

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF FINANCIAL SERVICES

**LOK SABHA**  
**UNSTARRED QUESTION NO. 1564**

TO BE ANSWERED ON MONDAY, JULY 01, 2019/ASHADHA 10, 1941 (SAKA)

**INSURANCE FOR HOUSING LOANS**

1564. DR. MANOJ RAJORIA:

Will the Minister of FINANCE be pleased to state:-

- (a) whether Private and Public Sector banks are providing housing loans insurance in collaboration with the Government sector and private sector insurance companies and if so, the details thereof;
- (b) whether the terms and conditions for the customers are such that they lose their entire premium when they switch their Housing Loan from one bank to another and if so, the reasons therefor; and
- (c) if not, the details of the clauses mandated for banks and insurance companies to protect the interests of the housing loan customers so that insurance premiums are either smoothly switched over during transfer of housing loans or refunded?

**ANSWER**

THE FINANCE MINISTER  
(SMT. NIRMALA SITHARAMAN)

**(a) to (c):** The Insurance Regulatory and Development Authority of India (IRDAI) has informed that the public sector Insurer, namely, LIC of India, and a few of the private sector Insurers have launched housing loans insurance. Insurers can charge single or regular premiums and issue policies to Banks desirous of covering the risk of death on the lives of borrowers, who may have availed housing loans.

Regulation 35 (n) of IRDA (Non-linked insurance products) Regulations, 2013, protects the interests of housing loan customers who are members of group credit Life Schemes by providing for: -

- a) To continue the cover till the end of the coverage period (or)
- b) Opt for surrender Value (or)
- c) Cancel the policy with a return of certain percentage of premium on pro-rata basis.

\*\*\*\*\*