

Illustration for Reliance Group Credit Assure Plus

Group Cover Details

ABC bank Ltd is a co-operative bank with large customer base across India. The bank signs agreement with Reliance Life Insurance Co. Ltd to secure its loan account holders under Reliance Group Credit Assure Plus. ABC Bank signs contract with Reliance for its Home Loan portfolio under Limited Pay option with initial group size of 50 members. Applicable rate of interest at inception of the contract is 10% p.a. on the loan.

Details of the group are as given below:

Group Details			
Age	Policy Term	Sum Assured	No. of Members
30	10	3,000,000	22
35	15	3,500,000	18
40	20	3,000,000	6
45	20	3,500,000	4

Sample Limited Premium rates agreed upon for ABC Ltd are as follows

Sample Premium Rates per 1000 Sum Assured (Limited Premium) for ABC Bank Ltd				
Policy Term	10	15	20	25
Age/ Premium Payment Term	6	10	13	16
30	2.56	2.74	3.18	3.59
35	3.3	3.66	4.37	5.02
40	4.87	5.53	6.65	7.62
45	7.9	8.94	9.52	10.61

Premium for the group is calculated as below

Group Premium Calculation				
Age	Policy Term	Sum Assured	No. of Members	Premium (LP per member X No. of members)
30	10	3,000,000	22	168,960
35	15	3,500,000	18	230,580
40	20	3,000,000	6	119,700
45	20	3,500,000	4	133,280
Total Premium				652,520

So, Limited Premium Payable by ABC Ltd.= Rs. 652,520

Death Benefit payable:

In case of death of the member during the member contract term, the Death Benefit will be payable as per the Cover Schedule stated at inception of the member contract. The benefit payable will be the applicable Sum Assured, as at the end of the policy month immediately preceding the date of death of the member, as per the Cover Schedule.

Member Cover Details

Ramesh, a 30 year old salaried professional, avails a home loan of Rs. 30 lakh for a loan term of 10 years from ABC Bank Ltd. Ramesh is married to Ramya and is blessed with daughter Gauri who is 1 yr now. Ramya is currently a home maker. ABC bank Ltd. insures Ramesh under the Home Loan insurance policy with Reliance Nippon Life Insurance.

Ramesh's Sample Cover Schedule is as provided below for a the Sum Assured (Loan Amount) of Rs. 30 lakh and for Policy Term (Loan Term) of 10 years at applicable rate of interest of 10% p.a. on the loan.

Month	Date	Premium	Principal o/s at the end of the month
1	1-Jun-16	7,680	2,985,355
2	1-Jul-16	0	2,970,588
3	1-Aug-16	0	2,955,697
4	1-Sep-16	0	2,940,683
5	1-Oct-16	0	2,925,543
6	1-Nov-16	0	2,910,278
7	1-Dec-16	0	2,894,885
8	1-Jan-17	0	2,879,363
9	1-Feb-17	0	2,863,713
10	1-Mar-17	0	2,847,932
11	1-Apr-17	0	2,832,020
12	1-May-17	0	2,815,974
13	1-Jun-17	7,680	2,799,796
14	1-Jul-17	0	2,783,482
15	1-Aug-17	0	2,767,033
16	1-Sep-17	0	2,750,446
17	1-Oct-17	0	2,733,721
18	1-Nov-17	0	2,716,857
19	1-Dec-17	0	2,699,852
20	1-Jan-18	0	2,682,706
21	1-Feb-18	0	2,665,416
22	1-Mar-18	0	2,647,983
23	1-Apr-18	0	2,630,404
24	1-May-18	0	2,612,679
25	1-Jun-18	7,680	2,594,806
26	1-Jul-18	0	2,576,784
27	1-Aug-18	0	2,558,612
28	1-Sep-18	0	2,540,289
29	1-Oct-18	0	2,521,813
30	1-Nov-18	0	2,503,183
31	1-Dec-18	0	2,484,397
32	1-Jan-19	0	2,465,455

Month	Date	Premium	Principal o/s at the end of the month
61	1-Jun-21	7,680	1,841,821
62	1-Jul-21	0	1,817,524
63	1-Aug-21	0	1,793,025
64	1-Sep-21	0	1,768,322
65	1-Oct-21	0	1,743,413
66	1-Nov-21	0	1,718,296
67	1-Dec-21	0	1,692,970
68	1-Jan-22	0	1,667,433
69	1-Feb-22	0	1,641,683
70	1-Mar-22	0	1,615,718
71	1-Apr-22	0	1,589,537
72	1-May-22	0	1,563,138
73	1-Jun-22	0	1,536,519
74	1-Jul-22	0	1,509,678
75	1-Aug-22	0	1,482,614
76	1-Sep-22	0	1,455,323
77	1-Oct-22	0	1,427,806
78	1-Nov-22	0	1,400,059
79	1-Dec-22	0	1,372,081
80	1-Jan-23	0	1,343,870
81	1-Feb-23	0	1,315,424
82	1-Mar-23	0	1,286,740
83	1-Apr-23	0	1,257,818
84	1-May-23	0	1,228,654
85	1-Jun-23	0	1,199,248
86	1-Jul-23	0	1,169,596
87	1-Aug-23	0	1,139,698
88	1-Sep-23	0	1,109,550
89	1-Oct-23	0	1,079,151
90	1-Nov-23	0	1,048,499
91	1-Dec-23	0	1,017,591
92	1-Jan-24	0	986,426

33	1-Feb-19	0	2,446,356
34	1-Mar-19	0	2,427,097
35	1-Apr-19	0	2,407,677
36	1-May-19	0	2,388,096
37	1-Jun-19	7,680	2,368,352
38	1-Jul-19	0	2,348,443
39	1-Aug-19	0	2,328,368
40	1-Sep-19	0	2,308,126
41	1-Oct-19	0	2,287,715
42	1-Nov-19	0	2,267,134
43	1-Dec-19	0	2,246,381
44	1-Jan-20	0	2,225,456
45	1-Feb-20	0	2,204,356
46	1-Mar-20	0	2,183,081
47	1-Apr-20	0	2,161,628
48	1-May-20	0	2,139,996
49	1-Jun-20	7,680	2,118,184
50	1-Jul-20	0	2,096,191
51	1-Aug-20	0	2,074,014
52	1-Sep-20	0	2,051,652
53	1-Oct-20	0	2,029,104
54	1-Nov-20	0	2,006,368
55	1-Dec-20	0	1,983,442
56	1-Jan-21	0	1,960,326
57	1-Feb-21	0	1,937,016
58	1-Mar-21	0	1,913,513
59	1-Apr-21	0	1,889,814
60	1-May-21	0	1,865,917

93	1-Feb-24	0	955,001
94	1-Mar-24	0	923,314
95	1-Apr-24	0	891,363
96	1-May-24	0	859,146
97	1-Jun-24	0	826,660
98	1-Jul-24	0	793,904
99	1-Aug-24	0	760,874
100	1-Sep-24	0	727,570
101	1-Oct-24	0	693,988
102	1-Nov-24	0	660,126
103	1-Dec-24	0	625,982
104	1-Jan-25	0	591,553
105	1-Feb-25	0	556,837
106	1-Mar-25	0	521,832
107	1-Apr-25	0	486,536
108	1-May-25	0	450,945
109	1-Jun-25	0	415,058
110	1-Jul-25	0	378,871
111	1-Aug-25	0	342,383
112	1-Sep-25	0	305,591
113	1-Oct-25	0	268,493
114	1-Nov-25	0	231,085
115	1-Dec-25	0	193,365
116	1-Jan-26	0	155,331
117	1-Feb-26	0	116,981
118	1-Mar-26	0	78,310
119	1-Apr-26	0	39,318
120	1-May-26	0	0

Unfortunately, Ramesh dies in a road accident on 19th March 2023. Ramya takes some time to come to terms with the reality that Ramesh is no longer around. Ramya is worried about how she will provide for family expenses and being unaware about the group insurance policy she is worried about home loan too. ABC Bank Ltd approaches Ramya and informs her about settlement of outstanding loan of Rs.13,15,424 by Reliance Nippon Life Insurance Co. Ltd. The bank hands over all property documents to Ramya and she feels relieved from the burden of the home loan.

Note:

- The above illustration is for a sample group data with standard lives. The actual rates would vary based on the group characteristic.
- Extra premium would apply to members with non-standard health condition.
- Above mentioned premium amount is exclusive for service tax and cess, if any.

Reliance Group Credit Assure Plus (UIN: 121N115V01)