

# Now, insurers offer cover against loan



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Mumbai, 19 March

Those seeking loans to buy a house or a car now have access to a larger suite of life and general insurance products, which offer insurance cover against unemployment, critical illness, personal accident, etc — factors that could affect their ability to repay loans.

SBI General Insurance recently launched a loan insurance policy providing protection against the above-mentioned fortuitous events. The policy covers 13 critical illness with survival period of 28 days or more. The personal accident cover includes death or permanent disability due to unforeseen accidents. And, in case of loss of employment, three equated monthly instalments (EMIs) are paid for the outstanding loan, said Gunjan Ghai, senior vice-president (marketing and product development) at SBI General Insurance.

Other insurers such as Bajaj Allianz General Insurance have also spotted demand in this space. Its head of product development, R Suresh Nair, says loan protec-

tion covers are popular among customers.

Bajaj Allianz also provides three EMIs for loss of job for the salaried class. Its product has the provision to cover sanctioned loans up to ₹3 crore for customers aged up to 50 years.

The insurer also offers insurance products to cover car loans. The highest coverage at the moment is ₹12.5 lakh, which, according to Nair, might be increased.

Insurance companies usually tie up with banks to offer these products. Earlier, coverage for loanees was a monopoly of life insurers. Those taking loans were provided life insurance cover so that in the event of their death, their family would not be burdened with repayment of the loan.

Some insurers are also doing away with the need to have medical insurance under such products. For instance, SBI General's policy does not need medical check-up for policies have sum assured up to ₹1 crore and/or age up to 45 years. Here, the sum insured is the same as the disbursed loan amount.