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 भारतीय जीवन बीमा निगम  
 LIFE INSURANCE CORPORATION OF INDIA  
 BANGALORE DIVISION - II

**APPLICATION FOR  
 POLICY LOAN / FURTHER LOAN**

**BANK ACCOUNT DETAILS**

A/c. No. ....  
 Name of the Bank : .....  
 Branch : .....  
 Address : .....

*Signature of Life Assured/Assignee*

From : .....  
 Name : .....  
 Address : .....  
 Date .....

To  
 The Chief Senior / Branch Manager  
**L I C of India**  
 Branch Office \_\_\_\_\_

Dear Sir,

Policy No .....

Please grant me an advance of Rs..... or maximum available by way of further/loan against the above Policy on which I agree to pay interest at the rate of 9% per annum compounding half-yearly on this loan as well as on the previous loans, if any.

I am also agreeable to the following endorsement being placed on the Policy, viz.,

Advance (s) by way of loan when granted against the security of the policy shall be made by the Corporation on the following terms and conditions :

- (1) The policy shall be assigned absolutely to and held by the Corporation, their successors and assigns as security for the repayment of the advance (s) and of the interest therein and of all expenses which may be incurred in connection therewith.
- (2) The advance shall not be repaid within a period of six months from the date on which the relative loan is settled. However, in case the same is repaid within six months, the Corporation is entitled to charge interest for a minimum period of six months.
- (3) Interest on the advance (s) shall be paid compounding half-yearly to the Corporation, their successors and assigns at the rate to be specified by the Corporation in respect of each advance when the relative advance is made the first payment of interest to be made on the date of next Policy anniversary or on the date six months before the next Policy anniversary, whichever immediately follow the date on which the relative advance is made and every half-year thereafter.
- (4) When called upon, repayment of the advance (s) with all interest which may be due thereon shall be made on being given three months notice to that effect.
- (5) The Corporation, their successors and assigns shall not be bound to accept repayment of any of the advance (s) unless tendered in fully.
- (6) In the event of failure to repay the advance (s) when required or to pay interest on the due date as herein before mentioned or within one calendar month after each due date respectively, the policy shall be held without the necessity of any notice being given to be forfeited to the Corporation, their successors and assigns and the Corporation shall be entitled to apply the Surrender Value allowable in respect of the Policy in terms of their regulations and conditions in payment of the advance(s), interest and expenses, the balance if any, of such Surrender Value to be accounted for to the party entitled thereto.
- (7) In case the policy shall mature or become a claim by death when the amount of the advance(s) or any portion thereof shall remain outstanding, the Corporation shall be entitled to deduct such amount together with all interest upto the date of maturity or of death as the case may be from the policy monies and the balance only shall become due and payable under the policy.

The Policy duly assigned in your favour, the receipt for the loan amount and declaration regarding Anticipated Endowment Policy duly completed are enclosed herewith.

*Yours faithfully,**Signature of the Life Assured/Assignee*

**ASSIGNMENT OF THE POLICY IN FAVOUR OF THE CORPORATION  
 FOR THE PURPOSE OF LOAN AGAINST POLICY**

I, the undersigned.....(full name) the Life Assured/ Assignee under the within Policy of Assurance No.....do hereby assign and transfer all my right, title and interest in the within Policy of Assurance and the moneys thereby secured and all the benefits attached thereto, to the Life Insurance Corporation of India, their successors and assign absolutely for value received and may be received hereafter.

Dated at ..... this ..... day of ..... 200 .....

**WITNESS** :

Signature :

Name :

Designation &amp; Address :

*Signature of the Life Assured / Assignee*

Certified that the contents of the above assignment were explained by me to the Assignor/Assignee in vernacular and that he / she has affixed his/her signature / left thumb impression in my presence after thoroughly understanding the same.

*Signature of the Witness*

Rs. .... Date .....

I/We .....

do hereby acknowledge receipt of an amount of Rs. .... (in words) Rupees .....

..... paid to me/us by the "LIFE INSURANCE CORPORATION OF INDIA as an advance against the Policy No. ....

*Signature of the Life Assured / Assignee*

**NOTE OF AUTHORITY**

If the within receipt is signed by more than one person and payment is desired to be made to one of the signatories or to the Bank, the following Note of Authority should be completed.

Place..... Date.....

We hereby authorise the Life Insurance Corporation of India to pay the within mentioned loan amount of/out of within mentioned loan a sum of

Rs..... to.....

*Signature (s)*

**DECLARATION TO BE COMPLETED WHEN BORROWER/S CANNOT READ ENGLISH**

I hereby certify that the contents of Application for Loan, Assignment form, special declaration, the Receipt to loan advance have been translated and explained by me to ..... and I further declare that he / she / they has / have affixed his / her / their signature / left thumb impression after fully understanding the same.

Name, Designation and Address :

*Signature of the Declarant*

**INSTRUCTIONS**

If the borrower is a person not knowing English or an illiterate, an English knowing person should be requested to complete the above declaration as also to give the English rendering of Signature. Where, however, the borrower is an illiterate, the declarant should certify that the thumb mark is of the person mentioned in the declaration and the same is obtained in his / her presence.

**FORM OF LETTER OF AGREEMENT (LOAN UNDER MONEY BACK & HONEY BACK TYPE OF POLICY)**

Chief/Sr/Branch Manager

Branch No. ....

Date : .....

**Life Insurance Corporation of India**

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 instalment of Sum Assured then payable towards repayment of the accrued interest and loan outstanding, if any. However if any balance of the aforesaid instalment 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 Life Assured*

**ENDORSEMENT**

**Annexure**

*'Notwithstanding anything mentioned to the contrary, it is hereby declared and agreed that low te Mng 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.

**INSTRUCTIONS**

- (1) The form of assignment should be detached along the perforation and should be pasted over the blank space on the back of the Policy completed, in which case no Stamp Duty will be payable. If the assignment is executed on a separate paper, the wordings should be copied out on a stamped paper (Special adhesive or non-judicial) of the appropriate value. The Assignor should satisfy himself before forwarding the Deed of Assignment as regards proper stamp duty having been paid thereon.
- (2) The Assignor must affix his / her signature to the assignment in the presence of a witness if the Ass-nor is not conversant with English, or he/she be illiterate. he/she must affix Ms / her Signature or thumb impression to the assignment before an English-knowing person. The witness in such a case should again affix his signature to the certificate printed below the assignment.
- (3) Signature or any other matter written in vernacular should have the English translation thereof written beneath the same.