RAJASTHAN FINANCIAL CORPORATION

Udyog Bhawan, Tilak Marg, Jaipur-302 005
(RRM DIVISION)

Ref.No.RFC/23FR/HO/Policy-118/ 1975 Dated: 06.09.2012

CIRCULAR
(FR-696)

Reg:- Insurance of assets of assisted units

Attention is invited to P&G circular 1289/2009(FR-584) dated 03.11.2009 along with which revised Chapter No.FR-A of P&G on insurance of assets was circulated and vide circular No.FR-672 dated 03.11.2011, it was reiterated that branches may ensure strict compliance of the same.

As per the revised policy assets of assisted units are kept insured throughout the currency of the loan as per terms & conditions of sanction/loan agreement and branch office has to watch and ensure that assets of the assisted unit are through out kept insurance and the insurance policies are timely renewed during the currency of the loan.

Procedure for renewal of insurance policy in the case where the insurance policy is not renewed by the loanee concern has also been laid down. As per this procedure, policies are to be renewed by the branch office of the Corporation from the same Insurance Company, to which previous insurance policy belongs and debit the amount of premium and also liquidated damages equal to the premium amount to the loan account of the concern.

It has been observed that provisions contained in P&G (Chapter FR-A) are not being strictly followed by the branches.

It is again reiterated that all concern may ensure strict compliance of the provisions regarding insurance of assets of assisted unit and their renewal as contained in P&G (Chapter FR-A). It is further directed that possibilities may also be explored of getting insurance done through General Insurance Company (GIC).

All concerned are advised to take a note of above and act accordingly.

Chairman & Managing Director

Copy to:

1. All BOs/SOs
2. A&I, Ajmer/Jodhpur
3. All DGM (Operations)
4. Standard circulation at HO.