

## Acko Life Group Credit Protect

### PROSPECTUS

#### I. INTRODUCTION

Acko Life Group Credit Protect policy can protect the policy holder from economic concerns arising from the death of the policyholder. It is essential that people understand the features, advantages and the necessity of insurance policies in detail.

Acko Life Insurance Limited ("Acko Life") provides a group non-linked, non-participating, pure risk premium credit life insurance plan, which provides cover to individuals and co-borrowers against risk of death during the term of the policy. The policyholder will pay a single premium and on policyholders' death during the policy term (PT) the sum assured on death is payable as lump sum. The plan aims to pay off the outstanding loan ([as per the loan schedule](#)) in the event of death of the insured.

#### II. BENEFITS:

The death benefit would be: the sum assured payable on death is equal to the loan outstanding amount ([as per the loan schedule](#)) at the time of death as mentioned in the Certificate of Insurance (COI)

- Type of cover:
  - Loan Cover: The loans include housing loans, personal loans, car loans, consumer loans, education loans, agriculture loans, heavy vehicle loans, credit card balance, working capital loan or any other loan offered by a financial institution. All loans whether repayable by Equated Monthly Installment (EMI), Equated Quarterly / Half-yearly / Yearly installment, interest-only loans or capital-only loans or the like would be covered.
  - Both level cover and reducing cover option is covered.
- Moratorium:
  - A minimum of 1 year and a maximum of 7 years moratorium period would be allowed.
  - Moratorium period can also arise if the sanctioned loan is disbursed in tranches. This may arise in housing loans or education loans, for example. In housing loans, the disbursements happen as and when the pre-defined milestones are reached. In education loans, the disbursements happen as per the fee schedule for the course. In such cases, the loan outstanding and hence the sum assured would increase due to the disbursements and / or interest amounts due and would start decreasing from that level from the end of the moratorium period when EMIs would commence.
  - During the moratorium period, interest accrues on the initial loan outstanding. The accrued interest may be paid separately by the member or may be added to the initial loan disbursed.
    - If the accrued interest is paid separately by the member to the financial institution, then the loan outstanding and hence the sum assured would remain the same during the moratorium period and would start decreasing from the end of the moratorium period when EMIs would commence.

- If the accrued interest is to be added to the initial loan, then the loan outstanding and hence the sum assured would increase during the moratorium period and would start decreasing from that level from the end of the moratorium period when EMIs would commence.
- In all the above cases, the pricing would be done considering the moratorium period, loan disbursal dates, interest rate applicable on the loan and whether the interest would be paid separately or would be included in the loan.

All the options mentioned above need to be chosen by the policyholder at inception.

**Product Features:** Benefits payable on death or survival or surrender or lapse or any other contingency in this non-participating product:

Events	How and when Benefits are payable	Size of such benefits/policy monies
Death	Payable immediately on death during the term of the policy  For co-borrower, depending on the facility chosen: <ul style="list-style-type: none"> <li>• Full loan outstanding on death of first life OR</li> <li>• Loan outstanding for respective share of the outstanding balance for each life (in case of co-borrower); cover would continue for remaining respective loan share; cover would cease on death of both i.e. borrower and co-borrowers.</li> </ul>	Sum assured on death, defined as loan cover at inception (in case of level cover) or loan cover as per the loan schedule or as mentioned in the COI (in case of reducing cover) would be paid on death. <sup>^</sup>
Maturity	No maturity benefit is payable	Not Applicable
Surrender	Payable immediately on the date of surrender for in-force policies, if surrender value (SV) available	$SV = (50\% \times \text{Total Premiums Paid}) \times (\text{Unexpired term} / \text{Policy Term}) \times \min([\text{current sum assured} / \text{initial sum assured}], 1)^{^^}$
Non forfeiture	No lapse benefit/paid-up is payable	Not Applicable

<sup>^</sup>If the Sum Assured/death benefit is higher than the outstanding loan amount, the excess amount will be paid to the nominee.

<sup>^^</sup>Note: The ratio is capped at 1, for a loan with moratorium period as the current loan can be higher than the initial sum assured

**“Single premium”** means the single premium payable at policy inception, excluding underwriting extra premiums and loadings for modal premiums, if any.

**“Sum Assured on Death”** is equal to the loan amount at inception (in case of level cover), OR loan outstanding amount at the time of death as mentioned in the Certificate of Insurance (COI) (in case of reducing cover)

“**Total Premiums Paid**” means total of all the premiums received, excluding any extra premium, any rider premium and taxes.

**Non-forfeiture benefits:**

- Surrender Value:  $\text{Surrender Value (SV)} = 50\% \times \text{Premium(s) paid} \times (\text{Unexpired term} / \text{Total term}) \times (\text{current sum assured} / \text{initial sum assured})$
- Paid – up value: Not applicable

**Free Look Period**

The Master Policyholder and/or the Member have a period of 15 (Fifteen) days or 30 (Thirty) days, if this Policy/ Certificate of Insurance has been acquired through distance marketing (i.e. by any means of communication other than in person) from the date of receipt of this Policy and/or the Certificate of Insurance, as the case may be, to review the terms and conditions of this Policy and/or the Certificate of Insurance. If the Master Policyholder and/or the Member disagrees to any of the terms or conditions of this Policy, the Master Policyholder or the Member, as the case may be, has an option to return this original Policy or original Certificate of Insurance to Us by stating the objections/reasons for such disagreement. Upon return of this Policy by the Master Policyholder or the Certificate of Insurance by the Member, this Policy or Insurance as specified in the Certificate of Insurance shall terminate forthwith and all rights, benefits and interests under this Policy shall cease. We will only refund the Premiums received by Us, after deducting the proportionate risk Premium for the period of cover, charges of stamp duty paid and the expenses incurred on medical examination of the Members, if any.

**III. EXCLUSIONS:**

No other exclusion except suicide claim in the first year of risk coverage for death benefit.

**IV. CLAIMS PROCEDURE:**

- On the occurrence of death of the policyholder, a claim notification can be made using one of the following communication channels:
  - Email notification to central email address [claims.life@acko.com](mailto:claims.life@acko.com)
  - By completing a manual claim form along with written claim intimation and mailing it to corporate office via the website [www.acko.com/life](http://www.acko.com/life) or App whenever available
- Post lodging of claim in the claim register the claim team member will connect with claimant for acknowledging the receipt of intimation and to check and verify the address etc. A written acknowledgement of intimation cum letter of document requirement (details mentioned below under documentation requirement section) would be sent to the claimant. This letter will advise claimant to submit the required documents in 15 Days. On receipt of claim documents, claims are reviewed and decided basis coverage terms and final decisions are communicated to the customer.

**V. CONTACT US**

- You can reach Us through any of the following methods:
  - Call Us on Our toll free number: 1800 266 5433
  - Write to us On at: [support.life@acko.com](mailto:support.life@acko.com)
  - Visit Our website: [www.Acko.com/life](http://www.Acko.com/life)
- If you have a grievance that You want Us to redress, You may contact Us with details of Your grievance through:
  - Website: [www.Acko.com/life](http://www.Acko.com/life)
  - Email: [grievance.life@acko.com](mailto:grievance.life@acko.com)
  - Toll Free No: 1800 266 5433

## **VI. SECTION 41 OF INSURANCE ACT, 1938 (PROHIBITION OF REBATES, AS AMENDED)**

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 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.

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.

## **VII. SECTION 45 OF INSURANCE ACT, 1938 AS AMENDED FROM TIME TO TIME:**

The extant provisions in this regard are as follows:

- 1) No policy of life insurance shall be called in question on any ground whatsoever after the expiry of three years from the date of the policy, i.e., from the date of issuance of the policy or the date of commencement of risk or the date of revival of the policy or the date of the rider to the policy, whichever is later.
- 2) A policy of life insurance may be called in question at any time within three years from the date of issuance of the policy or the date of commencement of risk or the date of revival of the policy or the date of the rider to the policy, whichever is later, on the ground of fraud: Provided that the insurer shall have to communicate in writing to the insured or the legal representatives or nominees or assignees of the insured the grounds and materials on which such decision is based.
- 3) Notwithstanding anything contained in sub-section (2), no insurer shall repudiate a life insurance policy on the ground of fraud if the insured can prove that the mis-statement of or suppression of a material fact was true to the best of his knowledge and belief or that there was no deliberate intention to suppress the fact or that such mis-statement of or suppression of a material fact are within the knowledge of the insurer: Provided that in case of fraud, the onus of disproving lies upon the beneficiaries, in case the policyholder is not alive.
- 4) A policy of life insurance may be called in question at any time within three years from the date of issuance of the policy or the date of commencement of risk or the date of revival of the policy or the date of the rider to the policy, whichever is later, on the ground that any statement of or suppression of a fact material to the expectancy of the life of the insured was incorrectly made in the proposal or other document on the basis of which the policy was issued or revived or rider is sued: Provided that the insurer shall have to communicate in writing to the insured or the legal representatives or nominees or assignees of the

insured the grounds and materials on which such decision to repudiate the policy of life insurance is based: Provided further that in case of repudiation of the policy on the ground of misstatement or suppression of a material fact, and not on the ground of fraud, the premiums collected on the policy till the date of repudiation shall be paid to the insured or the legal representatives or nominees or assignees of the insured with in a period of ninety days from the date of such repudiation.

5) Nothing in this section shall prevent the insurer from calling 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 that the age of the life insured was incorrectly stated in the proposal.

#### **VIII. NOMINATION:**

Nomination shall be applicable in accordance with provisions of Section 39 of the Insurance Act 1938 respectively, as amended from time-to-time.

#### **IX. DISCLAIMER:**

This is only a summary of the product features. The actual benefits available are as described in the policy and will be subject to the policy terms, conditions and exclusions. Please seek the advice of your insurance advisor if you require any further information or clarifications.

**Note:** *Policy Term and Conditions & Premium rates are subject to change with prior approval from IRDAI.*