

## **RULES FOR THE PRADHAN MANTRI SURAKSHA BIMA YOJANA**

### **DETAILS OF THE SCHEME:**

The scheme will be a one year cover, renewable from year to year, Accident Insurance Scheme offering accidental death and disability cover for death or disability on account of an accident. The scheme would be offered / administered through Public Sector General Insurance Companies (PSGICs) and other General Insurance companies willing to offer the product on similar terms with necessary approvals and tie up with Banks for this purpose. Participating banks will be free to engage any such insurance company for implementing the scheme for their subscribers.

**Scope of coverage:** All savings bank account holders in the age 18 to 70 years in participating banks will be entitled to join. In case of multiple saving bank accounts held by an individual in one or different banks, the person would be eligible to join the scheme through one savings bank account only. Aadhar would be the primary KYC for the bank account.

**Enrollment Modality / Period:** The cover shall be for the one year period stretching from 1<sup>st</sup> June to 31<sup>st</sup> May for which option to join / pay by auto-debit from the designated savings bank account on the prescribed forms will be required to be given by 31<sup>st</sup> May of every year, extendable up to 31<sup>st</sup> August 2015 in the initial year. Initially on launch, the period for joining may be extended by Govt. of India for another three months, i.e. up to 30<sup>th</sup> of November, 2015. Joining subsequently on payment of full annual premium may be possible on specified terms. However, applicants may give an indefinite / longer option for enrolment / auto-debit, subject to continuation of the scheme with terms as may be revised on the basis of past experience. Individuals who exit the scheme at any point may re-join the scheme in future years through the above modality. New entrants into the eligible category from year to year or currently eligible individuals who did not join earlier shall be able to join in future years while the scheme is continuing.

**Benefits:** As per the following table:

|    | <b>Table of Benefits</b>   | <b>Sum Insured</b> |
|----|--|--------------------|
| a. | Death  | Rs. 2 Lakh         |
| b. | Total and irrecoverable loss of both eyes or loss of use of both hands or feet or loss of sight of one eye and loss of use of hand or foot | Rs. 2 Lakh         |
| c. | Total and irrecoverable loss of sight of one eye or loss of use of one hand or foot  | Rs. 1 Lakh         |

**Premium:** Rs.12/- per annum per member. The premium will be deducted from the account holder's savings bank account through 'auto debit' facility in one installment on or before 1<sup>st</sup> June of each annual coverage period under the scheme. However, in cases where auto debit takes place after 1<sup>st</sup> June, the cover shall commence from the first day of the month following the auto debit.

The premium would be reviewed based on annual claims experience. However, barring unforeseen adverse outcomes of extreme nature, efforts would be made to ensure that there is no upward revision of premium in the first three years.

**Eligibility Conditions:**

The savings bank account holders of the participating banks aged between 18 years (completed) and 70 years (age nearer birthday) who give their consent to join / enable auto-debit, as per the above modality, will be enrolled into the scheme.

**Master Policy Holder:** Participating Bank will be the Master policy holder on behalf of the participating subscribers. A simple and subscriber friendly administration & claim settlement process shall be finalized by the respective general insurance company in consultation with the participating Banks.

**Termination of cover:** The accident cover for the member shall terminate on any of the following events and no benefit will be payable there under:

- 1) On attaining age 70 years (age nearest birth day).
- 2) Closure of account with the Bank or insufficiency of balance to keep the insurance in force.
- 3) In case a member is covered through more than one account and premium is received by the Insurance Company inadvertently, insurance cover will be restricted to one only and the premium shall be liable to be forfeited.
- 4) If the insurance cover is ceased due to any technical reasons such as insufficient balance on due date or due to any administrative issues, the same can be reinstated on receipt of full annual premium, subject to conditions that may be laid down. During this period, the risk cover will be suspended and reinstatement of risk cover will be at the sole discretion of Insurance Company.
- 5) Participating banks will deduct the premium amount in the same month when the auto debit option is given, preferably in May of every year, and remit the amount due to the Insurance Company in that month itself.

**Administration:**

The scheme, subject to the above, will be administered as per the standard procedure stipulated by the Insurance Company. The data flow process and data proforma will be provided separately.

It will be the responsibility of the participating bank to recover the appropriate annual premium from the account holders within the prescribed period **through 'auto-debit' process.**

Enrollment form / Auto-debit authorization in the prescribed proforma shall be obtained and retained by the participating bank. In case of claim, the Insurance Company may

seek submission of the same. Insurance Company reserves the right to call for these documents at any point of time.

The acknowledgement slip may be made into an acknowledgement slip-cum-certificate of insurance.

The experience of the scheme will be monitored on yearly basis for re-calibration etc., as may be necessary.

**Appropriation of Premium:**

- 1) Insurance Premium to Insurance Company: Rs.10/- per annum per member
- 2) Reimbursement of Expenses to BC/Micro/Corporate/Agent : Rs.1/- per annum per member
- 3) Reimbursement of Administrative expenses to participating Bank: Rs.1/- per annum per member

The proposed date of commencement of the scheme will be 1<sup>st</sup> June 2015. The next Annual renewal date shall be each successive 1<sup>st</sup> of June in subsequent years.

The scheme is liable to be discontinued prior to commencement of a new future renewal date if circumstances so require.

**Frequently Asked Questions (FAQs)**

Enclosed on next page

## FAQs on PRADHAN MANTRI SURAKSHA BIMA YOJANA

### **Q1. What is the nature of the scheme?**

The scheme will be a one year cover Personal Accident Insurance Scheme, renewable from year to year, offering protection against death or disability due to accident.

### **Q2. What would be the benefits under the scheme and premium payable?**

The benefits are as follows:

|    | <b>Table of Benefits</b>   | <b>Sum Insured</b> |
|----|--|--------------------|
| a. | Death  | Rs. 2 Lakh         |
| b. | Total and irrecoverable loss of both eyes or loss of use of both hands or feet or loss of sight of one eye and loss of use of hand or foot | Rs. 2 Lakh         |
| c. | Total and irrecoverable loss of sight of one eye or loss of use of one hand or foot  | Rs. 1 Lakh         |

Premium payable is Rs.12/- per annum per member.

### **Q3. How will the premium be paid?**

The premium will be deducted from the account holder's savings bank account through 'auto debit' facility in one installment, as per the option to be given on enrolment. Members may also give one-time mandate for auto-debit every year till the scheme is in force, subject to re-calibration that may be deemed necessary on review of experience of the scheme from year to year.

### **Q4. Who will offer / administer the scheme?**

The scheme would be offered / administered through the Public Sector General Insurance Companies (PSGICs) and other General Insurance companies willing to offer the product with necessary approvals on similar terms, in collaboration with participating Banks. Participating banks will be free to engage any such general insurance company for implementing the scheme for their subscribers.

### **Q5. Who will be eligible to subscribe?**

All savings bank account holders in the age 18 to 70 years in participating banks will be entitled to join. In case of multiple saving bank accounts held by an individual in one or different banks, the person would be eligible to join the scheme through **one** savings bank account only.

### **Q6. What is the enrolment period and modality?**

Initially on launch for the cover period from 1<sup>st</sup> June 2015 to 31<sup>st</sup> May 2016 subscribers are expected to enroll and give their auto-debit option by 31<sup>st</sup> May 2015, extendable up to 31<sup>st</sup> August 2015. Enrolment subsequent to this date may be possible prospectively on payment of full annual payment, subject to conditions that may be laid down.

Subscribers who wish to continue beyond the first year will be expected to give their consent for auto-debit before each successive May 31<sup>st</sup> for successive years. Delayed renewal subsequent to this date may be possible on payment of full annual premium, subject to conditions that may be laid down.

### **Q7. Can eligible individuals who fail to join the scheme in the initial year join in subsequent years?**

Yes, on payment of premium through auto-debit. New eligible entrants in future years can also join accordingly.

**Q8. Can individuals who leave the scheme rejoin?**

Individuals who exit the scheme at any point may re-join the scheme in future years by paying the annual premium, subject to conditions that may be laid down.

**Q9. Who would be the Master policy holder for the scheme?**

Participating Banks will be the Master policy holders. A simple and subscriber friendly administration & claim settlement process shall be finalized by PSGICs / chosen insurance company in consultation with the participating bank.

**Q10. When can the accident cover assurance terminate?**

The accident cover of the member shall terminate / be restricted accordingly on any of the following events:

- i. On attaining age 70 years (age neared birth day).
- ii. Closure of account with the Bank or insufficiency of balance to keep the insurance in force.
- iii. In case a member is covered through more than one account and premium is received by the insurance company inadvertently, insurance cover will be restricted to one account and the premium shall be liable to be forfeited.

**Q11. What will be the role of the insurance company and the Bank?**

- i. The scheme will be administered by PSGICs or any other General Insurance company which is willing to offer such a product in partnership with a bank / banks.
- ii. It will be the responsibility of the participating bank to recover the appropriate annual premium in one installment, as per the option, from the account holders on or before the due date through 'auto-debit' process and transfer the amount due to the insurance company.
- iii. Enrollment form / Auto-debit authorization / Consent cum Declaration form in the prescribed proforma shall be obtained, as required, and retained by the participating bank. In case of claim, PSGIC / insurance company may seek submission of the same. PSGIC / Insurance Company also reserve the right to call for these documents at any point of time.

**Q12. How would the premium be appropriated?**

- a. Insurance Premium to PSGIC / other insurance company: Rs.10/- per annum per member;
- b. Reimbursement of Expenses to BC/Micro/Corporate/Agent : Rs.1/- per annum per member;
- c. Reimbursement of Administrative expenses to participating Bank: Rs.1/- per annum per member.

**Q13. Will this cover be in addition to cover under any other insurance scheme the subscriber may be covered under?**

Yes.

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