

Education Loan Insurance - Highlights

- Launching of the insurance scheme for education Loans w.e.f **25.05.2013**.
- **Maximum Term cover** – 15 years including moratorium & repayment period.
- **Sum assured** – Maximum of 120% of loan amount subject to a maximum of Rs.50 lacs.
- Student and parent covered jointly (Maximum 3 borrowers) and can avail joint life discount of the scheme.
- **Reducing cover** – Sum assured reduces based on ostensible repayment schedule.
- 25% of the premium cost will be absorbed by the Bank.
- Coverage under the scheme is voluntary at the option of the student loanee.
- **Premium payment** – Single premium to be paid upfront and can be included in project cost.
- Under the scheme, the existing loans can also be covered for the insurance purpose wherein the initial disbursement date is not more than 8 months from the date of receipt of application.
- Coverage options / risk covered – Death cover only.
- **Nomination** – Nomination may be made in accordance with Section 39 of the Insurance Act, 1938. (In case of member to be insured is minor, suggest proposer / co-borrower to be the nominee).
- **Assignment** – Assignment can be made.
- **Tax benefits** – Tax benefits are subject to prevailing tax laws and subject to change.
- For other details please contact your branch (refer HO Circular 231/13 dated 21.05.2013).

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