Priority question for written answer P-003081/2024
to the Commission
Rule 144
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Subject: What is happening with the life insurances of borrowers and guarantors who died from COVID-19 and the repayment of their loans?

As a condition for granting a loan, Greek banks obliged borrowers to take out life insurance so that, in the event of being unable to repay their loan (e.g. due to death, partial or total disability), the bank would get its money back. In most cases, the banks themselves provided life insurance through their group's insurance companies or other partner insurers of their choice, they sent the contract to the prospective borrower for signature and set up a standing order to charge the borrower's account, with the latter's consent.

In cases where borrowers died from COVID-19 – an exception that was not provided for in their contract – the insurance companies should have repaid their loans to the banks. However, not only did heirs end up having to foot the rest of the bill for borrowers' home loans, in many cases banks sold these loans to funds, which in turn demanded additional money from the deceased person's loan balance, denying that there was an active insurance, when the loan should have been repaid by the insurance company, usually the one used by the bank group. Some homes were auctioned either by the banks or the funds.

What steps will the Commission take to protect the heirs of those who died from COVID-19 and whose loans were not repaid by the relevant insurance companies as they should have been?

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