

Form of letter of agreement (Loan under Money Back & Money Back type of policy)

The Chief Manager
Life Insurance Corporation of India
City Branch No.1 (415)
Kolkata 700001

Date: _____

Dear Sir,

Loan under Policy no _____

With reference to my application dated _____ for a loan under the above policy which has been issued under _____ plan, I hereby agree that in the event of a claim arising under the above mentioned policy which may either be periodical survival benefits, maturity claim or a death claim, the Corporation may adjust the installment of Sum Assured then payable towards repayment of the accrued interest and loan outstanding, if any. However if any balance of the aforesaid installment of sum assured is left over after the entire accrued interest and loan outstanding is liquidated by such adjustment, such balance should be payable to me or to my nominee Sri/Smt _____ after my death, as the case may be.

Yours faithfully,

Signature of the Life Assured_____
Name of the Life Assured

Cut along this line and paste on the Policy Bond

Endorsement

Notwithstanding anything mentioned to the contrary, it is hereby declared and agreed that a loan is being granted under this policy subject to the following terms and conditions and subject to production of satisfactory title:

1. The policy shall be assigned absolutely to and held by the Corporation as security for repayment of advance(s) and of the interest thereon.
2. Interest on the advance(s) shall be paid compounding half-yearly to the Corporation at the rate to be specified by the Corporation when the relative advance is made. The first payment of interest to be made on the next Policy anniversary or on the date six months before the next policy anniversary whichever immediately follows the date on which the relative advance is made and every half year thereafter. Interest will be charged for a minimum period of six months.
3. The Corporation shall be entitled to call for repayment of the advance(s) with all due interest by giving three months notice. In the event of failure to repay the advance(s) when required or to pay the interest on the due dates as herein above mentioned or within 30 days after each due date respectively, the policy shall be held, without the necessity of any notice being given, to be forfeited to the Corporation and the Corporation shall be entitled to apply the surrender value allowable in respect of the policy in payment of the advance(s) and interest.
4. In case the policy shall mature or become a claim by death or is surrendered, the Corporation shall become entitled to deduct the amount of the advances or any portion thereof which is outstanding together with all interest from the policy moneys.
5. Whenever survival benefit falls due under the policy where loan has been allowed, the survival benefit amount will be used first towards repayment of accrued interest and loan outstanding, in that order.

Sd/-
p. Chief Manager