

Human Resources Administration Division,
Human Resources Department, Central Office, Mumbai

STAFF CIRCULAR NO.7655

Date: March 31st, 2022

To All Branches/ Offices

Group Insurance Cover for Staff Loans Accounts

viz. Staff Housing, Staff Vehicle (Active & Retired Staff) & Staff Overdraft (Active Staff)

Policy Period- 01.04.2022 to 31.03.2023

1. Introduction:

Attention is drawn to Staff Circular No. 7368 dated 17.02.2021, 07396 dated 24.03.2021 & other subsequent circulars on 'Group Insurance Scheme' vide which modalities of the "Group Insurance Cover for Staff Loans viz. Housing, Vehicle and Staff Overdraft" were conveyed. The objective of the Group Insurance Scheme is to safeguard the bereaved families in the instances of untimely demise of an employee. Group Insurance cover against the staff loan portfolio shall provide the following benefits to the employees:

- Lower premium rates as compared to the individual term insurance.
- Easier & quick claim settlements.
- Financial support to the bereaved family during untimely demise of staff.

The existing Group Insurance Scheme for staff loans was from 01.04.2021 to 31.03.2022. As the existing Group Insurance Scheme is valid upto 31.03.2022, it is essential to cover the staff loans accounts for continuing the benefit of the Group Insurance Scheme. Hence, the modalities of the Group Insurance Scheme for the policy period 01.04.2022 to 31.03.2023 is finalized and the same is produced in this circular.

Further, it is decided to subsidize the insurance premium amount for the existing policy period i.e. from 01.04.2021 to 31.03.2022 @ 15% of the insurance premium amount already paid by the staff members. The credit of the same is being credited in the respective staff loan accounts.

2. Applicability:

- All staff loans accounts including Staff Housing, Staff Conveyance and Staff Overdraft are mandatorily covered under Group Insurance Scheme.
- Subsequent sanctions, enhancements and disbursements will also be covered under the scheme by paying insurance premium amount on pro-rata basis.



- The insurance premium amount of the staff loan accounts of retired staff members who are more than 65 years of age as on 31.03.2022, shall be debited only after completion of their medical examination & obtaining confirmation of the Insurer regarding their eligibility under Group Insurance Scheme.

3. Insurer:

There are two insurers for the policy period 01.04.2022 to 31.03.2023.

Type of Loan	Insurer
Staff Housing Loan (SHL)	Star Union Dai-Ichi Insurance Company Limited (SUD Life)
Staff Vehicle Loan (SVL)	HDFC Life Insurance Company Limited
Staff Overdraft (SOD)	HDFC Life Insurance Company Limited

4. Insurance Premium Rates:

The insurance premium rates for the policy period 01.04.2022 to 31.03.2023 are as under:

Type of Loan	Rates
Staff Housing Loan (SHL)	Rs. 3.8598 + GST per thousand
Staff Vehicle Loan (SVL)	Rs. 3.72 + GST per thousand
Staff Overdraft (SOD)	Rs. 3.79 + GST per thousand

5. Tenure:

The validity of this Group Insurance Scheme for all Staff Loans will be from 01.04.2022 to 31.03.2023.

6. Sum Assured:

The quantum of sum assured for staff loan accounts will be as under:

- **Staff Housing Loan:** Actual outstanding loan amount as on the date of policy premium payment.
- **Staff Vehicle Loan:** Actual outstanding loan amount as on the date of policy premium payment.
- **Staff Overdraft:** Actual Overdraft limit sanctioned (irrespective of outstanding balance).

7. Deduction of Premium:

The premium in the existing staff loan accounts will be debited on 01.04.2022 through backend process. However, subsequent disbursements/ additions in the staff loan accounts shall be auto debited on pro rata basis.

8. Payment & Adjustment of Insurance Premium:

The insurance premium amount will be directly deducted from the respective staff loan accounts. Hence, it will be the responsibility of the concerned staff to adjust full amount debited from their staff loan accounts within one month either through their own sources.

Or

By availing demand loan facility provided by the Bank, if the staff is unable to manage the premium from his/ her own sources. The details of said Demand Loan Scheme will be provided in due course.

9. Claim Settlement:

Human Resources Administrative Division, CO will take up the claim with insurance company. Insurance company will pay the settlement amount directly to the Bank. Bank after adjusting the outstanding amount in various loan accounts, will pay the balance amount, if any, to the nominee of the concerned employee.

10. Claim Procedure:

In case of untimely demise of the staff member, the concerned branch where the said staff loan account is maintained or the Regional Office under which the staff was posted are required to send the claim form along with the death certificate issued by Government Authority & certificate of the hospital (if the death is due to COVID) on the email id staffloan.insurance@unionbankofindia.com/ staffloan.insurance@unionbankofindia.bank. The claim form will be made available to Regional Offices in due course of time.

11. Operational guidelines:

- It is the responsibility of the Branch head, where staff loan A/c is maintained to ensure that the insurance premium amount deducted from the loan account is settled by the staff within 1 month of deduction, either from his/her own sources or by availing the facility of Demand Loan Scheme. If any staff fails to do so, such Branch Heads should inform the details of such staff along with the loan details to HRAD on the email id staffloan.insurance@unionbankofindia.com/ staffloan.insurance@unionbankofindia.bank by 5th of next month.
- In case of closure of any staff loan a/c during the policy period, the details should also be sent to HRAD, CO on email id staffloan.insurance@unionbankofindia.com/ staffloan.insurance@unionbankofindia.bank for arranging refund of the premium amount on pro-rata basis.
- As, the purpose of the Group Insurance Scheme is to protect the bereaved family members from financial hardship at the time of any untimely demise of the staff, all staff members (active or retired) should ensure that their staff loan accounts are covered under the scheme including new sanction/ enhancement/ disbursement during the policy period i.e. 01.04.2022 to 31.03.2023. Please note that failure to add eligible staff loans in time may result in rejection of claims from the insurer.

- Any clarifications regarding the Group Insurance Cover for staff loan accounts shall be issued by HRAD, Central Office. The contact details are as under:

IP No. 116297
Landline: 022-22896280

- The contents of this circular may kindly be brought to the notice of all employees (serving as well as retired).

K. Saw

General Manager (HR)

RE: JVB