



IRDAI permits insurers to grant moratorium on term loans sanctioned by insurers

The IRDAI has, in line with the directions issued by the Reserve Bank of India, permitted insurance companies to grant moratorium, for a period of 3 months, to borrowers of term loans. In this regard the IRDAI has issued the following instructions, amongst others:

(a) In respect of term loans, insurers can grant a moratorium of 3 months towards payment of instalments falling due between 1 March 2020 and 31 May 2020. The repayment schedule for such loans as well as the residual tenor, will be shifted across the board by 3 months subsequent to the moratorium period.

(b) Interest shall continue to accrue on the outstanding portion of the term loans during such moratorium period.

(c) The asset classification of term loans, in relation to which moratorium has been granted, shall be determined on the basis of revised due dates and revised repayment schedule.

(d) The rescheduling of payments, including interest, will not qualify as a default for the purpose of reporting of NPAs.

(e) Insurers shall frame board approved policies to extend above mentioned reliefs to all eligible borrowers.

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