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Credit Circular 2021/15

24th December2021

INSURANCE OF ASSETS

LEASED OR UNDER LIEN TO THE COMPANY

(Loans /Lease Finance)

1. In order to maintain uniformity and quality credit portfolio in our branches, the Branch Managers are required to follow the procedure stated below with immediate.
2. Insurance premium to be collected upfront from the client or It should be capitalized prior to issuance of the purchase order (for Leasing facilities) / Disbursement of the facility (Business and other loans)
3. All relevant risks to be covered at the time of obtaining insurance.
4. Branch manager and Marketing officer should negotiate with the customer before the renewal of insurance assigned to LCBF.
5. Insurance premium to be collected from the client or it should be directly debited to his facility at time of the renewal
6. Hiring cover is compulsory for following vehicle category
   1. Motor lorry, Batta
   2. Buses and Vans
   3. Dual-purposes vehicles
   4. Three-wheels
7. Customers undertaking to be obtained to renew the insurance through LCBF at the time of the granting the facility. (Should be mentioned in the offer letter)
8. All renewals to be finalized 1 month prior to the expiry and Prestige insurance and Fair First Insurance will forward renewal list 2 months prior to the expiry.
9. Branch Managers are responsible to ensure strict compliance with the above requirements. having explained to the staff at the branch handling all matters relating to the credit portfolio of the company.

Signed Signed

Deputy General Manager CEO/ Executive Director

(Credit and Recoveries)