

**Andhra Bank**  
(A Govt. of India Undertaking)  
Head Office, Hyderabad



Circular No.: 492

Ref No.: 03/104

Date: 30.03.2017

**Department: Human Resources Dept.**  
**[Staff Welfare Section]**

Re: STAFF LOANS — Renewal of Master Life Insurance Policy - Housing Loans and Vehicle Loans for the year 2017-2018 - Remittance of Premium.

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We are having Master Life Insurance Policies with LIC of India to cover the lives of the employees to the extent of liabilities outstanding in Housing Loan and Vehicle Loan accounts. We have been remitting the annual premium on the liabilities outstanding as on 31<sup>st</sup> March of every year. The said policies are due for renewal on 01.04.2017 for the insurance year 2017-2018.

The salient features of both Housing Loan and Vehicle Loan policies are furnished hereunder.

**SALIENT FEATURES OF THE POLICY:**

	<b>Housing loan Insurance</b>	<b>Vehicle loan Insurance</b>
Coverage	Actual liability outstanding in Housing loan A/cs I & II and Additional housing loan accounts as on 31.03.2017 subject to a maximum of <b>Rs.60,00,000/-</b>	Actual liability outstanding in the loan account as on 31.03.2017 subject to a maximum of <b>Rs.7,00,000/-</b> in case of four wheeler loans or <b>Rs.1,00,000/-</b> in case two wheeler loans
Rate of premium	Rs. <b>3.40</b> ps per 1000/- plus service tax i.e. 3.91 per annum.	Rs. <b>3.43</b> ps per 1000/ plus service tax i.e.3.94 ps per annum.
Mode of premium debit	Premium will be auto debited to the loan account combining the total outstanding liability where the employees have more than one housing loan. The premium thus deducted and remitted to LIC of India should be recovered in equal monthly installments from	Premium will be auto debited to the loan accounts of the employees



	the salary of the employees during the financial year 2017-18 and credited back to the respective loan account.	
Deduction of premium	1) As on 31.03.2017 on the outstanding liability. 2) Proportionate premium on the date when fresh disbursements are made.	1) As on 31.03.2017 on the outstanding liability. 2) Proportionate premium on the date when fresh disbursements are made.

We furnish hereunder the procedure to be followed at the branch/Zonal Office.

**IMPORTANT POINTS TO BE NOTED AND FOLLOWED**

**AT BRANCH :**

1. System will debit insurance premium for all staff housing/vehicle loan accounts outstanding as on 31.03.2017. Branch user/account holder has to check whether the premium debited is as per the above rates.

2. Premium so debited is to be recovered in the financial year 2017-18 in equal monthly installments from the salary payable to the employee duly incorporating in Salary Change forms and credited back to the respective housing loan accounts.

3. Not to debit insurance for exited employees ensure that 'Borrower Category Code' under MIS codes is selected as '888'. Mere debit of premium does not ensure coverage as employees who exited Andhra Bank are not eligible to be covered.

4. Ensure that **STAFF CODE MUST** be visible in ACI menu for the staff loan accounts.

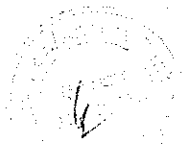
5. Customer **ID must be the same** for all the loans of an employee.

6. All staff loans with **Zero balance must be closed** under the following Scheme codes.

Housing Loans: a) STHLN, b) STHLO & c) STHLR

Additional Housing Loans: a) STAHN, b) STAHO

Vehicle Loans: a) VL2WH, b) VL4WH



7. Premium is debited for loans in the above mentioned schemes only. Where an employee has both main and additional housing loan, main housing loan (STHLR/STHLO/STHLN) is debited with premium on account of all housing loans. If an employee has only additional housing loan (STAHO/STAHN) then additional housing loan is debited.

8. All staff housing loan accounts must be maintained in the same branch.

Branches and Zonal Offices can generate the following reports available in the System :

ABREP -> ADVANCES -> STAFFHL / STAFFVL (Staff Housing Loan and Staff Vehicle Loan)

The reports so generated can be checked for correctness in all respects and confirmation to be submitted to the Zonal Offices.

Relevant Data file can be generated by Branches through the following option.

ABREP -> ADVANCES -> STAFFHLF / STAFFVLF (Staff Housing Loan Flat File and Staff Vehicle Loan Flat File).

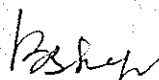
**Please note that payment of insurance premium on staff housing / vehicle loan is mandatory and not an option.**

**AT ZONAL OFFICE :**

The data for Staff Housing/Vehicle loans [in text file] can be generated in the CBS node provided at all Zonal Offices for ensuring that all the accounts under staff category are debited with insurance premium correctly.

**We once again reiterate that it is the personal responsibility of every employee to see that his/her account is covered. Hence they may check their HL/VL accounts during the month of April and see that correct insurance is remitted to avoid under / over insurance and future rejection of claim by LIC of India.**

**The contents of this Circular may be brought to the notice of all the employees.**

  
[V B Bhagavathi]  
General Manager [HR]