

# **Scheme of Loan to Retirees for Payment of Medical Insurance Premium**

## **1. TARGET GROUP:**

All honourable Retired Officers/Retired Award Staff (including sub staff) who have opted for “Group Medical Insurance for Retirees” and required to remit the renewal premium to the concerned Insurance Company for the same. (The loan will be sanctioned in the joint name of the retiree and spouse if alive). This scheme is available only for pension optees.

## **2. PURPOSE:**

- a) Exclusively for funding the renewal premium amount of Group Medical insurance for Retirees.
- b) No other purpose/requirements will be considered under the scheme.

## **3. MAXIMUM AMOUNT OF LOAN:**

- a) 90% of the total premium amount (inclusive of tax) for one insurance year
- b) Net take home pension after all deductions including the instalment of proposed loan should not be less than 40% of Gross Pension.

## **4. MARGIN:**

10% of the insurance premium inclusive of tax for one insurance year

## **5. REPAYMENT PERIOD:**

The entire loan is to be repaid in 12 equated monthly instalments. 1st instalment is to be paid within 30 days after the date of disbursement of loan or on date of subsequent payment of monthly pension, whichever is earlier.

## **6. RATE OF INTEREST:**

One year MCLR

## **7. SANCTIONING AUTHORITY & LOANING POWER:**

The sanctioning Authority will be the Branch Head of the Branch where the employee is maintaining pension account.

8. This Loan facility will not be available, if the retiree has availed any similar facility from any other source.

## **9. DOCUMENTS TO BE OBTAINED:**

- a) Application Form (**Annexure I**)
- b) Recent Photograph
- c) Details of Pension/PPO No. etc.
- d) Demand Promissory Note
- e) Undertaking- cum-Authority (**Annexure II**)
- f) Copy of Adhaar card
- g) Demand Pronote- PNB 728

**(Human Resource Development Division Circular No. 823 dated 27.03.2020)**

**REQUEST-CUM-SANCTION LETTER FOR DEMAND LOAN TO RETIREES  
FOR PAYMENT OF MEDICAL INSURANCE PREMIUM**

The Manager,  
Punjab National Bank,

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Dear Sir/ Madam,

**Re: Loan for payment of Medical Insurance Premium**

I request you to grant me demand loan of Rs. \_\_\_\_\_ (Rupees \_\_\_\_\_ only) for payment of Medical Insurance Premium. I am eligible for the loan applied for under the above Scheme for retirees. I am drawing a monthly pension of Rs. \_\_\_\_\_ (Rupees \_\_\_\_\_ ) having retired from \_\_\_\_\_ in the year \_\_\_\_\_. The pension is being credited in my SF/CA/OD A/c no. \_\_\_\_\_ maintained with your branch.

I agree to repay the said demand loan of Rs. \_\_\_\_\_ (Rupees \_\_\_\_\_ ) in 12 monthly instalments along with interest at the rate of \_\_\_\_\_. The interest chargeable shall be subject to changes as prescribed by Bank from time to time. In the event of my death or for any reason/s deemed necessary, the Bank shall have the right to recall the loan outstanding immediately irrespective of repayment period fixed. I also agree to execute all the documents prescribed and to abide by all terms and conditions of the Scheme from time to time.

I authorize the Bank, that in the event of sanction of loan, to debit the amount of monthly instalment every month to my SF / CA / OD a/c no. \_\_\_\_\_ with the Bank in which my pension is credited and credit it to the aforesaid Loan a/c until the loan is fully adjusted. The authority given by me to the Bank is irrevocable unless and until the loan is repaid by me in full.

I undertake and agree that I will not raise any further loan/advance from any other branch of PNB or any other Bank/NBFC under the same or similar Scheme till full repayment of the loan, without consent of the Bank.

I hereby agree as a pre condition of the loan given to me by the Bank that in case I commit default in the repayment of loan or in the repayment of interest thereon or any of the agreed instalments of the loan on due date(s), the Bank and/or the Reserve Bank of India will have an unqualified right to disclose my name as defaulter in such manner and through such medium as the Bank or Reserve Bank of India in their absolute discretion may think fit.

I hereby agree and give consent for the disclosure by the Bank of all or any such:

- Information and data relating to me.
- The information and data relating to any credit facility availed of/to be availed, by the borrower/s and
- Default, if any, committed by me in discharge of my obligation, as the Bank may deem appropriate and necessary, to disclose and furnish to Credit Information Bureau (India) Ltd. And any other agency authorized in this behalf by RBI.

I declare that the information and data furnished by me to the Bank are true and correct. I undertake that:

Yours faithfully,

Place \_\_\_\_\_

Date \_\_\_\_\_

**SIGNATURE OF THE APPLICANT**

Name: \_\_\_\_\_

PF No. \_\_\_\_\_

PPO No. \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ District \_\_\_\_\_

Pin Code \_\_\_\_\_

Permanent Address \_\_\_\_\_

City \_\_\_\_\_ District \_\_\_\_\_

Pin Code \_\_\_\_\_

Telephone \_\_\_\_\_

(with STD Code)

Mobile No. \_\_\_\_\_

**COMMENTS/RECOMMENATIONS OF APPRAISING OFFICER**

(Signature & Name of Appraising Officer)

**ORDERS OF THE SANCTIONING AUTHORITY**

(Signature & Name of Sanctioning Authority)

**UNDERTAKING**

The Branch Manager  
Punjab National Bank  
B/O \_\_\_\_\_  
\_\_\_\_\_

Dear Sir/ Madam,

**Reg.: My Demand Loan Account No. \_\_\_\_\_ for payment of  
Medical Insurance Premium**

I have availed Demand Loan of Rs. \_\_\_\_\_ (Rupees \_\_\_\_\_)  
on \_\_\_\_\_ from PNB.

Please deduct monthly instalment of Rs. \_\_\_\_\_ of the aforesaid loan from my Pension  
Account No. \_\_\_\_\_ till adjustment of the loan.

In this regard, I hereby give the undertaking that I will not shift my Pension Account till  
my Demand Loan is running with Punjab National Bank.

Yours faithfully,

**(Borrower)**

Place:

Date: