

GROUP SAVINGS LINKED INSURANCE SCHEME

1. The Group Savings Linked Insurance Scheme (GSLIS) launched by the Life Insurance Corporation of India was introduced for the welfare of the employees w.e.f. 20-04-1988, vide circular No.BDL/04/83 dt.03-02-1988. The salient feature of this scheme are given at Annexure 'A' as amended in accordance with the enhanced coverage by LIC since April 1993. An example in respect of maturity value has been given in Annexure 'B' which proportionately varies with the insurance coverage. The rules governing this scheme as amended from time to time are as under :

Authority 1 (1) Based on the salary and the parameters prescribed
BDL/04/83 by the LIC, the employees of BDL have been
Dt.03.02.88 categorized into four groups.

Authority 1(2) The monthly premia and the insurance coverage
BDL/04/83/ against each group as applicable from April 1992 is
GSLIS/63 indicated below
Dt.11-03-1992

Category	Grade / W Groups of BDL	Monthly Premium
A	Grade V & above	Rs.240.00
B	Grade I to IV	Rs. 180.00
C	WG-2 to 12	Rs. 120.00
D	WG- 0 &1	Rs. 60.00

3. The monthly premium is broadly distributed in the proportion of 35:65 between the Risk Premium and the Savings Premium. The Savings Premium is credited to the account of the employees and same will carry a compound interest of 11% per annum. The interest rate pay over will be determined the LIC.

Authority 4. The scheme was voluntary in nature initially and 75%
BDL/04/83 of the existing employees working in each group was
Dt.03-02-1988 opted for the scheme. It means a condition of service for
(Para-3,4 & 5) the employees joining on or after 20-04-1988.

4.1 New entrants to the scheme will be admitted from the immediate next policy anniversary.



4.2 Employee who became a member of the Scheme cannot withdraw from the Scheme while he is an eligible member under the Scheme.

4.3 Deputationists are not covered.

4.4 Employees who did not choose to become a member of the scheme at the time of its commencement, will be permitted to join the scheme subject to conditions laid down in para-8.

5. The nomination given for payment of Gratuity will be taken as the nomination for payment of the assured sum under this Scheme in case of contingency of death of any member. However, separate nomination may be submitted in the form of Appointment of Nominee given at Annexure- 'C'.

Authority 6. All the new entrants are to be automatically admitted to the scheme while renewing the policy. Similarly, any change in category, on account of promotion etc., are also to be incorporated.
BDL/04/83/
GSLIS/6C
Dt. 11-03-92
(Para- 6 & 7)

7. In case of death, the amount of assured as applicable to the groups to an employee belongs, will be payable along with the savings and accumulated interest by LIC. In case of retirement, resignation, termination, etc., the savings accumulated, with interest, will be payable by LIC.

8. Those employees who were on the rolls of the Company at the time of introduction of the scheme in 1988 but had not opted, also would be admitted in the Scheme subject to the following conditions and if LIC agrees to admit them.

Authority (i) Inclusion is effective from next annual renewal date only.
1) BDL/04/83/
GSLIS/6P
Dt. 12-03-1993

2) BDL/04/83/
GSLIS/6C
Dt. 12-02-1992 (ii) Insurability condition i.e. being not absent on grounds of ill-health on the date of entry into the scheme is satisfied;



- (iii) The employee should not be absent from duty on health grounds during the preceding six months for a period of 6 days or more continuously;
- (iv) To produce a medical evidence of fitness in the form of short medical report from an authorized medical examiner at the cost of the employees on the basis of which his admission to the Scheme will be considered.

9. The above rules are subject to changes effected by LIC in the scheme from time to time.



ANNEXURE 'A'
(See Para 1)

**GROUP SAVINGS LINKED INSURANCE SCHEME
TERMS AND CONDITIONS**

1. Employees will be categorized into four groups depending on their designation and scales of pay. Insurance coverage will be granted on a graded basis as follows :

Category of Employee	Insurance coverage Enhanced from April 1992
A	Rs.1,20,000/-
B	Rs. 90,000/-
C	Rs. 60,000/-
D	Rs. 30,000/-

2. For the employees in Public Sector Organisation, as per the enhanced coverage, the premium for Rs.30,000/- coverage is Rs.30/- per month out of which 35% is towards risk premium and 65% is towards savings. The premium for higher categories, are to be determined accordingly.

3. Atleast 75% of the existing employees working in each category should opt to join the scheme.

4. It would be a condition of service for future employees to join the scheme. New entrants to the scheme will be admitted from the immediate next policy anniversary.

5. The employees who are eligible to join this scheme are regular employees on the rolls of the employer and the deputationists will not be covered.

6. No member shall withdraw from scheme while he is an eligible member under the scheme.



7. The following simple condition for the insurability will also be required to be fulfilled on the date of commencement of the scheme.

“Employees who have not been absent from work on grounds of ill-health on the date of commencement of the scheme”

8. In respect of the employees who do not fulfill the insurability conditions as above, the insurance cover will not be granted. They would however, be admitted to the scheme on the next Annual Renewal date provided they have joined duty after submitting the fitness certificate.

9. The increase in cover to a member of the scheme as a result of change of category will be allowed only from the policy anniversary immediately following the change of category.

10. The contributions have to be paid on monthly basis and must be received by LIC by 20th of each month. In case of default, penal interest will be charged @11% per annum.

11 In case of delayed remittances - (i) risk cover will cease from 20th of the due month but will be resumed only from the date of receipt of the remittance by LIC and (ii) penal interest @ 0.12 paise for every Rs.10.00 per month has to be paid along with the delayed remittance.

12 The employer will have to give the undertaking that the contributions in respect of the employees to be covered will be paid to LIC by 20th of each month irrespective of the fact that the actual salary has been paid to such employees or not. If necessary the premia have to be advanced by the employer to continue insurance uninterrupted.

13 In case of death, the amount of insurance applicable to the category will be paid along with the savings, accumulated with interest.

14 In case of retirement, resignation, termination etc., the savings accumulated with interest will be paid.

15. INTEREST RATE :

The interest for the accumulated savings will be compound interest of 11% per annum and the interest rate will be determined from time to time.

