance to ensure that you understand the terms and conditions of your coverage .

Signed by and on behalf of

Max New York Life Insurance Co. Ltd.

^ Ajit Singh

Chairman

Issued on _____, 2004

(Please see the Terms and Conditions mentioned overleaf)

Terms and Conditions

In this certificate of insurance where consistent with the contents the singular shall include the plural and the plural the singular; words importing the masculine gender shall include the feminine gender and each of the following words and expressions shall have the following meaning:-

"**Eligible Member**" shall mean the Borrower who has met the eligibility requirements under the Policy and is entitled to participate in the insurance coverage under the Policy. In case of joint born Eligible Member would mean the person whose name appears first on the loan agreement and/ or the person who is the primary earning member as indicated in the loan application form and who the eligibility requirements under the Policy and is entitled to participate in the insurance coverage under the Policy.

"**Insured Member**" shall mean the Eligible Member who has been covered in accordance with the provisions of the Policy and who has been issued a certificate of insurance by the Company.

"**Effective Date of Coverage**" shall mean the later of (i) the date on which an Eligible Member is issued a certificate of insurance in his favour, and (ii) the actual date of receipt of the loan by the Borrower from the Policy Holder.

"**Sum Insured**" of an Insured Member shall be the amount equal to the principal amount of loan as reduced periodically as per repayment schedule under original loan agreement, whether installment is actually repaid by the Insured Member or not, unless otherwise intimated to and agreed by the Company in writing. The principal amount on each due date of repayment of the installment shall be calculated after deducting the amount payable on the said due date. The Sum Insured shall not include any interest, penalty or charges on the loan amount which the Insured Member is or may become liable to pay to the Policy Holder. The Sum Insured in all cases is subject to the maximum amount of sum insured per life indicated in the Policy Schedule.

"**Policy**" shall mean the Group Credit Life Insurance Policy, this certificate of insurance, schedules to the policy, any supplementary contract or endorsements or any amendments signed by the Company, which shall together constitute the entire contract between the parties.

This certificate of insurance has been issued on the full disclosure of the relevant facts and circumstances by the Insured Member. Any concealment, non-disclosure, misrepresentation or fraud renders the coverage on the life of the Insured Member cancelled and / or voidable at the option of the Company.

BENEFIT

Upon satisfactory proof of the death of Insured Member, its cause, and receipt of original certificate of insurance and other documents required under the Policy, the Company shall pay to the Policy Holder, in one lump sum, subject to the provisions of the Policy, the Sum Insured. If subsequent to the date of death, a part of the principal amount of loan outstanding as of the date of his death is repaid by anyone other than the Company, the Policy Holder shall return that part of the Sum Insured so repaid to the Insured Member's nominee or, if none, his estate. If at the time of the death of an Insured Member, his Sum Insured exceeds the principal amount of his loan then outstanding, the surplus shall be paid by the Policy Holder to the nominee or, if none, the estate of the insured member.

No benefit is payable under the Policy when the date of death precedes the Effective Date of Coverage.

PAYMENT OF BENEFITS

The Sum Insured payable on the death of an Insured Member will be applied by the Policy Holder to reduce or completely discharge, as the case may be, the principal amount of loan outstanding under the Policy. Any surplus amount remaining after such adjustment shall be paid by the Policy Holder to the nominee or, if none, the estate of the Insured Member.

Payments made by the Company to the Policy Holder will completely discharge the Company's liability under the Policy with respect to the Insured Member.

TERMINATION OF INSURANCE

The cover of the Insured Member shall automatically cease on the earliest of the following dates:-

- (i) The date on which the loan is stipulated to be repaid in full by the Insured Member to the Policy Holder as per the loan agreement.
- (ii) The date on which the loan of the Insured Member is repaid in full, refinanced, or discharged.
In such event the Company shall pay to the Policy Holder a cash surrender value on such basis as determined by the Company from time to time.
- (iii) The date on which an Insured Member attains the maximum age on which the coverage expires as indicated in the Policy Schedule.
- (iv) The date on which the Policy Holder recalls or forecloses the loan.
- (v) The date the Insured Member dies.
- (vi) The date on which the Policy Holder becomes insolvent, undergoes voluntary winding up or is wound up under the orders of the court.

EXCLUSIONS

Non-Accidental Death Within 90 Days Waiting Period

If the Insured Member dies within 90 days from the Effective Date of his Coverage then the Company will only pay the premium received, without interest, less expenses at the rate of 8.5% of the premium received, which may be revised by the Company but in no case shall exceed 10% of the premium received.

Provided, the above exclusion shall not apply in case of:-

- (i) Housing Loans,
- (ii) Death by Accident,

in which case the Sum Insured will be payable.

For the purpose of this clause:-

- (i) "Death by Accident" means death caused by violent, accidental, external and visible means as revealed by an autopsy provided such death was caused directly by such accident independently of any physical or mental illness.
- (ii) "Housing Loan" means a loan advanced by the Policy Holder to a Borrower for the purpose of purchase, construction, improvement, or repairs of a house or flat.

Suicide Within One Year

Notwithstanding anything stated in the Policy, if the Insured Member dies by suicide, whether sane or insane, within one year from the Effective Date of his Coverage, the Coverage shall come to an end simultaneously. In such an event, the Company will only pay the premium received in respect of Insured Member, without interest, less expenses at the rate of 8.5% of the premium received, which may be revised by the Company but in no case shall exceed 10% of the premium received.

CLAIM

It shall be a condition precedent to the liability of the Company to make payment of any benefit hereunder that satisfactory proof of death of the Insured Member, its cause, Claimant's State Original Certificate of Insurance, Death Certificate, Attending Physician's statement, Hospital Treatment Certificate, Burial/Cremation Statement, Employer's Certificate, F.I.R / Postmortem report (wherever applicable), documents establishing right of the Claimant and such other documents required by the Company at that time must be furnished to the Company within ninety (90) days from date of death of the Insured Member or within such other time as may be allowed by the Company.

MISSTATEMENT

The Insured Members are required to disclose to the Company in any application, or any medical examination and any written statements, answers furnished as evidence of insurability, every fact material to the insurance and which is known to the insured member. A failure to disclose, or a misrepresentation of such fact, will render the contract voidable by the Company and there shall be no return of premium paid, after deducting any medical fees and expenses incurred in respect of such Insured Member, provided always that where there is fraud on the part of the Policy Holder or Insured Member, any premium paid is not refundable.

APPLICABLE LAW

The Policy, and all rights, obligations and liabilities arising thereunder, shall be enforced in accordance with the laws of India.

GENERAL

The rights of the Policy Holder or of any Insured Member under the Policy shall not be affected by any provisions other than those contained in the Policy.

In the event of any inconsistency or contradiction between the Policy and the Certificate of Insurance, the terms and conditions contained in the Policy shall prevail.

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